

January 31, 2020

Dr. Gregory Thomas  
President  
City Colleges of Chicago-Kennedy-King College  
Kennedy-King College, 6301 South Halsted Street  
Chicago, IL 60621

Dear President Thomas:

This letter serves as formal notification and official record of action taken concerning City Colleges of Chicago-Kennedy-King College by the Institutional Actions Council of the Higher Learning Commission at its meeting on January 28, 2020. The date of this action constitutes the effective date of the institution's new status with HLC.

**Action with Interim Monitoring.** IAC accepted the team report for City Colleges of Chicago-Kennedy-King College. In conjunction with this action, IAC required the following interim monitoring.

**Interim Report.** An Interim Report due 2/1/2022 on (1) fall enrollments for 2020, 2021, and 2022 and an evaluation of the success of the Strategic Enrollment Management Plan (SEM) to show increases, maintenance, or declines in enrollment and any subsequent changes made to the SEM plan; and (2) the financial state of the year-end budgets for the most recent three years, including a comparison of the FY20, FY21, and projected FY22 that will confirm that institution has stabilized its finances.

In taking this action, the IAC considered materials from the most recent evaluation and the institutional response (if applicable) to the evaluation findings.

**Rationale:** The visiting team expressed concerns about Core Component 5A, team reported that "there are concerns regarding the fiscal health of the institution." According to the report the District reduced the fund balance based upon a variety of factors beyond the District's control including:

1. State budget revenue was reduced from 21% of the budget in 2015 to 6% in 2016, returning to "normal" in 2018.
2. Declining enrollments: down 21% for the District from 2014-2018 and 42% for City Colleges of Chicago-Kennedy-King College in the same time frame (with 10% in 2017-2018 alone), according to state reporting.
3. Declining tax base: reduction of 26% from 2009 to 2013 according to the S&P report. As a result, the District did not follow their own policy of contributing 3% to the reserve from 2015 to 2018.

In light of the difficult financial challenges, the District took bold, positive steps to stabilize City Colleges of Chicago-Kennedy-King College's financial situation including the sale of buildings, offering early retirement incentives, and retaining unfilled positions in the budget. However, conversations with union stewards revealed that budget cuts have resulted in eliminating or reducing resources that may have impacted enrollment for the population the institution serves (e.g., weekend and evening courses and targeted programs).

Since the institution is within a larger system, it is difficult to discern from the evidence provided how the revenue is determined based upon the budget. According to the team's report in conversations with District and campus personnel, budget allocations are determined based upon needs submitted through the budget process. With 84% of its budget going

to personnel and 500 employees to support 6,061 students, it is concerning that the institution can sustain itself with evidence of declining enrollments. All of the actions, taken by the District have had an impact on the institution.

The institution's leadership is taking the enrollment matter seriously and has led the way in the system in developing a comprehensive Strategic Enrollment Management (SEM) plan. Although the enrollment efforts outlined in the SEM plan should increase the institution's enrollment outcomes, only the actual fall enrollment results in 2020 will reveal the plan's effectiveness. Since there are a number of significant unknowns regarding future enrollment and district budget support and given the visiting team's expressed concerns, the IAC approved a monitoring report on enrollment and finances.

In two weeks, this action will be added to the *Institutional Status and Requirements (ISR) Report*, a resource for Accreditation Liaison Officers to review and manage information regarding the institution's accreditation relationship. Accreditation Liaison Officers may request the ISR Report on HLC's website at <https://www.hlcommission.org/isr-request>.

Within the next 30 days, HLC will also publish information about this action on its website at <https://www.hlcommission.org/Student-Resources/recent-actions.html>.

Please note: Revisions to HLC's Criteria for Accreditation will go into effect on September 1, 2020. Institutions will be evaluated against the revised Criteria for all reviews conducted after that date, including reviews related to previously assigned monitoring. Institutional reports submitted after September 1, 2020, that reference the Criteria should be written to the revised version. More information about the revised Criteria, including a crosswalk between the current and revised versions, is available on HLC's website at <https://www.hlcommission.org/criteria>.

If you have any questions about these documents after viewing them, please contact the institution's staff liaison Tom Bordenkircher. Your cooperation in this matter is appreciated.

Sincerely,



Barbara Gellman-Danley  
President

CC: ALO