



March 3, 2021

VIA ELECTRONIC MAIL

Dr. Philip Johnson, President
Finlandia University
601 Quincy St.
Hancock, MI 49930

Dear President Johnson:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Finlandia University (“the Institution”). This action is effective as of the date the Board acted, February 25, 2021. In taking this action, the Board considered materials from the recent comprehensive evaluation, including, but not limited to: the Institution’s Assurance Filing, the embedded Notice report the Institution submitted, the report from the comprehensive evaluation team, the report of the Institutional Actions Council (IAC) Committee, and the institutional responses to these reports.

Summary of the Action: The Board determined that the Institution is no longer at risk of noncompliance with the Criteria for Accreditation and removed the Institution from Notice. The Institution meets Core Component 5.A with concerns.¹ The Institution is required to host a Focused Visit, as outlined below, no later than May 2022.

Board Rationale

The Board based its action on the following findings made with regard to the Institution as well as the entire record before the Board:

Finlandia University (“Finlandia” or “the Institution”) now meets without concerns Criterion Three, Core Component 3.C, “the institution has the faculty and staff needed for effective, high-quality programs and student services,” for the following reasons:

- The Institution's student to faculty ratio is 9:1 and the Institution has sufficient faculty to conduct both classroom and non-classroom functions.
- All instructors are qualified according to the criteria established by Finlandia.
- The Institution has clear policies regarding the expectations for teaching, advising, service, disciplinary competency, ongoing professional development, assessment, and

¹ Because of the timing of evaluation, the Core Components cited in this letter refer to HLC's Criteria for Accreditation in effect prior to September 1, 2020. However, the required Focused Visit report demonstrating compliance must be written to the current Criteria for Accreditation.

scholarship.

- Course and teaching evaluations are conducted yearly in accordance with the policies and procedures outlined in the handbook.
- The Institution supports various professional development activities for full-time and part-time faculty, as well as release slots and sabbaticals.

The Institution continues to meet with concerns Criterion Five, Core Component 5.A “the institution’s resource base supports its current educational programs and its plans for maintaining and strengthening their quality in the future,” for the following reasons:

- Finlandia's 2020 audited financial statements show an operating margin of \$890,000.
- The Institution has reduced the total of accounts payable and accrued expenses from \$3,561,751 on June 30, 2018 to \$2,425,819 on June 30, 2019.
- Based on the Institution's audited financial statements, long-term debt decreased by \$1,073,791 from \$14,935,213 on June 3, 2018 to \$13,861,422 on June 30, 2019.
- However, encumbrances against the Institution's endowment resulted in a total of \$1,490,940 of endowment funds remaining available for investment in accordance with the institution’s investment policy in fiscal year 2020-2021, less than 12% of the total on June 30, 2019 of \$12,532,746.
- The Institution has approximately \$200,000 in non-collateralized investments.

The Board of Trustees of the Higher Learning Commission determined based on the preceding findings and evidence in the record that the Institution has demonstrated it is otherwise in compliance with the Criteria for Accreditation, Assumed Practices and Federal Compliance requirements and is no longer at risk of being out of compliance.

Next Steps in the HLC Review Process

Focused Visit: The Board required that the Institution host a Focused Visit regarding Core Component 5.A no later than May 2022.

Comprehensive Evaluation: The Board maintained the Institution on the Standard Pathway with its next comprehensive evaluation for reaffirmation of accreditation in 2024-25.

HLC Disclosure Obligations

The Board action resulted in changes that will be reflected in the Institution’s Statement of Accreditation Status as well as the Institutional Status and Requirements Report. The Statement of Accreditation Status, including the dates of the last and next comprehensive evaluation visits, will be posted to the HLC website.

In accordance with HLC policy,² information about this action is provided to members of the public and to other constituents in several ways. This Action Letter and the enclosed Public Disclosure Notice will be posted to HLC's website not more than one business day after this letter is sent to the Institution. Additionally, a summary of Board actions will be sent to appropriate state and federal agencies and accrediting associations. This summary also will be published on HLC's website. The summary will include this HLC action regarding the Institution.

On behalf of the Board of Trustees, thank you in advance for your cooperation. If you have questions about any of the information in this letter, please contact your HLC Staff Liaison, Dr. Thomas Bordenkircher.

Sincerely,



Barbara Gellman-Danley
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Finlandia University
Frederika de Yampert, Vice President for Academic Affairs, Finlandia University
Evaluation Team Chair
Thomas Bordenkircher, Vice President of Accreditation Relations, Higher Learning
Commission
Anthea Sweeney, Vice President of Legal and Regulatory Affairs, Higher Learning
Commission

² INST.G.10.010, Management of Commission Information; COMM.A.10.010, Commission Public Notices and Statements