

Reported to the Board of Trustees
March 15, 2017

University of Illinois at Urbana-Champaign

Dashboard Indicators

FINANCIAL INDICATORS AND ADVANCEMENT UPDATES BY:
UNIVERSITY OFFICE FOR PLANNING AND BUDGETING
FEBRUARY 9, 2017

REPORTED BY:
CHANCELLOR ROBERT J. JONES
MARCH 15, 2017

Peer Group



University of Illinois at Urbana-Champaign*

University of California - Berkeley*

University of California - Los Angeles

University of California - San Diego

University of Michigan - Ann Arbor

University of North Carolina - Chapel Hill**

University of Texas - Austin***

University of Washington

University of Wisconsin - Madison

University of Virginia

* No medical center.

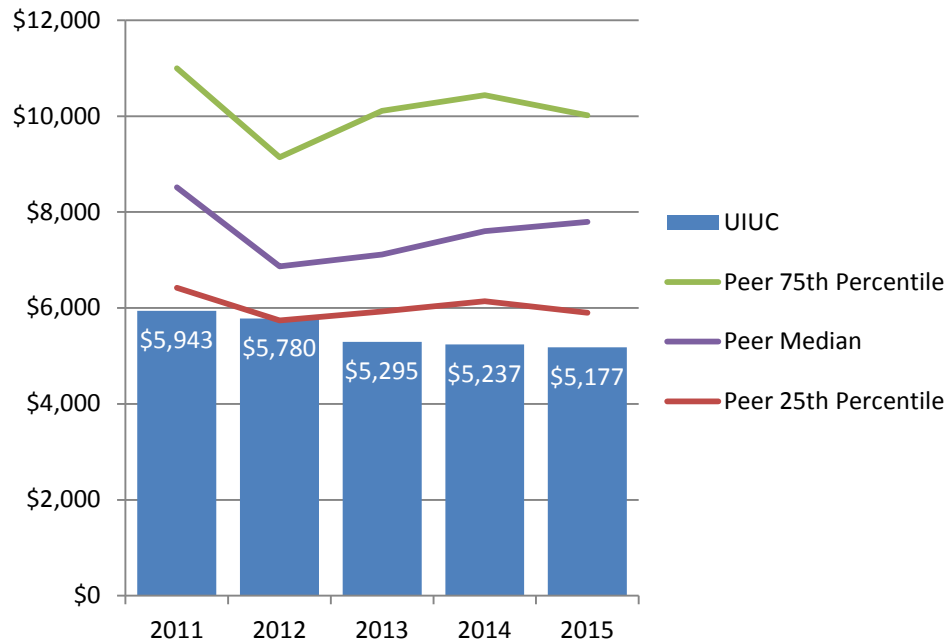
** Medical center affiliated with the university, but owned by the state.

*** An affiliated medical center is under construction and will begin operations in 2017.

Financial Indicators



State Appropriations per FTE Enrollment FY 2011 – FY 2015

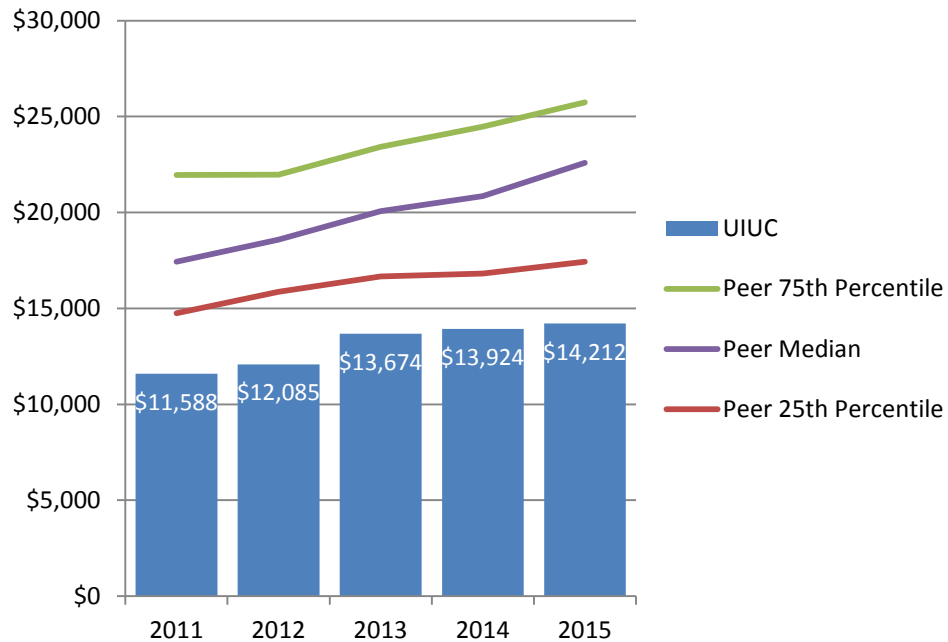


University of Illinois at Urbana-Champaign receives less state support per student than the median of its peers.

Note: Does not include any allocation of University Administration expenses or Payments on Behalf (POB) made directly by the State.

Instructional Expenses per FTE Enrollment

FY 2011 – FY 2015



Instructional expenses per student at the University of Illinois at Urbana-Champaign is lower than its peer median.

Note: Does not include any allocation of University Administration expenses.

Action Items



- Given the continuing fiscal challenges of the State of Illinois, continue to pursue cost reductions as well as strategic investments to generate new revenues in order to position the campus for financial sustainability
- ★ Continue down the path of budget reform in order to ensure that the proper incentives are in place for units to take actions that are in the best interest of students, their units, and the campus at large

● time-frame (1-2 year)

★ time-frame (3-5 year)

Overview



Areas of Strength/Accomplishments

- In response to budget impasse, have reduced budgets university-wide by \$67 million
- Launched a budgeting reform effort with the ultimate goal of building a system that is more transparent and aids strategic decision-making to help ensure the university's long-term viability
- Progress was made toward improving fiscal transparency and financial literacy university-wide. This was initiated by holding Provost's Update sessions last spring and fall and working with the Council of Deans and other administrators.
- Enrolled a record number of students in Fall 2016 Freshman class
- Secured donor funding for the majority of costs to construct the Campus-wide Design Center

Areas for Improvement

- Further growth of revenue across diverse sources
- Increase restructuring efforts within and among units to achieve greater efficiencies and reduce costs
- Develop financial reporting and projection tools that aid financial decision-making

Strategy to Address Areas for Improvement

- Diversification and growth of revenue streams:
 - In final stages of contract negotiations with Coursera (platform for online education)
 - Online MBA and Master of Computer Science in Data Science degree programs launched
 - Several other new graduate & professional degrees launched
 - Releasing a “call for proposals”:
 - Seed net revenue-generating activities
 - Motivate strategic reorganization
 - Co-invest in new instructional facilities & projects
- Budgeting reform effort well underway to address transparency, complexity, adaptability, and the need for useful financial reporting tools

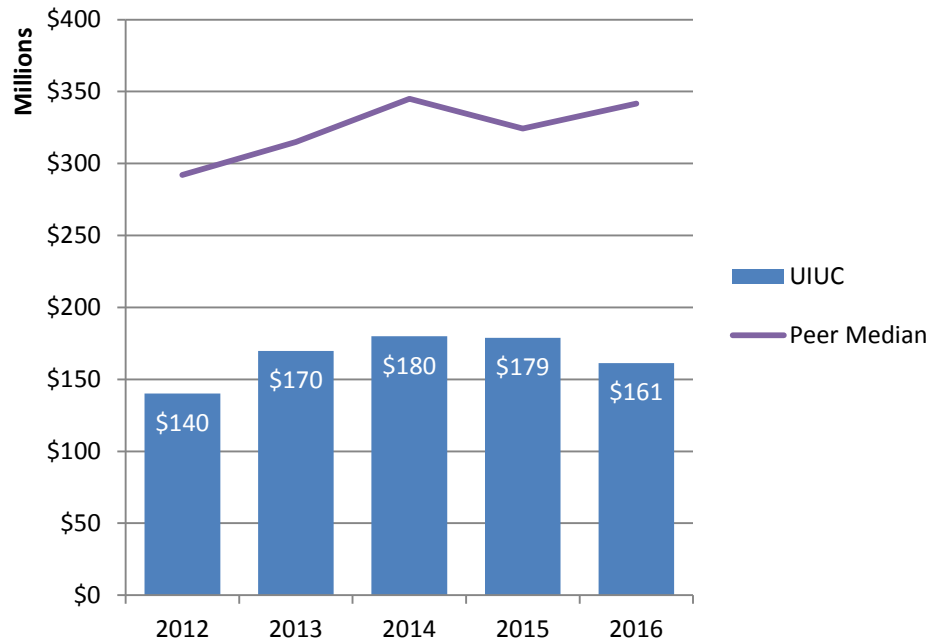
Areas to Watch

- Long-term fiscal capacity of the State of Illinois
- Continuing budget impasse in Springfield
- Status of MAP grant support from the state
- Projected increase in recurring costs in FY18 and FY19 exceed projected increase in recurring revenue
- The growing backlog of deferred maintenance
- Potential cost shift related to UA realignment

Advancement

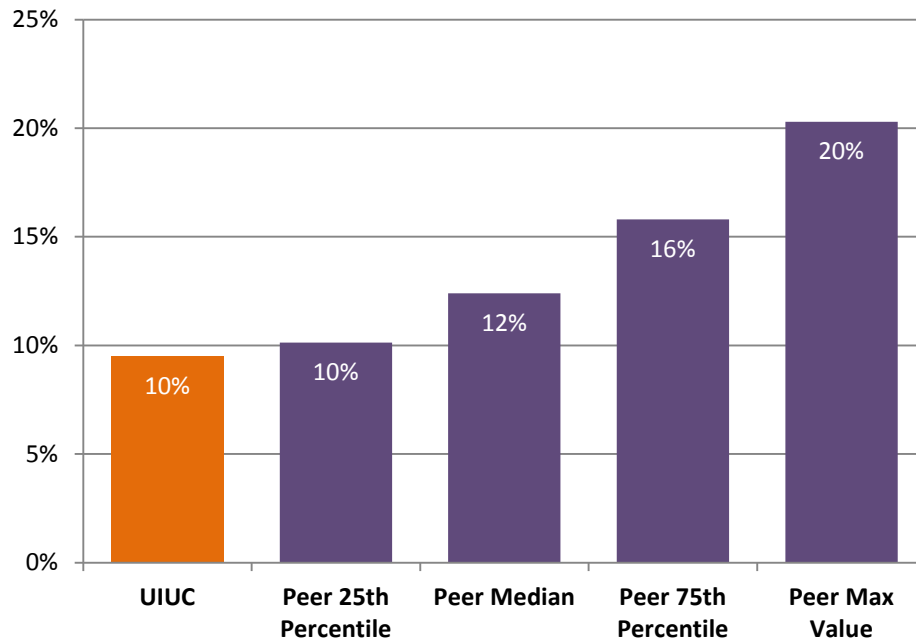


Cash Gifts Received FY 2012 – FY 2016



University of Illinois at Urbana-Champaign receives less gift income than its peer median.

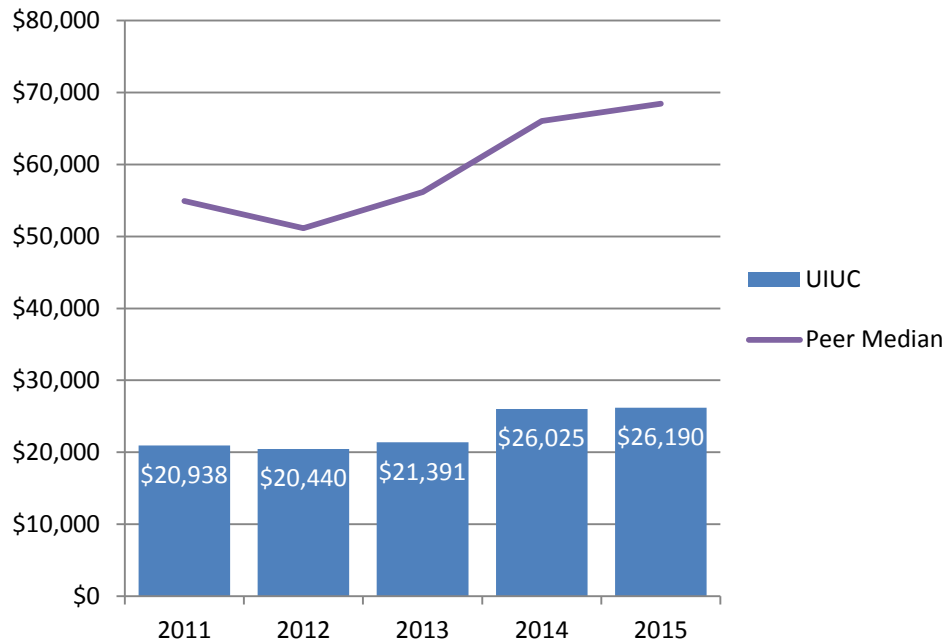
Annual Giving Rate AY 2013-14 and AY 2014-15



University of Illinois at Urbana-Champaign has a lower percent of alumni donating money than its peer median.

Note: Peer data from U.S. News & World Report, 2017 Edition. Annual giving rate is a two year average.

Endowment Assets per FTE Enrollment FY 2011 – FY 2015



University of Illinois at Urbana-Champaign has a smaller endowment per student than its peer median.

Action Items



- **Campus action item:**

- Fill open positions as we launch into the campaign; implement marketing and alumni engagement strategies

- ★ **Campus action item:**

- Grow the level of private support throughout the campaign; meet/exceed campaign goals; accomplish campaign priorities

● time-frame (1-2 year)

★ time-frame (3-5 year)

Overview



Areas of Strength/Accomplishments

- The University maintains global reputation for excellence
- Stability of academic leadership with hiring of permanent Chancellor and four deans during FY17
- Broad pool of major donor prospects
- New Carle Illinois College of Medicine gaining momentum
- FY16 New Business fundraising total the second highest in last five years
- Planning for the next campaign; public launch in Fall 2017

Areas for Improvement

- Coordinated and cohesive marketing strategy with campus to reach key constituents
- Attracting and retaining high performing major gift officers
- Broadening engagement with alumni and building donor base
- Increasing the pipeline of major gift donors

Strategy to Address Areas for Improvement

- UIF has retained a marketing consultant to assist with branding and marketing strategy for the upcoming campaign
- Our Talent Management department has implemented a pro-active strategy for recruitment of major gift officers
- Development of a multi-channeled strategy to connect with our alumni base
- Continuation of portfolio optimization efforts to identify major donor prospects

Areas to Watch

- Ongoing State budget crisis
- Adoption of our new database system
- Revised tax policies could impact charitable giving