



TO: Higher Education Committee

FROM: William P. Murphy *William P. Murphy*
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SUBJECT: Marymount Manhattan College: Proposed Merger
Transaction with Northeastern University

DATE: May 29, 2025

AUTHORIZATION(S): *Bentley*

SUMMARY

Issue for Decision

Should the Board of Regents approve a transaction between Marymount Manhattan College (MMC) and Northeastern University (Northeastern), including the following actions?

1. Issuance of a charter to Northeastern – New York City (NE – NYC), with Northeastern as its sole member;
2. Amendment to the charter of Marymount Manhattan College to name NE – NYC as the sole member;
3. Merger of MMC and NE – NYC, with NE – NYC as the surviving institution; and
4. Authorization of NE – NYC to offer programs leading to postsecondary degrees upon the merger.

Reason(s) for Consideration

Required by State statute and State regulation.

Proposed Handling

This question will come before the Higher Education Committee at its June 2025 meeting, where it will be voted on and action taken. It will then come before the full Board at its June 2025 meeting for final action.

Procedural History

Many Institutions of Higher Education (IHEs) across New York State have recently experienced enrollment, financial, and operational challenges and are increasingly exploring partnership opportunities with other institutions to offer more attractive programs, share services, achieve efficiencies, and possibly operate in more than one location. In response, the Department issued [guidance](https://www.nysed.gov/college-university-evaluation/guidance-independent-institutions-higher-education-mergers) (https://www.nysed.gov/college-university-evaluation/guidance-independent-institutions-higher-education-mergers) in early 2024 to inform the field of the procedures and possibilities for mergers, consolidation, or membership between IHEs in New York, as well as potential not-for-profit partners.

The Board of Regents also adopted an amendment to section 3.59 of the Rules of the Board of Regents in April 2024 to define the parameters for mergers, consolidation, and membership between in-state independent (not-for-profit) institutions of higher education and highly qualified out-of-state independent (not-for-profit) institutions of higher education. The Regents defined a “highly qualified out-of-state institution” as an independent, not-for-profit institution of higher education that: (1) is authorized to offer degree programs in a United States state or territory other than New York State, for at least 25 years; (2) is currently certified to participate in Title IV student financial aid programs, without provisional status or sanction, for the last 5 years; and (3) has been accredited for at least 10 years by an institutional accrediting agency recognized by the United States Department of Education, and no adverse actions have been taken during such time period.

MMC seeks approval of a merger transaction with Northeastern, which would be the first such merger with a highly qualified out-of-state institution under the regulatory amendment. In order to complete the merger, and guided by the current policy of the United States Department of Education (USDOE), the institutions submitted several applications to the Department:

1. Northeastern submitted a petition to charter NE – NYC as a new New York education corporation, pursuant to Education Law §§216 and 217 and sections 3.21 and 3.22 of the Rules of the Board of Regents. Northeastern would be the sole member of NE – NYC and have certain reserved powers.
2. Northeastern applied pursuant to section 3.59(f) of the Rules of the Board of Regents for authorization of NE – NYC to offer programs leading to those postsecondary degrees currently registered to MMC.
3. Marymount Manhattan College submitted a petition to amend its charter pursuant to Education Law §219 to allow NE – NYC to become its sole member and have certain reserved powers during an interim period between Board of Regents approval and completion of the merger.
4. Northeastern and Marymount Manhattan College submitted a petition to merge NE – NYC and MMC, subject to United States Department of Education (USDOE) approval, pursuant to Education Law §223. NE – NYC would be the surviving institution.

Background Information

MMC is a private, not-for-profit liberal arts college located on 71st Street in Manhattan that is accredited by the Middle States Commission on Higher Education. It was chartered by the Board of Regents on February 24, 1961, as a liberal arts college for women. It became coeducational ten years later. MMC currently offers undergraduate programs leading to the Bachelor of Arts (B.A.), Bachelor of Science (B.S.), Associate in Arts (A.A.), Associate in Science (A.S.), Associate in Applied Science (A.A.S.), Bachelor of Fine Arts (B.F.A.), and Master of Science (M.S.) degrees. MMC's current undergraduate offerings focus on the liberal arts and sciences, business, and fine and performing arts. It is authorized to offer one graduate program in Speech-Language Pathology.¹ MMC's enrollments have been on a downward trend, decreasing from 2,150 in fall 2017 to 1,641 students in fall 2023.²

Northeastern is a large private not-for-profit research university based in Boston, Massachusetts. It has thirteen campuses in the United States, the United Kingdom, and Canada. It is known for its career-oriented programs and experiential learning model and is accredited by the New England Commission on Higher Education.

Overview of Proposed Transaction

In recent years, MMC has been impacted by the rising operating costs and declining enrollment trends facing many independent, not-for-profit, liberal arts colleges. MMC's Board of Trustees ultimately determined that it would not be feasible to secure the long-term viability of MMC as an independent institution. After exploring a number of potential partner institutions both within and outside New York, the MMC Board identified Northeastern, located in Boston, Massachusetts, as the strongest candidate. The MMC Board came to this decision based on Northeastern's commitment to current MMC students and several key initiatives of the college. The MMC Board believes that Northeastern's global reach and interdisciplinary experiential learning approach to higher education will strengthen MMC and position it for the future.

MMC and Northeastern now seek to execute a merger pursuant to Education Law §223 and section 3.59(f) of the Rules of the Board of Regents. Department staff have reviewed the application and corresponding charter petitions and found that Northeastern meets all eligibility criteria in section 3.59(f) and recommends approval of the transaction. Furthermore, the institution meets all other requirements for authorization to offer programs leading to postsecondary degrees, except that it is not required to have an independent, New York-based governing board.

Northeastern's history of successfully operating in Massachusetts and other locations, as well as documentation submitted to the Department showing its understanding of applicable laws, rules, and regulations in New York State, speaks to its capacity to operate a New York State degree-granting institution. It has strong

¹ The undergraduate and graduate programs in Speech-Language Pathology are not active at this time.

² Fall enrollment counts reported by MMC. (Source: [NYSED Higher Education Data](#))

student outcomes, including a 90% graduation rate³ and 97% retention rate.⁴ Evidence that Northeastern possesses sufficient resources includes a Federal Financial Responsibility Composite Score⁵ of 3.0 for each of the most recent five years based on available data, as well as steadily increasing enrollment⁶ and revenue⁷ over the same period. Furthermore, Northeastern has recently made significant financial contributions to support MMC's current operations, which signals a proactive approach to ensuring the merged institution will be well-positioned for long-term stability and growth.

If approved, the proposed transaction would take place in two steps. This is due to current USDOE [guidance](https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-09-15/updated-guidance-and-procedures-changes-ownership) (https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-09-15/updated-guidance-and-procedures-changes-ownership) on changes of ownership (including mergers) whereby one institution becomes an additional location of another institution. This guidance specifies that the first step must constitute a change in ownership of the acquired institution, and the second step (merger) must follow USDOE approval. The following sections describe what would happen in each step of the proposed transaction, if approved. The interim period refers to the time between Board of Regents approval and step two (merger), during which the USDOE requires separate institutions to be maintained and which is anticipated to last one to two years.⁸

Step One and Interim Period

The first step of the proposed transaction includes two actions by the Board of Regents: NE – NYC would be granted a charter, and MMC's charter would be amended.

If approved, NE – NYC will be granted a provisional charter as a New York education corporation. Northeastern would be its sole member, and its governing board would be composed of individuals with a relationship to Northeastern. During the interim period, NE – NYC will not offer its own academic programs or confer any degrees.

MMC's charter would be amended, effective immediately, to make the newly chartered NE – NYC its sole member with limited powers. As previously noted, this interim period of separate institutions before the merger is largely driven by USDOE requirements. During the interim period, the MMC Board of Trustees would be comprised of at least five individuals and include two trustees who are current members of the MMC Board, one independent member, and two members affiliated with Northeastern. MMC would continue to operate its current registered programs and

³ The graduation rate is the share of students who graduated within 8 years of entering this institution for the first time. (Source: [College Scorecard](#))

⁴ The retention rate is the share of first-time, full-time undergraduates who returned to the school after their freshman year. (Source: [College Scorecard](#))

⁵ The Federal Financial Responsibility Composite Score is a composite of three ratios derived from an institution's audited financial statements. The three ratios are a primary reserve ratio, an equity ratio, and a net income ratio. These ratios gauge the fundamental elements of the financial health of an institution. The score can range from -1.0 to 3.0. (Source: [Federal Student Aid](#))

⁶ Enrollments are reported by the institution to the [Integrated Postsecondary Education Data System](#).

⁷ Revenue is reported by the institution to the [Integrated Postsecondary Education Data System](#).

⁸ If the USDOE guidance changes, it is possible that the interim period will be shorter than currently anticipated.

confer degrees on its graduates. Powers reserved to NE – NYC during the interim period (which may not be enlarged except by further charter amendment) include that the corporation may not be dissolved and may not enter into large sum transactions without consent of the sole member, and that certain actions require approval by a supermajority of trustees (e.g., budget changes over 25%, hiring of president, change in programs or purposes, etc.).

If the second step of the merger is not realized (i.e., the transaction is not approved by the USDOE), the interim MMC Board and MMC leadership would plan to wind down operations and effectuate an orderly closure of the institution. Correspondingly, NE – NYC's provisional charter would not be made permanent in this unlikely scenario.

Step Two: Merger

The second step of the proposed transaction includes three actions by the Board of Regents: NE – NYC's charter would become absolute, MMC and NE – NYC would be merged, and NE – NYC would be permanently authorized to offer programs leading to postsecondary degrees. Approval of this step would be contingent upon notice to the Department of USDOE approval of the transaction. The merger would be completed and effective upon the next occurrence of December 31st or June 1st following such approval.

Once the merger is complete, NE – NYC will be the surviving corporation. All the property belonging to MMC will be vested in and transferred to NE – NYC, which will be subject to all the liabilities of MMC, to the same extent as if they had been contracted or incurred by NE – NYC.⁹

Following the merger, NE – NYC's sole member will continue to be Northeastern, and the board will continue to be composed of individuals with a relationship to Northeastern. At that time, MMC's existing programs as currently registered would be offered by NE – NYC, and NE – NYC would be authorized to confer the associated degrees. Additionally, NE – NYC is expected to be covered under Northeastern's accreditation by the New England Commission on Higher Education.

If NE – NYC wishes to change the existing programs or offer new programs, the institution would submit applications pursuant to the Department's standard program registration process, including Master Plan Amendments and related potential regional consultation, charter amendments, etc., as applicable.

Northeastern has committed to ensuring that all enrolled MMC students will be able to complete their current programs of study at NE – NYC. Additionally, Northeastern has indicated that full-time faculty and key employees will be offered one-year contracts at a minimum at NE – NYC following completion (step two) of the merger.

⁹ The New York State Office of the Attorney General has been advised of this proposed transaction and has no objection.

Related Regents Items

[April 2024: Proposed Amendment of Section 3.59 of the Rules of the Board of Regents Relating to Provisions for Mergers, Consolidation, and Membership with Highly Qualified Out-of-State Institutions of Higher Education](https://www.regents.nysed.gov/sites/regents/files/424brca5.pdf)

(<https://www.regents.nysed.gov/sites/regents/files/424brca5.pdf>)

Recommendation

The Department recommends that the Board of Regents take the following actions:

VOTED: That the Board of Regents grant Northeastern – New York City a five-year provisional charter, to become absolute upon merger with Marymount Manhattan College.

VOTED: That the Board of Regents approve an amendment to the charter of Marymount Manhattan College, to make Northeastern – New York City the sole member of Marymount Manhattan College with enumerated reserved powers, in anticipation of a merger of these two corporations.

VOTED: That the Board of Regents approve a merger of Marymount Manhattan College and Northeastern – New York City, with Northeastern – New York City being the surviving corporation, to be effective following notification to the Department of the receipt of any required approvals from the United States Department of Education.

VOTED: That the Board of Regents permanently authorize Northeastern – New York City to offer programs leading to postsecondary degrees, to be effective upon the consummation of the merger of Marymount Manhattan College and Northeastern – New York City.

Timetable for Implementation

If the Board of Regents approves the transaction, a charter will be issued to NE – NYC, and MMC's charter will be amended to make NE – NYC its sole member. The institutions must notify the Department within 30 days of receiving approval of the merger transaction from the USDOE. Once the merger transaction is complete, NE – NYC must notify the Department within 30 days. The final merger will be effective upon the next occurrence of June 30th or December 31st following USDOE approval. At that time, the programs currently registered to Marymount Manhattan College will be reregistered to NE – NYC, and NE – NYC will be authorized to confer the associated degrees.