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Heartbreak over Lambuth closure: Another college may take over campus soon

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Lambuth University sophomore April Denison stood outside Varnell Jones Hall and cried Thursday afternoon.

"It's like a death," Denison said, describing how she took the announcement that her school will close June 30.

"I had a plan B in case it did, but I didn't want to have to use it," said the 20-year-old English and psychology major.

Denison's professors stopped to give her hugs and words of encouragement as she wiped her eyes.

"I've only been here two years, but Lambuth has given me so much and I'm so grateful," she said.

Late Thursday afternoon Lambuth's board of trustees announced after years of financial struggles and a battle to maintain accreditation, the private Methodist-affiliated university will cease school operations at the end of June. In the meantime, Lambuth will focus on graduating roughly 90 students who will be eligible to earn an accredited degree before then.

Lambuth officials also are working to establish "teach out" agreements with four individual colleges that would allow Lambuth's undergraduates to keep their full credits and pay equivalent tuition costs if they choose to transfer to one of those four schools. Officials expect to give students more details next week.

The agreements would have to be approved by the Southern Association of Colleges and Schools, the university's accrediting agency.

"Our top priority has been our students," Lambuth President Bill Seymour said.

"It's a heart-breaking decision," he said. But under the circumstances, "It was the right decision and the responsible decision," he added.

"The spirit of the student body has been amazing on this difficult day," added board of trustees Chairman Mike Keeney.

Now that the board has made the tough decision to close school operations, Seymour said it will look at its options for maintaining a college on the campus.

"Lambuth has a responsibility to the community to continue to use this campus for a college," Seymour said.

Seymour said there are three colleges that have expressed interest in acquiring the campus.

He declined to name them all, but did confirm that preliminary conversations have occurred with the University of Memphis. U of M appears to be a strong contender to take over the campus and turn it into a public university, judging by support from the mayor of Jackson and state legislators. Further

discussions will take place over the next few weeks, Seymour said Thursday.

"The opportunity definitely exists to develop plans," he said.

In a letter dated Thursday, University of Memphis President Shirley Raines wrote to Keeney that U of M is committed to public higher education in Jackson and West Tennessee. The university currently offers classes on the campus of Jackson State Community College.

"The University of Memphis is equally committed to advancing the educational needs of Jackson and the West Tennessee area," Raines wrote. "Working with community, institutional and government stakeholders, we stand ready to expedite a plan that will continue to support those long-term goals. I look forward to meeting with you and your board to discuss how the University of Memphis may build upon those traditions and play a role in continuing to meet the education needs of our citizens."

Support for a U of M acquisition of Lambuth's campus also came in written form this week from local legislators and Mayor Jerry Gist.

"Obviously, the most desirable outcome would be for Lambuth to continue as a freestanding, self-funded institution," Gist said in his letter to Lambuth's board. "However, if this were not feasible, we would hope Lambuth could continue by allowing another university to acquire the campus and to continue offering an institution of affordable higher learning for our community."

Gist also wrote that a group of business leaders and elected officials representing the city of Jackson, Madison County, Jackson Area Chamber of Commerce, Jackson Energy Authority, West Tennessee Healthcare and Healthy Communities LLC are meeting on a regular basis to offer ideas for the campus.

On March 17, local officials met with Gov. Bill Haslam to update him on their plans. Haslam could not be reached for comment Thursday.

If Lambuth were acquired by a public institution, state officials have said state money could not be used in the purchase of a private university. The campus could be given to the state, but Lambuth's debts would have to be paid off first, and local officials likely would have to find a way to raise the money to do so.

Lambuth officials would not provide details Thursday evening about their debt load and how much an acquisition of the campus would cost.

Rep. Jimmy Eldridge, R-Jackson, said Thursday he supports a U of M campus at the Lambuth site.

Eldridge sent a letter to Keeney this week.

The letter also had the signatures of Sen. Lowe Finney, D-Jackson, and Rep. Johnny Shaw, D-Bolivar.

"We stand united in our support of the University of Memphis working with Lambuth to expedite a plan that will ensure its presence within the community as an institution of higher learning," the letter states.

"We appreciate all that Lambuth means to the Jackson community and look forward to the University of Memphis taking on the role of continuing that tradition of excellence for the future of higher education in our community," it concludes.

Lambuth officials said talks with interested colleges will take place in the coming weeks to determine the next occupant of the campus.

No easy decision

Seymour began as Lambuth's president in November 2009 with the knowledge that he would face many challenges.

"I don't regret coming here," he said. "I understood the financial and probation issues. We were trying to pull a university out of financial troubles during the worst economic times."

Seymour believes that every idea was pursued to avoid closure of the university.

"We gave it our all," he said. "At first the for-profit idea seemed good, but then it didn't. And then it was a difficult environment in recruiting students, attracting donors. We sought every opportunity, but none of them (ended up) closing. It was extremely frustrating."

Before coming to the decision to close, Keeney said all issues were "well-discussed."

"The SACS decision impacted our ability to get loans; it was like a cloud over the university," said Keeney, who graduated from Lambuth in 1988.

Keeney said Lambuth's board, which owns the university, is going to have to fund the closing and transition process.

"We would like to develop plans that would provide jobs for the faculty, maintaining the name of the university, its buildings, storing our records and continuing academic programs," Keeney said.

He said there will be many upcoming meetings to discuss and determine what the final plans will be.

The last class

Lambuth senior Van Santos will be among the last students to graduate from the university on April 30.

"I'm 11 hours away from graduating," said Santos, a Entertainment Music Industry major. "The university has told us that they're going to work with students and offer as many summer classes as possible to graduate eligible students."

Santos said he was surprised to learn the university was closing.

"There was an amazing reaction of the faculty and staff when they told the students," he said. "Everyone was in tears, but we had positive attitudes."

Santos said he planned to stay at the university another year.

"My senior year is essentially being cut short, but I'm going to soak up the time I have left," he said.

The news of the closure struck art professor Lendon Noe hard.

"You can never really prepare adequately for something like this," Noe said. "This is difficult, really difficult. We're dedicated to finishing the term. I'm not going believe that Lambuth is gone until they literally close the doors."

Additional Facts

Lambuth timeline

1843: Memphis Conference Female Institute (MCFI) is founded by the Memphis Annual Conference of the United Methodist Church. MCFI was on East Chester Street in Jackson.

1921: The Memphis Annual Conference votes to establish a coeducational institution of higher learning.

1923: The institution becomes coeducational, and the name is changed to Lambuth College in honor of Methodist Missionary bishop Walter R. Lambuth, M.D.

1924: The present campus is first occupied.

July 1, 1991: Lambuth College becomes Lambuth University.

2004: The seventh president of Lambuth, Dr. R. Fred Zuker, is elected.

August 2008: Zuker tells faculty and staff the college will not pay the 4 percent employee raises it had promised. The university reduces its contribution to retirement funds and freezes a program to increase senior faculty pay.

September 2008: Zuker resigns to take on the role as the university's chancellor to concentrate on fund raising. Longtime Lambuth professor Charles Mayo steps in as acting president.

November 2008: Zuker steps down as chancellor and leaves the university.

- Two board of trustee members who have made significant financial contributions to the university resign from the board.
- Lambuth names Jerry Israel interim president.

December 2008: Lambuth cuts staff and eliminates some athletics.

- Supporters raise money to help the university.

March 2009: A private donor gives Lambuth \$100,000.

April 2009: Lambuth payroll is delayed for the months of April, May and June. Some employees receive partial paychecks.

- Jerry Israel announces that the university's 2009-10 budget will be reduced by \$1.4 million. The budget is approved by the Lambuth board of trustees. Lambuth increases tuition costs for the third time in a five-year period. Some Lambuth staffers are laid off. Administrative and academic areas begin restructuring.

June 2009: Lambuth fails the U.S. Department of Education financial responsibility test.

- Southern Association of College and Schools (SACS) places Lambuth on probation.
- The Tennessee Higher Education Commission conducts a study on whether the University of Memphis could acquire Lambuth. Officials say that a state takeover would be the last resort and they would prefer the school to continue working as a private institution.

October 2009: Bill Seymour is elected president of Lambuth out of about 50 applicants.

November 2009: Lambuth payroll is up to date.

- SACS gives Lambuth another 12 months to resolve problems.

April 2010: Lambuth is in talks with several for-profit management groups to discuss sale of the university.

May 2010: Payroll is delayed.

- Lambuth must find a buyer by the end of June or face closure.

June through August 2010: Seymour announces that the executive committee authorizes the acceptance of a loan from its potential for-profit investors.

- The identity of the investment group is kept confidential because the parties involved signed a confidentiality agreement.
- Goals of the partnership and agreement would allow the university to remain a nonprofit and grow financially and in student body by offering more online courses and eventually online degree programs.
- The partnership later is reported to have fallen through.

October 2010: SACS visits Lambuth's campus.

- Lambuth announces Bill Cosby will be the featured speaker at a fundraising event in April 2011.

December 2010: SACS denies renewal of Lambuth's accreditation.

- Lambuth's board of trustees votes unanimously to authorize an appeal of the SACS Commission on Colleges' decision to deny the school reaffirmation of its accreditation.

Jan. 11, 2011: Lambuth files its appeal with SACS asking that it reconsider the previous month's

decision of the commission to remove the university from membership.

Feb. 21, 2011: University officials attend a SACS appeals hearing in Atlanta.

Feb. 24, 2011: SACS denies the appeal, and Lambuth files a lawsuit and seeks an injunction to temporarily stop SACS' decision to remove the school from its membership.

- U.S. District Court in Atlanta approves the injunction.

March 2011: Seymour states in an affidavit filed as part of Lambuth's legal action against SACS that the school would have had to close immediately if the injunction had not been approved because students would have lost their eligibility for state and federal financial aid. Seymour says Lambuth's accreditation status with SACS affected its ability to finalize an agreement with its investors, who pulled their offer from the table.

April 5, 2011: A fundraiser featuring Bill Cosby raises more than \$375,000.

April 14, 2011: Lambuth's board of trustees meets and votes to cease academic operations as of June 30. The university is in talks with four colleges to arrange "teach out" agreements that would allow students the opportunity to transfer and maintain their credits and pay a similar tuition rate. The agreements will have to be approved by the Southern Association of Colleges and Schools. The university also is in talks with three colleges interested in taking over the campus, including the University of Memphis.
