



Criterion 4

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1 Resource Guide for HLC Criterion 4 (2025 Revised Criteria)

Criterion 4 – Sustainability: Institutional Effectiveness, Resources and Planning. This criterion focuses on how an institution’s structures, processes, and resource allocations enable it to fulfill its mission, continuously improve educational quality, and prepare for future challenges ([Providing Evidence for the Criteria for Accreditation](#)). The 2025 revision of Criterion 4 reorganized content from the former Criterion 5 (2020 Criteria) into three core components (4.A, 4.B, 4.C) ([Criterion 5.docx](#)) ([Criterion 5.docx](#)). Each core component below includes suggested evidence types, example practices, guiding questions, and crosswalk notes (including analogous SACSCOC standards) to help institutions align with HLC’s revised expectations.

1.1 Core Component 4.A: Effective Administrative Structures

Summary: Core Component 4.A expects institutions to demonstrate that their administrative and governance structures are effective and facilitate collaboration. This includes evidence of shared governance, data-informed decision-making, and engagement of internal and external constituencies in institutional planning and decision processes ([Providing Evidence for the Criteria for Accreditation](#)). In practice, an institution should show clear organizational structures and processes (committees, councils, etc.) that involve faculty, staff, students, and external partners as appropriate in governance. (In the prior HLC Criteria, this topic was addressed under old Criterion 5.A ([Criterion 5.docx](#)). For SACSCOC-accredited institutions, it aligns with SACSCOC Principles on governance and administration, e.g. sections 4.1–4.3 on board and governance roles ([Criterion 5.docx](#)).)

Types of Evidence to Demonstrate 4.A: What evidence might an institution provide to show effective governance structures? Consider the following:

- Shared Governance Bodies: Documentation of campus governance committees and teams (e.g. faculty senate, assessment or curriculum committees, strategic planning



committee, budget committee, staff council, student government, board subcommittees), including their charges or bylaws and membership ([Providing Evidence for the Criteria for Accreditation](#)). This shows who is involved in collaborative decision-making and how roles are defined.

- Policies and Bylaws: Published bylaws, charters, or policies for governance (faculty senate constitution, board bylaws, committee charters, etc.) that outline decision-making authority and processes ([Providing Evidence for the Criteria for Accreditation](#)). These demonstrate that structures for input and oversight are formally established.
- Organizational Charts: Clear documentation of the institution's organizational structure (reporting lines, governance structure charts) ([Providing Evidence for the Criteria for Accreditation](#)). Org charts help illustrate how administrative responsibilities are distributed and how academic and operational units report up through leadership.
- Meeting Minutes and Decisions: Resolutions or meeting minutes from governing bodies (board, councils, committees) showing deliberation and decisions on institutional policies or plans ([Providing Evidence for the Criteria for Accreditation](#)). Look for evidence that different groups (faculty, staff, students) contribute and that actions result from these meetings. For example, minutes might show a faculty senate recommendation that was adopted by administration.
- Data-Informed Decisions: Examples of decisions or changes made based on evidence or assessment data (e.g. a policy change after reviewing institutional data, or resource reallocation after program review). This could be documented via reports to the board with data analysis, or an action memorandum citing assessment findings ([Providing Evidence for the Criteria for Accreditation](#)). Such evidence shows that governance processes incorporate data (closing the loop on evaluation).
- External Engagement: Evidence of the institution's engagement with external constituencies in planning or governance. For instance, advisory boards with industry/community representatives, partnerships with local organizations, or public forums for strategic planning ([Providing Evidence for the Criteria for Accreditation](#)). This demonstrates that administrative structures also reach beyond campus when appropriate (e.g. involving community in a campus master plan or strategic initiative).

Example Effective Practices for 4.A: Institutions meeting 4.A often have robust shared governance practices. For example, a university might hold annual campus-wide planning retreats that include faculty, staff, student leaders, and trustees to review key performance data and set priorities. The outcomes (documented in retreat minutes and updated plans) show broad-based input and data-informed direction. Another good practice is maintaining a policy library or repository where all governance policies (from board-level to faculty handbooks) are centrally available – this transparency supports understanding of how decisions are made. An institution might



also establish regular communication channels (newsletters, town halls) to report governance decisions back to the campus community, closing the feedback loop and ensuring accountability. Effective administrative structures are often evidenced by consistent engagement (e.g. committees meeting regularly with attendance records) and responsiveness (e.g. a history of governance groups responding to issues with documented actions).

Guiding Questions for Reflection: When evaluating your institution against 4.A, consider:

- Participation: Who is involved in institutional governance and planning? – Do faculty, staff, students, and board members each have defined roles in decision-making? Is there a culture of shared governance (e.g. joint committees or advisory groups)?
- Processes: How are decisions made and documented? – Are there formal processes (charters, rules of order) ensuring decisions are informed by appropriate input and evidence? Are meeting minutes, reports, and decisions widely shared?
- Data Use: How is data used in governance? – Can you point to instances where assessment results, program reviews, or institutional research influenced a policy or strategic decision? How do governance bodies access and use data (dashboards, reports)?
- External Input: Do you engage external stakeholders when appropriate? – For example, do advisory boards or community partners provide input on programs or plans? How does that external perspective feed into governance decisions?
- *Effectiveness: Are the structures producing results?** – Evaluate whether your governance structure leads to effective oversight and improvement. Have there been improvements or changes (academic, administrative, financial) that can be traced back to recommendations from governance processes?

By gathering documentation and answering these questions, an institution can demonstrate that its administrative structures are not only in place on paper, but actively driving improvement in alignment with HLC's expectations for Core Component 4.A.

1.2 Core Component 4.B: Resource Base and Sustainability

Summary: Core Component 4.B addresses the institution's financial and human resources, and how well they support current operations and future sustainability. In essence, HLC is looking for evidence that the institution is financially stable, responsibly managed, and plans for long-term viability while meeting its mission ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). This includes having sufficient staff and infrastructure, sound budgeting and audit practices, and balancing short-term needs with strategic long-term commitments. (Previously, this area was covered by HLC Criterion 5.B under the old



standards ([Criterion 5.docx](#)). SACSCOC has comparable standards in Section 13 for financial resources and stability (Principles 13.1–13.5) and in Principle 7.1 for institutional planning ([Criterion 5.docx](#).)

Types of Evidence to Demonstrate 4.B: What kinds of documentation show a strong resource base and sustainability? An institution might provide:

- Audited Financial Statements: Recent independent audit reports and financial statements, ideally with multiple years of data, along with Composite Financial Index (CFI) scores or other financial ratios ([Providing Evidence for the Criteria for Accreditation](#)). These demonstrate fiscal health and trends over time. For example, improving or consistently strong CFI scores ([Providing Evidence for the Criteria for Accreditation](#)) would indicate sound financial footing (HLC often expects a narrative on any CFI below a certain threshold).
- Budget Process and Controls: Evidence of a well-developed budgeting process, such as budget planning calendars, templates, and procedures that show how budgets are formulated, approved, and monitored ([Providing Evidence for the Criteria for Accreditation](#)). Documentation might include internal guidelines for budgeting, examples of budget requests with decision-making flow charts ([Providing Evidence for the Criteria for Accreditation](#)), and descriptions of financial governance (who reviews/approves budgets, role of faculty/staff in budget committees). Demonstrating that the institution regularly compares budgets to actual results and adjusts accordingly is also important (and aligns with HLC Assumed Practice D.2 on budgeting).
- Multi-Year Financial Planning: Projected budgets or pro-forma financial plans for future years ([Providing Evidence for the Criteria for Accreditation](#)). These show how the institution plans for long-term obligations and strategic initiatives. For instance, a five-year financial projection reflecting enrollment trends, new programs, or capital projects indicates proactive planning for sustainability.
- Resource Allocation to Priorities: Evidence that the institution's spending supports its mission and strategic priorities. This could be budgets highlighting allocations to instruction, student support, or strategic plan initiatives ([Providing Evidence for the Criteria for Accreditation](#)). For example, documents might show that a substantial portion of expenditures is directed to academic programs and student services in line with the mission, or that new funding was allocated to a strategic priority (with rationale).
- Facilities and Technology Investments: Documentation of investments in physical and technological infrastructure, including maintenance plans. This might include a campus master plan (for facilities improvements, renovations, deferred maintenance schedules) ([Providing Evidence for the Criteria for Accreditation](#)), IT strategic plans, or capital project plans. Evidence of addressing deferred maintenance (with budgets or completed projects) demonstrates commitment to sustaining the learning environment.



Fundraising and Advancement Results: If applicable, evidence of fundraising efforts and outcomes (campaign reports, foundation annual reports, grant funding summaries) ([Providing Evidence for the Criteria for Accreditation](#)). Strong fundraising can augment the resource base, and HLC expects that institutions know the extent of their reliance on such sources. Documentation might show the total funds raised over recent years, major gifts supporting endowments or capital needs, and how those funds are being utilized in support of programs.

- Enrollment and Human Resources Planning: Enrollment management plans, with current enrollment data and future projections ([Providing Evidence for the Criteria for Accreditation](#)), are critical since tuition revenue often drives budgets. Showing that the institution analyzes demographic trends and has recruiting/retention strategies in place will speak to future financial stability. Additionally, evidence that staffing levels and faculty qualifications are sufficient (e.g. staff rosters, hiring plans, professional development programs) can demonstrate that human resources match the institution's operating needs ([Criterion 5.docx](#)) ([Criterion 5.docx](#)).
- Financial Policies and Risk Management: Key financial policies such as investment policies, debt policies, and reserve policies ([Providing Evidence for the Criteria for Accreditation](#)). For example, an endowment drawdown policy (with explanations for any unusual deviations) shows prudent management of funds ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). Compliance with bank covenants on debt and maintaining adequate insurance or bond ratings are also evidence of financial responsibility. Additionally, procedures for monitoring expenses and budget variances fall here ([Providing Evidence for the Criteria for Accreditation](#)).
- External Financial Oversight: Any external reviews or oversight that attest to financial stability – for instance, accreditation or state agency financial reports, credit ratings (if bonds were issued) ([Providing Evidence for the Criteria for Accreditation](#)), or membership in financial responsibility programs. While not required, a stable or improving bond rating or similar external validation can powerfully evidence sustainability.

Example Effective Practices for 4.B: A hallmark of strong practice in 4.B is integrated planning between finance and strategy. For example, a college might use a rolling five-year financial plan that is updated annually in tandem with strategic plan updates – ensuring that new strategic initiatives have identified funding sources before approval. Another effective practice is maintaining a healthy financial reserve or contingency fund and a clear policy on its use, which helped some institutions navigate unexpected crises (e.g. a sudden enrollment drop or pandemic-related costs) without compromising operations. On the human resources side, successful institutions conduct regular staffing analyses to ensure adequate support for programs, adjusting hiring or training priorities as needed when new programs launch or student support



needs change. Transparency is also key: institutions that share financial information broadly—such as publishing an annual financial report or holding campus budget forums—foster trust and demonstrate accountability in resource management. In terms of sustainability, leading institutions carefully balance short-term needs with long-term investments – for instance, continuing to invest in infrastructure and technology even during tight budget years, by reallocating funds or finding efficiency savings, to avoid accumulating deferred maintenance that could harm educational quality.

Guiding Questions for Reflection: To assess alignment with 4.B, an institution should ask:

- **Financial Stability:** What do our financial indicators say about our health? – Are audit results clean (unqualified)? How are our CFI scores or other ratios trending? Do we meet state/federal financial requirements? If there have been deficits or declines, what is the plan to address them?
- **Budgeting:** How do we budget and who is involved? – Is our budget process inclusive and linked to planning (e.g. departments request budgets based on strategic goals)? Do we tie resource requests to assessment results or identified needs? Is there a clear link between the strategic plan and the annual budget?
- **Sustainability:** How are we planning for the future? – Do we have multi-year financial projections? Have we identified potential risks (enrollment shifts, economic downturns) and scenario plans to handle them? Are we addressing long-term liabilities (deferred maintenance, pension obligations) proactively?
- **Resource Adequacy:** Do we have the necessary resources (people, facilities, infrastructure) to fulfill our mission? – This involves examining student-to-faculty ratios, support staff capacity, campus facility conditions, technology bandwidth, etc. What evidence shows these are sufficient, or what plans are in place to improve them?
- **Evidence of Support:** Can we demonstrate that resources are used to support educational quality? – For example, can we show that instructional and student support expenditures are prioritized? Do we invest in faculty development, library resources, or student services at levels appropriate to our programs?
- **Continuous Monitoring:** How do we monitor financial performance and make adjustments? – Is there a committee or group that reviews financial results throughout the year? Do we have policies for budget adjustments or use of reserves if needed? How do we ensure unexpected issues are caught and managed (e.g. regular budget-to-actual reports to leadership)?

Reflecting on these questions with evidence will help demonstrate a commitment to financial and operational sustainability as required by Core Component 4.B. The goal is to show a track record of responsible stewardship of resources and a forward-looking approach to maintaining that stability ([Criterion 5.docx](#)).

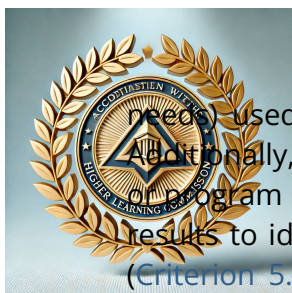


Component 4.C: Planning for Quality Improvement

Summary: Core Component 4.C requires institutions to engage in systematic and intentional planning aimed at continuous improvement of the institution. The emphasis is on having a strategic planning process that is data-informed and comprehensive, aligning various aspects of the institution (academic, financial, operational) toward improvement goals ([Providing Evidence for the Criteria for Accreditation](#)). In practice, this means the institution regularly sets goals, uses evidence (from assessment, environmental scanning, etc.) to guide its plans, and ensures that planning is an ongoing cycle (implementation, evaluation, revision). (Under the prior criteria, this was covered in HLC Criterion 5.C ([Criterion 5.docx](#)). Corresponding SACSCOC standards include 7.1 (Institutional planning) and elements of 11.1 & 11.2 (educational resources) and 13.7 (institutional environment), which all relate to planning and improvement ([Criterion 5.docx](#)).)

Types of Evidence to Demonstrate 4.C: What evidence shows a robust planning process focused on improvement? Consider providing:

- Strategic Plan Documents: The institution's current strategic plan and documentation of the planning process used to create it. This could include a history and process of strategic plan development (who was involved, how feedback was gathered) ([Providing Evidence for the Criteria for Accreditation](#)), as well as the final plan itself. Evidence might be meeting agendas from planning forums, lists of constituent groups engaged (faculty, staff, students, board, possibly external stakeholders), and how the mission and data informed the plan's priorities.
- Plan Updates and Progress Reports: Regular updates or annual progress reports on the strategic plan, showing the status of initiatives and any adjustments made ([Providing Evidence for the Criteria for Accreditation](#)). For example, an institution might produce a yearly strategic plan update that lists each goal, progress made, metrics tracked, and next steps. This demonstrates that the plan is a living document and that the institution monitors its implementation.
- Integration of Planning and Budgeting: Documentation that links planning to resource allocation – essentially showing that the institution budgets for its plans. Examples include evidence that budget requests are tied to strategic goals ([Providing Evidence for the Criteria for Accreditation](#)), or a crosswalk in planning documents linking initiatives to funding sources. Minutes from budget committees or cabinet meetings might show explicit consideration of strategic priorities during the budgeting process ([Criterion 5.docx](#)). HLC expects that assessment and evaluation results feed into planning, and that plans feed into budgeting in a continuous loop ([Criterion 5.docx](#)) ([Criterion 5.docx](#)).
- Data and Environmental Scanning: Evidence that planning is based on solid data and analysis of both internal and external factors. This could include environmental scan reports (e.g. analyses of demographic trends, economic conditions, job market



used by planners ([Providing Evidence for the Criteria for Accreditation](#)). Additionally, documents showing integration of student learning assessment data or program review findings into planning decisions (for instance, using assessment results to identify a need for a new student success initiative) would be relevant ([Criterion 5.docx](#)). Essentially, show that planning is not done in a vacuum – it relies on institutional data (enrollment forecasts, retention rates, etc.) and external benchmarks.

- Operational and Unit Plans: If the institution has sub-plans (like an academic plan, facilities master plan, technology plan, enrollment management plan), provide those and show alignment with the overarching strategy ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). For example, an enrollment management plan with targets for improving retention and completion should tie into the strategic goal of student success ([Providing Evidence for the Criteria for Accreditation](#)). Facilities or IT plans should support academic and student support goals identified. Evidence of alignment might be a matrix showing which strategic goal each unit plan supports.
- Evidence of Outcomes and Improvements: Perhaps most importantly, evidence that planning leads to action and results. This could include records of implemented changes and their outcomes: for instance, documentation of a new initiative (such as a first-year experience program) that was launched because the strategic plan identified student retention as a priority, along with data on how that initiative affected retention rates. Other examples: tracking key performance indicators (KPIs) on a dashboard ([Providing Evidence for the Criteria for Accreditation](#)), and minutes from meetings where those KPIs were reviewed and acted upon ([Providing Evidence for the Criteria for Accreditation](#)). Also, student success data (retention, graduation rates, disaggregated by groups) with analysis ([Providing Evidence for the Criteria for Accreditation](#)) can show whether quality improvement efforts are making a difference and inform next steps.
- Assessment of Planning Effectiveness: Meta-evaluation – evidence that the institution reflects on the effectiveness of its planning process itself. For example, after a strategic plan cycle, conducting a review or survey to gather feedback on what worked or didn't in the planning process. While not explicitly required, showing that you improve your planning process (e.g. by increasing involvement or better integrating assessment) demonstrates a mature approach to continuous improvement.
- Cross-Functional Coordination: Documentation of how various areas (academics, student affairs, finance, facilities, etc.) coordinate in planning. This might be in the form of a planning council or task force that brings multiple perspectives together. Evidence could be the roster and charters of such groups, and meeting notes illustrating, say, that academic assessment results and facilities plans were discussed in tandem when considering a new academic program or building. This helps prove that planning is institution-wide and not siloed.



Example Effective Practices for 4.C: An effective practice is establishing a planning calendar that integrates all major planning activities on a regular cycle – for example, five-year strategic plan with a mid-point review, annual departmental planning updates feeding into budget proposals, and periodic comprehensive reviews of programs and services. Institutions that excel in 4.C often use a dashboard of key metrics (enrollment, retention, student satisfaction, financial ratios, etc.) updated quarterly or annually to inform decision-making; this ensures that plans are adjusted based on real-time data. Another notable practice is involving a broad range of stakeholders in planning: not just top leadership, but also faculty (for academic and assessment insight), staff (for operational insight), students (for user experience insight), and external partners (for community or industry insight). For example, a community college might include local employers in planning discussions to ensure programs align with workforce needs – a practice that yields both improved programs and stronger community support. Institutions also document their improvements: a strong assurance argument might narrate several cycles of improvement, e.g., “We noticed a decline in online course success rates, so in our last plan we prioritized online learning support; we invested in a new training program for online faculty and tutoring for online students, and now success rates have improved by 10%.” Showing such evidence of identified issue → action → positive result brings 4.C to life.

Guiding Questions for Reflection: In preparing evidence for 4.C, an institution can ask:

- **Process:** Do we have a formal, ongoing strategic planning process? – Who leads it, and who is involved? Is it systematic (occurs on a schedule with clear steps)? How are priorities set and aligned with our mission?
- **Data Integration:** What data do we use in planning? – Are plans backed by relevant data (internal metrics, survey results, environmental scans)? How do assessment of student learning and evaluations of operations feed into setting goals?
- **Alignment:** Are our plans integrated and aligned? – Check that unit-level plans (academic, facilities, technology, enrollment, etc.) all connect to the institution's overarching goals. Do we have mechanisms (committees or liaisons) to ensure coordination among different planning efforts?
- **Action and Implementation:** Do we follow through on our plans? – What evidence shows that we implement the strategies in our strategic plan? Are there timelines, responsible parties, and progress tracking in place for each major initiative? How do we handle goals that are not met – do we adjust and learn from them?
- ***Impact:** How do we know our planning leads to improvement? – Can we cite specific improvements in student outcomes, programs, or services that resulted from our strategic initiatives? Are we measuring the success of our initiatives (using KPIs or other benchmarks)? And importantly, do we close the loop by using those results to inform the next cycle of planning?



Adaptability: Does our planning anticipate and adapt to change? – HLC expects institutions to be prepared for evolving external factors ([Criterion 5.docx](#)). Do our plans consider future enrollment shifts, technological changes, funding challenges, etc.? Have we built in review points to adjust the plan if conditions change (for example, the rapid shift many had to make during COVID-19 demonstrated the need for agile planning)?

By thoroughly addressing these points, an institution can showcase a culture of strategic planning and evidence-based improvement, fulfilling the expectations of Core Component 4.C. Remember that HLC's focus is not just having a plan, but having an effective planning process that leads to meaningful improvements in quality ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)).

1.4 Resources

- HLC 2020–2025 Criteria Crosswalk: Higher Learning Commission. Crosswalk Between the Revised and Current Criteria for Accreditation (2020 vs 2025) – Maps old Criteria (e.g., 5.A, 5.B, 5.C) to the revised 2025 Criteria (4.A, 4.B, 4.C) and shows related SACSCOC standards ([Criterion 5.docx](#)) ([Criterion 5.docx](#)). (Available on HLC's website)
- HLC Revised Criteria for Accreditation (2025): Higher Learning Commission, Criterion 4: Sustainability – Institutional Effectiveness, Resources and Planning. Official policy language for Criterion 4 and its Core Components (4.A, 4.B, 4.C) ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). (See HLC Policy Number CRRT.B.10.010 on Criteria for Accreditation.)
- HLC Guidance on Evidence (2024): Higher Learning Commission. Providing Evidence for the Criteria for Accreditation (2025 Criteria) – A resource document with example types of evidence for each Core Component, including 4.A, 4.B, 4.C ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). This guide is helpful for brainstorming evidence and understanding HLC's expectations for documentation.
- SACSCOC Principles Cross-Reference: Southern Association of Colleges and Schools Commission on Colleges. Principles of Accreditation (2018) – While not an HLC document, relevant sections such as Section 4 (Governing Board and Administration) and Section 13 (Financial and Physical Resources) correspond to HLC Criterion 4 components ([Criterion 5.docx](#)) ([Criterion 5.docx](#)). Institutions accredited by both HLC and SACSCOC can use this cross-reference to streamline evidence for both accreditors.
- Assumed Practices (HLC): Higher Learning Commission. Assumed Practices (2025) – Baseline requirements related to finance and planning (e.g., Assumed Practice D.2 on having a prepared budget and multi-year comparisons) that complement



Criterion 4 expectations ([Criterion 5.docx](#)). Ensuring compliance with these assumed practices supports a strong case in Criterion 4.

Each of these resources can provide further detail and context as you develop your institution's assurance argument or evidence portfolio for Criterion 4 (2025). Remember, the key is to illustrate systematic, mission-driven planning and resource management, backed by evidence, that drives continuous improvement and sustainable fulfillment of your mission ([Providing Evidence for the Criteria for Accreditation](#)) ([Providing Evidence for the Criteria for Accreditation](#)). By using this guide alongside HLC's official materials, institutions can effectively map their own practices to the revised Criterion 4 and identify any gaps to address before a comprehensive evaluation.

Bibliography