

The Public's University: Optimizing Impact for the Public Good Strategic Framework

FY 2017 Accomplishments President Timothy L. Killeen, May 2016 through May 2017 June 8, 2017

Brief Summary:

It has been a great privilege to serve my second full year as the University of Illinois System's 20th President. Roberta and I both feel extremely honored to be part of the community of students, faculty, staff, alumni and community members making up this magnificent University System. I want to start this short personal summary of my efforts and accomplishments by reiterating the comment I made during my first day on the job: I dedicated my presidency then to the students: those present today at our institutions and those to come. This has been and will remain my "guidestar" for current and future contributions. I wish to thank the members of the Board for all the confidence and support shown to me over the past months.

This year has brought a number of continuing challenges, including, of course, the historic and ongoing budget impasse that severely limited state funding for nearly 24 months. Despite this impediment, however, the University System has prospered and we are moving forward assertively on many fronts. The Strategic Framework, developed under my leadership, after a year-long extensive consultation process, was approved by the Board of Trustees on May 20, 2016 (almost exactly a year ago). It has been a critically important guiding document for all activities during the past year. The fundamental change to move from the model of a single university with three campuses to a *system with three universities* has been very successful. It has led to actions to build aspirational leadership and more fully empower our three distinctive universities, as well as the system itself. Within this new model, we have now a set of forceful and interlinked multi-year plans – for advocacy; for strategic enrollment; for branding and messaging; for improving the statutory relationship with the State of Illinois; for improved student-centered cost and affordability pathways; for innovation and economic development; for alumni engagement; for research, scholarship and public-private partnerships; and for a major new philanthropic fund-raising campaign to be launched in October 2017. In all these areas, under my leadership, work over the past year has generated significant forward momentum across our system. I have reported on this progress in my regular Strategic Framework updates to the Board of Trustees.

We have emerged from this difficult budgetary period with our excellence and integrity intact, thanks to the commitment of talented and loyal supporters – the Board, faculty and staff, students, alumni and friends. I have seen their passion, creativity and dedication first-hand. I have worked to assemble a world-class leadership team, including the three (now) permanent Chancellors. The recruitments of Dr. Robert Jones, as UIUC Chancellor; Dr. Barb Wilson, as Executive Vice President and Vice President for Academic Affairs; and Dr. Ed Seidel, as Vice President for Innovation and Economic Development, have been successful milestones this year and all three are off to an excellent start working together in a stable, collaborative, and principled leadership team.

We can be proud of accomplishments this year. The University System has reached historic high levels of student enrollment, retention, and graduation rates, and enjoys growing levels of engagement of both Illinois natives and underrepresented minorities. We have frozen tuition for the third year in a row, with unanimous Board approval, making the University of Illinois System significantly more competitive on cost, as well as on excellence. We have found ways to preserve morale and support faculty and staff despite severe budgetary difficulties (e.g. mid-year salary program, newly-announced stellar faculty recruitment program, and gift vacation days during the holidays). We have created and are gaining support for a pathfinding piece of legislation which would stabilize and improve the relationship with the State. We have attained historic high levels of participation in innovation and economic development (startups, patents, etc.). We have found creative ways to improve and update our facilities using philanthropic and institutional sources (e.g., UIS Student Union, UIUC Siebel Center for Design, Lincoln, Turner, and Everitt halls, and the UIC College of Engineering Modular Design Building). And we have cemented new strategic partnerships with industrial companies (through a vibrant CEO Round Table that I created) and with international partners, including Mexico. The following paragraphs provide more specific detail on these and other accomplishments and are presented according to the outline of our Strategic Framework.

I. An Institution of and for *Our Students*

a. *Diversity and Inclusiveness*

Commitment to Diversity: Recruitment and Retention

Clear and ongoing commitment to diversity and inclusion: U of I has made strong and demonstrable progress in recruiting and retaining Hispanic/Latina/o and African American students in recent times. Hispanic/Latino/a and African American enrollment has increased 41.3% and 11.3%, respectively, System-wide over the last five years.

The U of I System has more than 9,200 Hispanic/Latino/a undergraduate students enrolled and 43%, 4 out of every 10, of Bachelor degrees earned by Illinois Hispanic/Latino/a students are awarded by the U of I System. We enroll over 3,800 African American undergraduate students System-wide and compared to their IBHE peer institutions Urbana, Springfield, and Chicago rank first, second, and fifth, respectively, for their percentage of African Americans undergraduates. In faculty recruitment, tenured/tenure-track, full-time African American and Latino/a faculty have also increased while the total number of faculty on our campuses have decreased.

The U of I System provides more than \$170M in financial aid to Illinois resident students, approximately \$68M of this aid going to underrepresented minorities to supplement other sources, including MAP and Pell grants. These numbers have continued to grow over the past decade. The System and its three universities offer more than 120 programs that serve primarily underrepresented groups. Currently, the U of I System and its three universities spend \$4.5M in outreach to encourage students to go to college; \$11M in academic support for students in college to improve study skills, to help with writing and math, and to provide tutoring; and \$3M on cultural programs and other support initiatives. These efforts have improved graduation rates substantially over the last decade at all three universities. (*See attached brochures and fact sheets.*)

Increased Opportunity for Minority Vendors

The University System, with Board support, approved measures to increase the goals for businesses owned by minorities and women from 15 percent to 20 percent of total spending for construction projects at Urbana-Champaign, Springfield and at Chicago's satellite campuses in Peoria and Rockford. Chicago looks to achieve a higher aspirational goal of 30 percent for construction projects, taking advantage of opportunities to impact underserved communities since most vendors certified under the state's Business Enterprise Program (BEP) are based in Chicago.

This year, the U of I System awarded the state's first "sheltered market" contracts in information technology. Under the groundbreaking initiative, 28 minority- and female-owned companies received three-year contracts to provide information technology services on an as-needed basis, augmenting existing staff on the U of I System's universities.

b. *Promote Engagement*

Advancement Activities

I have dedicated 91 work days to-date towards the cultivation of community partners and philanthropic donors to the University System. These have included:

- 41 Individual meetings/ meals with donors, prospective donors, alumni and advocates
- 22 Development Activities
 - 5 small (less than 25 guests)
 - 2 medium (25-100 guests)
 - 15 large (more than 100 guests)
- 19 Alumni Relations Activities
 - 4 small (less than 25 guests)
 - 5 medium (25-100 guests)
 - 10 large (more than 100 guests)
- 18 Athletic Events with guests
- 12 Community Engagement Activities
- 5 UIF and UIAA Board Meetings

The University of Illinois System has raised more than \$250M in gift and endowment income this past year. Major philanthropic gifts have included the Carle Hospital System support for the new Medical School in Urbana and the Thomas Siebel gift to establish the new UIUC Design Center.

President's Advancement Council was initiated this year, as planned. This Council comprises all three Chancellors, the respective Vice Chancellors for Advancement, the Executive Vice President and Vice President for Academic Affairs, as well as the leadership of the U of I Foundation and U of I Alumni Association.

Work is now well underway to transform and re-energize the Alumni Association to take better advantage of the large bodies of alumni from each of our three universities and to provide each campus with a physical "welcome center" platform to build and sustain alumni engagement and loyalty.

Significant progress on the "URO Alignment" process has been made in accordance with the goal I set last year, despite the unavoidable budgetary and staffing pressures that have sapped morale. Specifically, the Welcome Center at Urbana is now fully funded and in development. Three "university-specific" alumni association Boards are being formed – together with a central "Alumni Alliance" Board built from the pre-existing UIAA governance structure. The three Chancellors are deeply and personally engaged and involved with this very positive transformation.

II. **Research and Scholarship with Global *Impact***

a. *Innovation, Collaboration, Entrepreneurship / Research and Development / Humanities and Arts*

Strategic Public-Private Partnerships

The "CEO Round Table" that I launched soon after my arrival in 2015 has become increasingly successful with meaningful impact. Composed of approximately 10-12 CEOs from key economic sectors, this group focuses on building strategic public-private relationships – often, but not exclusively, with an Illinois emphasis. I co-chair this entity with a leading Illinois-based CEO and innumerable follow-up meetings, broad-reaching new and/or augmented strategic partnerships have been launched from the work this group has accomplished.

Illinois as an Innovation Hub

I have focused significant time and attention over this year on the Strategic Framework priority on innovation. Partnerships with Caterpillar and OSF HealthCare, for example, will build on the success of the Research

Park at Urbana-Champaign and the Innovation Center at Chicago to further secure the System reputation as a hub of innovation. A new partnership with Caterpillar and the Greater Peoria Economic Development Council has been formed to develop Catalyst, a new maker space and innovation center located in Peoria's warehouse district. A new strategic partnership has been accomplished with OSF HealthCare, which leverages the complementary strengths of the System and OSF to train and retain the next generation of health care professionals, solve big health innovation challenges, and create the infrastructure necessary to drive the innovation necessary to solve these challenges.

Innovation Ecosystem

I have worked closely with Governor Bruce Rauner and other state and city leaders over the last year to develop plans and proposals for significant innovation activities in connection with the Strategic Framework, including but not limited to, a major new effort in the Chicago metropolitan area. These plans seek to harness significant yet untapped philanthropic opportunities to support discovery and statewide research and development. This will be a continuing and important priority in the coming year.

The U of I System supports research and innovation activities that elevate ideas into sustainable businesses and global solutions. The Offices of Technology Management (OTM), IllinoisVENTURES, EnterpriseWorks, and the Research Park, together, form an innovation pipeline and ecosystem that brings together research activities, technology commercialization, entrepreneurial education, and infrastructure to effectively move ideas and innovation from the laboratory into the hands of everyday users.

I am proud of the System's progress in building the innovation pipeline over the past year. More than 245 active start-ups license U of I technologies and 48 of these are located in Illinois, creating jobs and driving economic development. Last year, the OTM at Urbana-Champaign created a new option and research-use license to help emerging start-ups get off the ground. The "lean license" grants companies an option to exclusively license technology, and during the option period, the company has a license to use the technology for research purposes. This gives companies the ability to conduct further research and development and to apply for government grants such as SBIR/STTR funding. The goal is for lean licensees to return for a commercial license when the technology and company are primed for long-term success. Vice President Seidel has launched a new internal strategic planning effort for his office, now re-dubbed the "Office of Economic Development and Innovation."

- Royalties earned increased from \$33.74M in FY15 to \$34.03M in FY16.
- Invention disclosures increased by 10.7% from 373 to 413.
- Number of U.S. patent applications increased by 14.7% from 299 to 343.
- Number of U.S. patents issued increased by 8.2% from 97 to 105.
- Licenses and options increased by 20.5% from 83 to 100.

The U of I System has ranked in the top 20 on the National Academy of Inventor's list of Top 100 Worldwide Universities Granted U.S. Utility Patents since publication of the list began four years ago.

Presidential Fellows Program

The Presidential Fellows Program within the Office of the President continues to thrive. In November 2016, I was pleased to announce the appointment of Professors Antoinette Burton of the University of Illinois at Urbana-Champaign and Lisa Lee of the University of Illinois at Chicago, as University of Illinois Presidential Fellows. Both are highly respected scholars and are sharing their talents on a part-time basis over the next year to help build on the U of I System's long legacy of leadership in the arts and humanities. In April 2017, I also announced the appointment of Professor Benét DeBerry-Spence of the University of Illinois at Chicago. As a President's Fellow, she will work part-time with me and others across the U of I System to promote innovation in support of our economic development mission. In June 2017, I was pleased to welcome Professor Don

Wuebbles of Urbana-Champaign as my fourth President's Fellow. As part of his fellowship with my office, Professor Wuebbles will work part-time to focus system effort on issues of urban sustainability, connected to our University Master Plans.

III. A Healthy Future for *Illinois* and the Midwest

a. *Engine for Economic Development*

Statewide Economic Development

During this year, I drove a process via several meetings in Chicago to initiate a new state-university system partnership, working closely with the State Chief Information Officer, Hardik Bhatt. As a consequence, in February 2017, the State of Illinois and the U of I System announced a new partnership to advance Illinois as the nation's premier "Smart State," integrating next-generation technology to improve quality of life, grow the state's economy, and retain and attract residents. In August 2016, the University System, in collaboration with the Alumni Association and Illinois Connection, hosted a day of activities promoting the System's partnership with the Greater Peoria region. Positive Outcomes in Healthcare

b. New UI Health Advisory Board

To maintain strong institutional oversight of the UI Health and Hospital System, and under the direction and support of the Board, and at my initiation, we established a UI Health Advisory Council to assist our University leaders in navigating the complexities of operating and advocating for a world-class health enterprise. The following individuals have graciously volunteered their time to serve as the inaugural members of this council:

- Robert Chrencik, *President and CEO*, University of Maryland Medical System
- Ray Greenberg, *Executive Vice Chancellor for Health Affairs*, University Texas System
- Donna Sollenberger, *Executive Vice President and CEO*, UT MB Health System
- Ron Walls, *Executive Vice President and COO*, Brigham and Women's Health Care
- Steve Wartman, *President*, AAHC
- Donald E. Wilson, *Dean Emeritus*, University of Maryland School of Medicine

In addition to this esteemed list of volunteers, the council is joined by Chairman Tim Koritz, myself, UIC Chancellor Michael Amiridis, UIC Vice Chancellor for Health Affairs Bob Barish, Hospital CEO Avijit Ghosh, and UIC Medical School Dean Dimitri Azar. A first very successful meeting has been held and a regular sequence is scheduled. The deliberations of this very experienced group will greatly aid the Board of Trustees in performing their fiduciary responsibility in this complex and fast-moving arena of large-scale health delivery and education.

c) *Connections with Other Educational Institutions*

I (or my delegates) participate in weekly calls with the presidents of the other public universities in Illinois and I have personally visited both President Schapiro and President Zimmer of Northwestern University and the University of Chicago, respectively, to build ties in the area of innovation. I have visited with several international academic leaders, including from Taiwan, South Korea, the United Kingdom, Thailand, Mexico, and Singapore. The University System continues to grow its relationships with Illinois community colleges, evidenced by our signing of a transfer agreement with City Colleges of Chicago. We are also involved in significant exploratory conversations with The John Marshall Law school about future relations and with Illinois State University and Northern Illinois University (as well as others) about intensified collaboration and student recruitment coordination, etc. We are planning a joint student recruitment effort with Western Illinois and Southern Illinois University. I have met with the Chicago Mayor's office, the leadership of Cook County and the leadership of Chicago Public Schools to develop a strategy for enhanced in-service teacher and counselor

professional development, as well as the deployment of educational modules. I participated in the Convocation for incarcerated students at Danville Correctional Center this year.

d. Civic Engagement

Illinois Connection alumni advocacy network

With the increased efforts of the Alumni Association and the Illinois Connection over the past year, considerable work has gone into advocating on behalf of the University System to our legislative and other leaders.

- Approved two UIAA/Illinois Connection calls to action and story collection campaigns
- Coordinated 27 alumni and student in district legislative meetings
- Held 29 district meetings with legislators and our Government Relations staff
- Held two alumni and student lobby days
- Hosted an “alumni in government” reception in Springfield with the Illinois Connection
- Coordinated three legislative receptions with U of I Caucus members, other elected officials and area alumni
- Recruited U of I Caucus members to speak at UIAA and U of I related events
- Hosted dinners with key alumni working in the State Capitol

Impact in Springfield

We continue to strengthen relationships with U of I alumni legislators, higher education legislative champions, and their respective staffs in Springfield. This year we hosted the University Student Advocacy Coalition in Springfield where students from all three universities met with various elected officials alongside senior leadership and U of I alums. Legislation has been drafted and passed on behalf of the University System and we have been actively engaged in amending and providing feedback on legislation that impacts the System. We also led our peer Illinois public universities in drafting two joint letters to our legislative leaders advocating for higher education in the state.

NSF Leadership and Illinois Delegation Breakfast

Coordinated by my team, a strong contingent of the Illinois Congressional delegation gathered together on Capitol Hill for a breakfast meeting with myself, other System leaders, NSF Director France Córdoba and NSF Assistant Director Jim Kurose. The event provided an opportunity for the delegation to hear about how NSF advances the frontiers of science and engineering and in particular, about the transformative research that NSF is supporting at U of I and the local and national impacts of those federal investments. With partisanship and lack of productive debates, members of Congress are hungry for opportunities to reach across the aisle. The breakfast was a model for how Republicans and Democrats can come together, just weeks before a Presidential election, to work toward a common goal. The event helped show how diverse and impactful the U of I System continues to be.

Legislative Caucus Engagement

As part of our continued efforts to engage more actively with our legislators in Springfield, our Government Relations team has worked tirelessly to increase the level of engagement from the U of I Caucus and other legislative caucuses in support of the System. These efforts include having:

- Hosted five U of I Caucus events in Springfield.
- Hosted two events with the Illinois Legislative Black Caucus, one at UIC and one in the State Capitol.

- Hosted local, state and federal Hispanic leaders for a breakfast at UIC celebrating Hispanic Heritage month, including Governor Bruce Rauner and Lt. Governor Evelyn Sanquinetti.
- Hosted two dinners with the Illinois Hispanic Caucus, both in Springfield.
- Met regularly with Black and Latino caucus leadership.
- Hosted state and federal legislators and senior staff for Urbana-Champaign athletic and alumni events and campus receptions.

We are starting to see the benefits of our continued engagement with our state leaders. We are communicating more frequently with state legislators and news is being communicated regularly through an e-newsletter that highlights our impact.

IV. Tomorrow's University Today

a. *Affordability, Access, and Completion*

Record Total Enrollment

This fall, the three universities collectively enrolled a record 81,499 students. Total enrollment increased 1.5 percent from last fall's record 80,292 students System-wide. Total enrollment, including online and off-campus students, at all three universities was at or near-record enrollment levels. In Urbana, total enrollment increased 2.4% to a record 46,951, topping the record 45,842 set last fall and the largest freshman class in its nearly 150-year history with 7,592 students, breaking a record set in 2005. At UIC, total enrollment rose 0.2 percent to 29,120, topping the record 29,048 set last fall. UIS enrollment was up 0.5 percent to 5,428, just three students short of the all-time record set in 2014.

These record numbers for the second straight year are all despite the ongoing state budget impasse that has significantly reduced state funding for both fiscal years 2016 and 2017.

Enrollment by campus:

Urbana

- On-campus enrollment this fall increased 1.8 percent, from 44,087 to 44,880
- Freshman enrollment increased 0.4 percent from 7,562 to a record 7,592
- African-American enrollment increased 9.8 percent, from 1,786 to 1,961
- Latino/a enrollment rose 11.2 percent, from 3,110 to 3,457
- Total enrollment, including online, increased 2.4 percent, from 45,842 to a record 46,951

Chicago

- On-campus enrollment increased 0.3 percent, from 28,632 to 28,710
- Freshman enrollment decreased 5.1 percent, from 3,485 to 3,307 but was offset by 24.1 percent increase in first-time transfers, from 1,569 to 1,947
- African-American enrollment increased 3.2 percent, from 1,423 to 1,468
- Latino/a enrollment increased 11.1 percent, from 4,957 to 5,508
- Total enrollment, including online, increased 0.2 percent, from 29,048 to a record 29,120

Springfield

- On-campus enrollment increased 1 percent, from 3,447 to 3,483

- Freshman enrollment increased 11.9 percent, from 268 to 300
- African-American enrollment decreased 9.5 percent, from 388 to 351
- Latino enrollment increased 15.2 percent, from 138 to 159.
- Total enrollment, including online, increased 0.5 percent, from 5,402 to 5,428

Tuition Freeze for In-State Freshman

For the third straight year, the University of Illinois System has approved no increase in base tuition for in-state freshman next fall, the longest consecutive freeze in tuition rates in 40 years. Our affordability efforts serve both students and the public good – providing the high-quality education that transforms students' lives and collectively supplying the next generation workforce that is essential to drive progress for our state and nation. Over the last decade, the System also has increased need-based institutional financial aid more than fourfold to \$84M annually.

Strategic Enrollment Planning

I led a successful effort to develop a system-wide strategic enrollment plan. Over the next five years, the U of I System will look to increase enrollment by nearly 15 percent, to more than 93,600 students across the Urbana-Champaign, Chicago, and Springfield universities.

In Urbana-Champaign, enrollment is projected to increase by 6,204 students over the next five years, from 46,951 to 53,255. The university's freshman class already ranks among the nation's largest, so enrollment gains target graduate and professional programs, with an emphasis on online programs such as a new MBA program that shows strong potential for growth.

In Chicago, enrollment is projected to increase by 4,785 students over the next five years, from 29,120 to 33,905, with more than 90 percent of growth in undergraduate programs. Recruiting efforts will be ramped up to increase enrollment to capacity in existing undergraduate programs, as well as the graduate and professional levels.

In Springfield, enrollment is projected to increase by 1,058 students by the fall of 2021, from 5,428 to 6,486. The university has plans to capitalize on its place as a national leader in online education by expanding online offerings, and will ramp up student recruiting efforts with an emphasis on downstate Illinois and the Metro East region.

b. *University-State Compact*

Investment, Performance, and Accountability Commitment and Invest in Illinoisans program

IPAC is a proposed compact between the U of I System and state that would provide predictable funding over the next five years in exchange for tangible performance goals on our part. The Invest in Illinoisans (or Triple I) program is a new commitment involving financial aid that we have added to IPAC. During the next five years of IPAC, the University of Illinois would provide a minimum of \$170M in annual financial aid to keep talented Illinois high school graduates in the state for college. It is noteworthy that IPAC now includes key financial provisions for the support of Illinois rural students, as well as under-represented minorities.

c. *Operational and Financial Sustainability*

Strategic Framework in Action

I have been sharing examples of the University of Illinois System Strategic Framework in Action in a series of presentations to the Board of Trustees. In September, I discussed enrollment and announced

the record enrollment numbers for the System. The November presentation introduced the Investment, Performance, and Accountability Commitment (IPAC). In January, the focus was on strategic enrollment, and the March presentation focused on the long tradition of cutting-edge research and creative accomplishments at our three universities. The most recent iteration of these presentations focused on our efforts in developing our human capital and the role the System plays as an economic development engine for the state.

I played a leading or supportive role in acquiring several major gifts this year, including the Carle Hospital and Thomas Siebel gifts, as well as the major matching gift from the Circle of Life Foundation.

University Administration Alignment Implementation

I charged a team, chaired by Dr. Avijit Ghosh, CEO of the U of I Hospital, to identify opportunities to improve operational effectiveness and efficiency within the System. The team recommended that any changes occur in phases so we can ensure stability and consistency in services. In phase 1, the team has advised that the following three services, along with resources used to deliver those services, be transferred from the System to the universities: 1) post-award sponsored grant administration; 2) purchasing (not including strategic procurement); and 3) budget function within Business and Financial Services. We are working closely with relevant offices and with System HR to put together a plan for such transfer by July 1.

System-level Marketing

In January 2017, University Relations rolled out the new System brand identity. New wordmarks developed that added the word "System," with versions that include updated colors to support each individual university brand. Materials and digital properties were updated to reflect the new identity. Printed materials developed for marketing the accomplishments and value of the U of I System included Pocket Facts, Impact Illinois 2017 annual report, and customized fact sheets for Government Relations staff to use for legislative meetings and federal funding agency relations.

Growth in social media activity, following, and engagement continues to be a marketing priority. More than 300 @UofILSystem Twitter followers were gained from July 2016 to April 2017, an increase of 22%. The System's Facebook presence continues to grow, with a gain of 146 fans in the same time period — a 100% increase — and more than 10,000 post engagements (clicks, likes, shares, comments). A new social network service, Storify, was added this year to create shareable, online recaps of U of I System events and initiatives through news media and social media activity, such as the Strategic Alliance Day in Peoria. To date, System stories have had 1,000+ views.

Updated System Web Presence

A cross-functional website team has been enhancing the Data page on the U of I System website throughout the year. New dashboards that feature interactive graphs, charts, and maps with data on enrollment, degrees awarded, graduate & retention rates, and enrollment & alumni by Legislative District. The team also developed an updated landing page with a user-friendly design, which gives the user the ability to filter the data by topic area. The page has had 13,000 page views to date.

In depth work has been done on re-branding of the U of I System. New web pages were developed on uillinois.edu for important U of I System initiatives and trends including the Strategic Framework, IPAC, Strategic Enrollment Management and Planning/Tuition Freeze, and Immigration and DACA.

University Senior Leadership Changes

In July 2016, we named Dr. Robert Jones the chancellor of the University of Illinois at Urbana-Champaign. An accomplished scientist and research university leader, Robert brings a significant body of relevant life and

academic leadership experience to the chancellorship. A distinguished scholar in the agricultural sciences, and a thoughtful and visionary leader in public higher education, with an exemplary record of accomplishment and a sitting university president for a research-intensive public university, he was simply ideally qualified to lead Urbana-Champaign into the future.

I am pleased to have been able to bring on Dr. Barb Wilson as the executive vice president and vice president for academic affairs in September 2016. As executive vice president, she fills a newly restructured role that establishes a clear second-in-command in the System leadership, and adds responsibilities as senior operating officer to traditional duties as chief academic officer. Barb's leadership, passion and vision have been invaluable in steering the system through a turbulent year with its excellence intact. I am delighted that she will now share her many talents to serve the entire U of I System, and elevate our standing as a global leader in education, innovation and service to the public good.

After a very strong, competitive internal search process, I was pleased to appoint Ms. Laura Clower as my new Chief of Staff in March 2017. Laura brings nearly two decades of knowledge and experience as an attorney and educator for the U of I System when she assumed her new duties on March 16. She joined the university counsel's office in 2005, and has served as senior associate University counsel since 2015. Laura has deep, first-hand understanding of our System, our universities, our opportunities and challenges, and has worked as an advisor to presidents, chancellors, provosts, deans and department heads. I am confident in her ability to coordinate daily operations of the office, manage key issues, direct special projects and collaborate effectively with stakeholders across the U of I System and beyond.

I am pleased to have appointed Dr. Ed Seidel as the vice president for economic development and innovation in April 2017. Ed's personal experience with leading-edge research and with federal and international agencies – combined with his deep understanding of the U of I System's capabilities and aspirations – has given him a rock-solid foundation for success. A longtime administrator and award-winning researcher, Ed will lead an office that works with the System's three universities to help manage their nearly \$1 billion per year sponsored-research portfolio and oversee technology commercialization and economic development activities.

We also welcomed Mr. Paul Weinberger as Director of Federal Relations in April 2017. From 2013 to 2017, Weinberger served as vice president for congressional and public affairs at the Millennium Challenge Corporation (MCC), overseeing communications and outreach strategies for an independent U.S. foreign aid agency created by Congress to help lead the fight against global poverty. Paul has played key roles in directing legislative agendas and advocating for government agencies on Capitol Hill. His first-hand experience with legislators and the congressional process will serve the U of I System well.

Administrative and Operational Efficiencies

In response to the state fiscal crisis over the last few years, the U of I System has reduced non-instructional staff by 484, about 3 percent, and reaped additional savings through reduced utilities costs and debt refinancing. The administrative staff reduction could lead to long-term savings of as much as \$1.5M per month. These reductions came mostly through attrition and nearly half of the staff loss — 202 employees — came in central System Offices (SO), where very constrained hiring has been in place since July 2015. We expect to see further reductions, up to an additional 100 administrative staff, due to the realignment of certain service units to the universities.

The U of I System financial picture is the result of efficient financial stewardship and management of resources. Energy conservation measures and moderate weather conditions resulted in \$14M in utilities savings for FY 2016. Nearly \$4M was saved by refinancing bond debt used by the system to fund various campus projects, taking advantage of low interest rates and the U of I's superior credit rating.

I have announced Phase 1 of the UA Realignment project, designed to streamline central administration wherever operational or efficiency gains can be made. In Phase 1, to be finalized in July 2017 as planned, several units are being redeployed from the central administration.

Personal and Professional Development

- APLU Council of Presidents in June and November 2016 and the APLU Annual Meeting in November 2016. We also had the pleasure of hosting the APLU Summer Meeting in July 2016 in which I gave the keynote and participated in a panel with other higher education colleagues.
- Member of the National Academy of Engineering (NAE) and this past year served as the uncompensated chair of my discipline section. I participated in the NAE Annual Meetings in October 2016 as well as the National Meeting in February 2017, both in that nation's capital.
- American Geophysical Union (AGU) Annual Meeting in December 2016.
- Higher Education Leaders' Forum in New York.
- Serve ex-officio on the Board of Argonne National Laboratory.
- Serve as the uncompensated chair of the Board of Directors for the Illinois Science and Technology Coalition.
- Interact very frequently with various state entities including the Illinois Board of Higher Education (IBHE).
- Attended the IBHE Trustee Conference held in October 2016.
- Regular meetings with emeritus leadership and other mentors and experts to better help me understand the climate and history of the University System and the individual universities.