



**Northern Illinois
University**

Office of the President

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February 18, 2016

Karen Peterson Solinski
Executive Vice President for Legal & Governmental Affairs
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604

Dear Ms. Solinski,

I am writing in response to the recent (2/4/16) communication from the Higher Learning Commission President, Dr. Gellman-Danley, related to our ability to maintain operations despite the lack of state funding support. Like all Illinois public universities, we at Northern Illinois University (NIU) are quite concerned about the political stalemate that has resulted in no funding support being provided eight months into FY 2016. The longer the state budget impasse drags on, the more difficult it will become to recruit, support, and retain students, as well as provide needed support to faculty and staff in order to achieve our educational mission. At this time, however, NIU is not under a "threat of closure" or facing a near-term "cessation of operations" and we do not intend on filing an emergency plan. Our current ability to maintain operations despite the lack of state funding support eight months into FY2016 is strong. Further, I'd like to note that we have not publicly, or privately, indicated that our institution will close or suspend operations in the immediate future. We do, however, appreciate HLC's advocacy on behalf of students and applaud Dr. Gellman-Danley's efforts to address directly with lawmakers the grave impact our current budget impasse continues to have on public higher education in Illinois.

I want to reiterate that NIU meets HLC's Criteria for Accreditation, specifically criterion five, in that our resources, structures, and processes are sufficient to fulfill our mission, improve the quality of our educational offerings, and respond to future challenges and opportunities. NIU continues to plan for the future and we are committed to utilizing our resource base in supporting our current educational programs as well as strengthening the quality of our programs in the future. Specific responses to your questions are provided below:

1. *NIU's current cash situation and the specific financial challenges we may be immediately facing relative to payroll, vendors, and other essential expenses and services.*

NIU has sufficient revenue from current operations and has sufficient reserve funds on hand to provide adequate funding for University operations for the next several months, even though we have been without FY16 state funding for the last eight months. As a result, NIU is not facing current financial challenges relative to payroll, vendors, and other essential expenses and services.

Your Future, Our Focus

2. *Any cuts in full-time, part-time, or adjunct faculty or staff we may have recently made or plan to make in the immediate future and the effect of such cuts on classes this semester and in the fall;*

Over the last two years NIU has been working to reduce operational expenses in response to declining levels of enrollment and anticipated reductions in the level of state funding. Austerity measures we have put into place have helped us to build the critical reserves that now sustain us.

- We have reduced our cost structure through the careful management of staff and faculty attrition. We have dramatically reduced our spending on capital and capital improvement projects and are only funding those projects that are the most critical, and we have put budgetary controls in place to reduce all other spending.
- We have adopted new [budget processes](#) over the past two years guided by transparency, clarity, strategic alignment and sustainability, and we are working to implement a five-year budget cycle to better plan for the future.
- We have been implementing strategies to increase our student recruitment and retention. Freshman to sophomore retention has increased by six percent over the last two years.
- A year and a half ago we undertook a [program prioritization](#) effort, which will help us to better align our resources with our mission for long-run success. We are also conducting extensive process reengineering efforts across all aspects of our operations to ensure that everything we do is accomplished in the most efficient and effective manner possible.

3. *The impact of the financial situation on the availability of textbooks, supplies, and related educational materials that support the curriculum and on maintenance and safety on campus and at other institutional locations;*

At NIU the current state financial impasse has not impacted the availability of textbooks, supplies, and related educational materials that support the curriculum, or maintenance and safety on campus, to include other institutional locations, in any significant way. We also do not anticipate that this will become a problem unless we do not have a state budget in place within the next year. With regard to maintenance and safety issues, our campus has good facilities and a safe environment for our students. We continue to monitor facilities and make safety improvements as necessary. The local community is also a safe environment, last year reporting the lowest crime rate in 10 years.

4. *Data and expectations for fall enrollment in light of concerns prospective students may have about the stability of higher education in the state; and*

The state budget impasse has created a great deal of anxiety and uncertainty for current students, as well as for prospective students and their families across the state. While this level of instability will likely have an impact on the number of students enrolling at Illinois public universities, we are hopeful that our current retention trends and revamped recruitment efforts can offset the state's dysfunction and can minimize potential student losses to in-state private institutions and/or out-of-state institutions. Over all, our enrollment will likely be

down a modest amount do the demographic shift caused by smaller incoming classes in recent years, with larger graduating classes. Budgetary adjustments have been made to address the enrollment and other fiscal constraint.

5. *Any other information that is necessary for HLC to know. This report shall also address how your institution has handled the loss of MAP funding.*

NIU, like most public universities, is "crediting" students' accounts for their MAP grants at the levels that were originally "announced" by the Illinois Student Assistance Commission (ISAC) prior to the school year. To date, the state's nonpayment of those award funds has placed an even greater strain on the university's operating budget. However, the university is committed to supporting our students with high financial need - students who are the most vulnerable to a state budget impasse. Eventually, those receivables will be realized by the university and the students' accounts can be reconciled. In the event MAP funding is reduced, ISAC will adjust or "recompute" student awards downward. At that point, the University will likely make adjustments to the amounts that have been credited on students' accounts and work with students in the most flexible manner to recoup the amount of the adjustment. That type of scenario is routinely communicated to students due to the nature of the program and the timing of the initial award announcements. This year, at NIU, those communications went out to students at the beginning of the fall semester and then again at the beginning of the current spring 2016 semester. See Appendix.

Thank you for the Higher Learning Commission's continued advocacy for supporting students and our public higher education institutions.

Sincerely,



Douglas D. Baker
President
Northern Illinois University
Office of the President
1425 W. Lincoln Highway
DeKalb, IL 60115

cc: Lisa Freeman, Executive Vice President and Provost
Alan Phillips, Vice President for Administration and Finance
Mike Mann, Associate Vice President, State and Government Relations and Board Liaison
Carolinda Douglass, Vice Provost for Academic Planning and Development, HLC
Accreditation Liaison Officer

Appendix. Notification to NIU MAP eligible students, and larger public on status of MAP funding and NIU actions in the interim.

Students were notified via e-mail at the beginning of fall 2015 and spring 2016 semesters on status of their MAP funding and NIU's actions in the interim.

Email with custom heading and student name to each NIU MAP eligible student August 19, 2015.

"Illinois began a new fiscal year on July 1st without a State budget. As of today, there is still no budget agreement. Among other things, this means that funding for grants awarded through the Illinois State Monetary Award Program (MAP) has not been finalized. As your letter from the Illinois Student Assistance Commission (ISAC) and your Financial Aid Award from NIU indicated, announced MAP grants are always estimated pending a final State appropriation.

While we cannot guarantee it, we do anticipate that funding for MAP will be approved in the eventual State budget. However, because the State budget is not yet final, there is no final decision regarding how much MAP funding will be available for 2015-2016 grants.

NIU is committed to assisting students and we do not want you to be caught in the middle of the budget stalemate. We understand some schools have announced that they will not credit accounts with MAP until there is a final budget. We want to assure you that for fall 2015 **NIU has and will continue to credit students' accounts, based on qualifying enrollment, for the MAP Grant amount announced by ISAC while we wait for a budget and payment from the state.**

We also want to advise you that once the state budget is final, ISAC will re-compute MAP and determine the final grant amount for each student. It is possible that your MAP award could be reduced by the state and we may be required to adjust the credit. We will communicate with you whenever we have additional information.

Information about the budget impact on MAP can be found at <http://www.isac.org/students/during-college/budget-faqs.html>. If you have additional questions, please call us or contact the ISAC Call Center at 800-899-ISAC (4722) or isac.studentservices@isac.illinois.gov."

Similarly, a notification to all NIU MAP eligible students was sent at the beginning of spring 2016 semester. A copy of the mail is reproduced below.

**Email with custom heading and student name to each NIU MAP eligible student
January, 2015.**

“When we began the fall 2015 semester without a Illinois state budget, NIU decided to credit student accounts with estimated Illinois Monetary Award Program (MAP) grants for all eligible students. We did not imagine that as of today, there would still be no budget agreement or approved funding for the Illinois State Monetary Award Program (MAP).

We are resending you information that was emailed to all MAP eligible students at the beginning of the 2015-2016 year. This information is also on our financial aid homepage. We want to reiterate our commitment to you and our strong support of the MAP Grant program.

As your letter from the Illinois Student Assistance Commission (ISAC) and your Financial Aid Award from NIU indicates, announced MAP grants are always estimated pending a final State appropriation.

While we cannot guarantee it, we do anticipate that funding for MAP will be approved in the eventual State budget. However, currently there is no final decision regarding how much MAP funding will be available for 2015-2016 grants.

NIU is committed to assisting students and we do not want you to be caught in the middle of the budget stalemate. We understand some schools have announced that they will not credit accounts with MAP until there is a final budget. We want to assure you that NIU has and will continue to credit students' accounts, based on qualifying enrollment, for the MAP Grant amount announced by ISAC while we wait for a budget and payment from the state.

However, we also want to advise you that once the state budget is final, ISAC will re-compute MAP and determine the final grant amount for each student. It is possible that your MAP award could be reduced by the state and **we may be required to remove part of the MAP credit from your account. If this unlikely event occurs, NIU will work with you to explore all funding options and make flexible payment arrangements.**

We will communicate with you whenever we have additional information.

Information about the budget impact on MAP can be found at <http://www.isac.org/students/during-college/budget-faqs.html>. If you have additional questions, please call us or contact the ISAC Call Center at 800-899-ISAC (4722) or isac.studentservices@isac.illinois.gov.”

Additionally, NIU has consistently advised current and potential students on status of MAP grants through our Financial Aid landing page <http://www.niu.edu/fa/> under “What’s Trending Now” section.

What's Trending Now

About the State Budget Impasse Impact on MAP Grants

Q. How does the State of Illinois' budget situation impact the Illinois Monetary Assistance Program (MAP) Grant? (Show/hide »)

A. Illinois began a new fiscal year on July 1st without a State budget. As of today, there is still no budget agreement. Among other things, this means that funding for grants awarded through the Illinois State Monetary Award Program (MAP) has not been finalized. As your letter from the Illinois Student Assistance Commission (ISAC) and your Financial Aid Award from NIU indicated, announced MAP grants are always estimated pending a final State appropriation.

While we cannot guarantee it, we are hopeful that funding for MAP will be approved in the eventual State budget. However, until there is legislation enacted to fund the MAP program, there is no final decision regarding how much MAP funding will be available for 2015-2016 grants.

NIU is committed to assisting students and we do not want students to be caught in the middle of the budget stalemate. We understand some schools have announced that they will not credit accounts with MAP until there is a final budget. NIU has and will continue to credit students' accounts, based on qualifying enrollment, for the MAP Grant amount announced by ISAC while we wait for a budget and payment from the state.

We also want to advise students that once the state budget is final, ISAC will re-compute MAP and determine the final grant amount for each student. It is possible that your MAP award could be reduced by the state and we may be required to reduce the credit accordingly. We will communicate with you whenever we have additional information.

Information about the budget impact on MAP can be found at <http://www.isac.org/students/during-college/budget-faqs.html>. If you have additional questions, please call us or contact the ISAC Call Center at 800-899-ISAC (4722) or isac.studentservices@isac.illinois.gov.