

**Assurance Argument**  
**Illinois State University - IL**

**Review date: 10/28/2024**

## 5 - Institutional Effectiveness, Resources and Planning

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The institution's resources, structures, processes and planning are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities.

### 5.A - Core Component 5.A

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Through its administrative structures and collaborative processes, the institution's leadership demonstrates that it is effective and enables the institution to fulfill its mission.

1. Shared governance at the institution engages its internal constituencies—including its governing board, administration, faculty, staff and students—through planning, policies and procedures.
2. The institution's administration uses data to reach informed decisions in the best interests of the institution and its constituents.
3. The institution's administration ensures that faculty and, when appropriate, staff and students are involved in setting academic requirements, policy and processes through effective collaborative structures.

### Argument

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Illinois State continues to proactively secure resources necessary to support an increasingly diverse student body and provide innovative, high-quality academic programming that fosters student success. Appropriated funds have steadily increased recently, from \$65,004,000 in fiscal 2018 to \$78,217,400 in fiscal 2023 (a 20.3% increase). Despite this growth, inadequacy and uncertainty of state funding will be an ongoing university concern. Efforts to maintain academic quality and offset this uncertainty have been implemented through a modest 2.2% average annual increase in tuition and mandatory fees since fiscal 2018.

Illinois State's commitment to effective and efficient financial resource use is also evident in one of four pillars of the University's strategic plan, with several initiatives implemented to support this directive. A few of these initiatives include completing historically strong annual fundraising efforts; increasing student financial aid, with over 90% of in-state, first-year students receiving more than \$10,000 in grant and scholarship aid; delivering student persistence micro-grants supporting student retention; increasing graduate student stipends; securing \$85.2 million of federal Higher Education Emergency Relief Fund (HEERF) funds to support students and maintain university operations during the pandemic; and implementing university budget officer orientation and training. Additional efforts include administering an innovative, two-generation college scholarship program committed to investing \$1 billion in postsecondary scholarships for Chicago Public School students and their parents and investing in Milner Library's e-textbook collection that currently supports more than 2,400 students across over 140 course sections, saving students about \$233,000.

State appropriations and enrollment continue to be the primary operational revenue sources. The university remains committed to supporting high-quality programs, facilities, and experiences to ensure strong enrollment and student success while working closely with the state legislature to advocate for strategic investments in higher education.

Illinois State University has governance and administrative structures, policies, and procedures to promote effective leadership and collaborative processes to achieve the institution's vision and mission.

**[5.A.1]**

Shared governance is embedded throughout the Institution's policies, procedures, and operations. The institution's Shared Governance Policy declares the freedom of all employees to participate in shared governance, involving constituency groups throughout the institution, including the Board of Trustees, the Academic Senate, the Administrative/Professional Council, the Civil Service Council, and the Student Government Association. Each constituency group engages in governance, meetings, and activities, recommending policy and planning with university leadership.

The *Illinois State University Constitution* also provides for unit-level faculty, staff, and student engagement. Unit governance policies and procedures are codified in college or college council bylaws approved by faculty and the Academic Senate.

Policies and procedures approved by the president are codified in University Policies and Procedures. Among them is the Code of Ethics, which articulates responsibility to and respect for shared governance as institutional values. Administrator, college dean, department chairperson, and school director search and selection and performance evaluation policies, among others, guide internal constituency engagement. Another guides adjudication of alleged academic freedom violations in shared governance participation.

The Board of Trustees provides high-level oversight of university policies and practices and meets its obligations regarding financial and legal matters. The Board is actively engaged in planning for and attending to university needs and meets regularly in public session, following all relevant Illinois Open Meetings Act provisions. It annually reviews and approves an internal operating budget, a state appropriations request, and tuition rates, fees, and room/board rates. It reviews and approves capital projects, contracts and leases valued at \$500,000 or more, bond issues, and new academic programs as they arise. The Board annually reviews reports regarding grant and contract activity; promotion, tenure, and sabbatical decisions; and Division of Academic Affairs initiatives (e.g., the *Academic Plan*).

The president and staff regularly update the Board to keep trustees current with pertinent external and internal issues. Trustees also receive reports from shared governance organizations through the Campus Communication Committee. Each November, the board holds a retreat to discuss higher education issues and review board and university goals for the year. Board members regularly attend university functions, and the Trustee-in-Residence program allows each board

member to gain familiarity with a major division or college by spending at least one day each year learning about their operations and programs.

The Board of Trustees is also engaged in developing university-wide plans, such as the university strategic plan and the *Master Plan*, receiving frequent updates regarding the planning process. In the case of the University's strategic plan, the Board receives a report on annual accomplishments and metrics.

Policies and procedures for engaging internal constituencies in institutional governance can be traced to the Board of Trustees and its *Governing Document*. Additional information about the Board's role can be found in 2.A.2, 2.C.2, 2.C.3, 2.C.5, and 4.A.1.

The *Illinois State University Constitution*, approved and periodically revised by the Board, establishes the Academic Senate as the primary governing body (article V, sect. 1). It is the governing body responsible for academic matters, charged with recommending policies and procedures to the president, who makes the final decision. All internal constituencies' input into university governance is assured through the Academic Senate's composition. Voting members include 29 tenured or tenure track faculty members, one non-tenure track faculty member, one faculty associate (representing the laboratory school faculty), 21 student members (including the student body president), one representative of the Administrative/Professional Council, and one representative of the Civil Service Council.

Illinois State has the highest percentage of student representation (37%) on its Academic Senate among all Illinois public universities and benchmark institutions. The student body also elects one student to serve as a voting Board of Trustees member. Student involvement in university governance is substantive, despite the frequent change in student leadership as students graduate. Student leaders meet annually with Illinois lawmakers, most recently advocating for full Monetary Award Program grant funding (need-based aid). Students coordinate State Capitol visits with the director of public affairs and policy.

The Administrative/Professional (A/P) Council, created in 1976, encourages A/P employees' participation in shared governance. It is viewed as an integral part of the University's internal shared governance, with the purpose of serving in an advisory capacity to the administration regarding all A/P employees' general welfare. Council meetings take place twice a month throughout the academic year. The council is represented on the president's Campus Communication Committee and holds a seat on the University's Academic Senate.

The Civil Service (CS) Council, established in 1959, provides non-academic staff a voice on campus and functions as part of the University's shared governance system, with meetings taking place once or twice a month throughout the calendar year. The council is involved with several different events around campus and in the community to develop a stronger staff community. Council members serve on various university committees to support the University's planning and operational functions.

The A/P and CS Councils are discussing the potential of merging into a single, united Staff Council that includes both CS and A/P representation. Information about the merger was shared

through an online news story and a letter containing the news story sent to each CS and A/P employee delivered to on-campus mailboxes.

The Student Government Association (SGA) is recognized as the official governing body of Illinois State University students, composed of the Executive and Legislative Branch. SGA provides student perspectives considered at all University decision making levels, ensuring student voices are heard, their needs are met, and collaborative relationships with faculty and administrators are maintained. Approximately twice a month throughout the academic year, SGA members meet, report on initiative progress, and discuss issues of concern to the student body and the University community.

#### [5.A.2]

The University's strategic planning process was developed to ensure that strategic objectives could be achieved, considering current and anticipated opportunities and resources. Data are gathered through extensive consultation with campus constituents and careful study of state, regional, and national higher education environments. The institution has taken a similar data-informed approach to developing its new strategic plan.

The Office of Planning, Research, and Policy Analysis (PRPA) develops and reports on metrics for all units' use, including enrollment and graduation trends, retention rates, student demographics, and faculty profiles. PRPA compiles much of these data in its environmental scan and annual program-level reports shared with departments/schools (see 4.C.2). Metrics are standardized across academic programs, and university benchmark data are provided.

The University's performance is largely measured by assessing progress toward achieving strategic plan directives, objectives, and actions. Progress reports, providing quantitative and qualitative evidence of achievements are compiled annually for university leadership and the Board of Trustees.

In fall 2018, a steering team was charged to review the *Master Plan 2010-2030*, identify updated priorities, and provide a progress report of accomplishments since the implementation began in 2011. *The Master Plan Update 2010-2030* includes updated priorities and is in place until a new plan is developed now that the new Strategic Plan has been approved.

In Spring 2022, Illinois State partnered with COACHE to gain faculty feedback, and a Staff Success Survey was administered to gain staff feedback; results from these employee satisfaction measures have informed strategic planning priorities. The institution seeks input from key stakeholders across campus to provide professional development opportunities for faculty and staff that support their specific interests and disciplines. UAS provides expertise, frameworks, and guidance to academic and administrative units to advance their planning and institutional effectiveness efforts.

In support of student success outside the classroom, the Division of Student Affairs is committed to a division-wide approach to strategic planning and day-to-day operations. The division has created a comprehensive, systematic, and consistent approach to strategic planning, assessment,

and accreditation reporting, demonstrating alignment with the institutional resources and opportunities. In 2018, Student Affairs established an assessment team, promoting assessment best practices and supporting data-informed decision-making division-wide.

### [5.A.3]

The heart of the University is its curriculum and the faculty responsible for it. Illinois State has adopted a multiple-level review system (see 3.A.1) to ensure faculty members drive curricular and program changes, including faculty course and program proposal review at department, college, and institutional levels.

The Academic Senate's Planning and Finance Committee makes recommendations to the Senate regarding all programs, procedures, policies, and proposals having broad or long-range budgetary impact, discussing, prioritizing, and evaluating progress on University priorities. It also evaluates funding sources available to the University and analyzes policies and trends in allocating local and state resources, frequently inviting guests with expertise in high-priority areas to discuss strategies and challenges. The committee then recommends changes, as needed, in either broad goals or directions in campus planning or in budget strategies aimed at achieving those goals. It provides integral feedback to the administration regarding the University's academic priorities.

## Sources

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- 5.A.1.AcademicFreedom
- 5.A.1.AcademicSenate
- 5.A.1.AdminProfessionalCouncilMeetings
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- 5.A.1.ArticleVSection1OfISUConstitution
- 5.A.1.BoardofTrustees
- 5.A.1.BOTAcademicPlan22-27
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- 5.A.2.UAS .pdf
- 5.A.3.NewProgramDevelopment
- 5.A.3.PlanningFinanceCommitteeDocuments

## 5.B - Core Component 5.B

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The institution's resource base supports its educational offerings and its plans for maintaining and strengthening their quality in the future.

1. The institution has qualified and trained operational staff and infrastructure sufficient to support its operations wherever and however programs are delivered.
2. The goals incorporated into the mission and any related statements are realistic in light of the institution's organization, resources and opportunities.
3. The institution has a well-developed process in place for budgeting and for monitoring its finances.
4. The institution's fiscal allocations ensure that its educational purposes are achieved.

### Argument

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Illinois State University has the resource base to support its educational offerings and engages in strategic planning that ensures the institution's ability to deliver quality programming.

#### [5.B.1]

In fall 2023, Illinois State had 3,612 full-time and part-time employees. Of them, 1,387 were faculty (including departmental, non-departmental, library, and Laboratory School faculty), and 2,225 were support personnel. The University also employed approximately 6,000 undergraduate students part time and 814 graduate assistants.

Illinois State maintains standards and procedures ensuring that appropriately qualified candidates are selected for employment. Standards and procedures differ by job classification. Human Resources facilitates hiring in all classifications. Illinois State also offers development opportunities to help new employees acclimate to positions and continuing employees hone knowledge and skills.

Faculty hiring processes are outlined in section 3.C.2 and are largely governed by Faculty Appointment, Salary, Promotion, and Tenure (ASPT) policies for tenure track faculty and by Non-tenure Track Faculty Classifications and Performance Evaluation policy and the non-tenure track faculty bargaining agreement for non-tenure track faculty.

Illinois State adheres to regulations and guidelines prescribed by the State Universities Civil Service System when recruiting and hiring civil service staff. The system's classification, employment, and examination procedures include class specifications, minimum qualifications, and assessments of credentials to ensure that staff are appropriately qualified. Before posting an opening, Human Resources determines the classification and works with the hiring unit to identify additional preferred qualifications and supplemental questions. Exams are administered to applicants deemed qualified to test, based on application materials. Candidates are referred for interviews based on exam scores or credentials assessment scores.



Recruiting and hiring practices applicable to administrative/professional employees other than vice presidents, deans, and administrators in the Division of Academic Affairs are governed by university policies and procedures and by discretionary unit-level policies. Required and preferred qualifications are established by hiring units and subject to approval by Human Resources, which also classifies all positions, trains search committees, and reviews transcripts.

Hiring practices applicable to vice presidents, deans, and administrators in the Division of Academic Affairs are outlined in Administrator Selection and Search Policies. These policies prescribe the composition of search committees, whose formation is the joint responsibility of shared governance groups and university officials.

Human Resources classifies and posts graduate assistant positions. Graduate assistants must meet hiring unit qualifications and Graduate School criteria, including minimum grade point average, course load, and, for instructional hires, oral English language proficiency (see *Graduate Assistant Handbook*).

The Center for Integrated Professional Development is the principal provider of pedagogy-related professional development opportunities, offering workshops, short courses, and consultations regarding instructional technologies and their appropriate pedagogical uses. The center annually hosts a symposium at which faculty members present scholarship of teaching and learning projects and share best practices. Department/school and college research and faculty status committees, as well the Office of Research and Sponsored Programs, support new faculty members in developing their research agendas (see 1.C.3.).

The Office of the Provost sponsors several administrator trainings annually. Each summer before the start of the academic year, the office hosts training for new deans, department chairpersons, and school directors, followed by an administrator's orientation for new and symposium for continuing deans, chairpersons, directors, and their staff. Academic Senate leaders and the provost's administrative staff also attend the retreat. Training opportunities continue through Professional Development series and workshops held throughout the academic year.

Staff professional development includes programs open to all employees and programs intended for specific positions. Human Resources offers courses using multiple modalities on a variety of topics including personal and employee growth, application software, supervisor-focused development, and foundational courses. Human Resources also sponsors targeted training programs, including Family and Medical Leave Act (FMLA) training, temporary foreman training in Facilities Management, and Verbal Judo for customer service response professionals. In fall 2018, Human Resources (HR) launched an online platform for scheduling and delivering professional development programming, and the site has been updated and maintained since. The HR training unit has added a full-time coordinator and, in collaboration with other units, reaches out to staff, faculty, and administrators regularly. LinkedIn Learning is available to all Illinois State University employees, and the first Leadership Certificate cohort began in fall 2023.

The Capital Planning and Budget Team, composed of representatives from each division and shared governance constituency, annually recommends academic and non-academic capital priorities to the president and cabinet. The president ultimately review capital projects to the

Board of Trustees for its consideration when approving the annual state appropriations request. Factors considered when identifying and prioritizing facilities projects include the space's condition and utilization, programmatic needs, cost, and *Master Plan* and university strategic plan alignment.

The University strategically invests in capital assets as resources are available, having devoted auxiliary funds of over \$42 million to renovate the Bone Student Center complex and \$12 million to expand Watterson Commons food preparation facilities. The Athletics Department raised donor funds to construct a new indoor practice facility. Each year, the University strategizes the best use of general revenue funds, which derive from appropriated funds, income funds (tuition), and funds from student fees. One such fee is the Academic Enhancement Fee, which supports instructional facilities and technology infrastructure. From general revenue, the University invests in cyclical classroom and instructional technology upgrades of at least \$2.5 million. Larger projects are also evaluated. A key lecture hall, the Center for the Visual Arts Rotunda, was renovated for \$9 million. Anticipating receiving state of Illinois funding for the Wonsook Kim College of Fine Arts complex improvements, the University spent \$15 million renovating three campus buildings to accommodate classes, laboratories, and staff during construction. Plans are underway for several other investments, including building renovations for the new College of Engineering (\$65 million), Mennonite College of Nursing's Simulation Center expansion (\$18 million), and construction of STEM/Science classroom/laboratory space (\$60 million.) The University is awaiting release of state of Illinois funds for the appropriated Milner Library rehabilitation (\$89.2 million). Auxiliary funds are reserved to support a new housing and dining complex, once approved (\$175 million).

Illinois State's technology infrastructure is modern and reliable, with technology resources directed to projects within the university's strategic plan's goals. The University Information Technology Portfolio Council, which has representation from cross-campus leadership, makes decisions regarding project priority and resource allocation.

The three primary enterprise systems (student information, human resources, and finance) are now located in the cloud, which supports business continuity and offers scalable services during peak usage times. The Learning Management System (LMS) is a new, fully cloud-hosted system that will better integrate with other campus systems, offer new features, and provide an enhanced mobile device experience. The University installed and continues to upgrade a high-performance computing cluster to support student and faculty research requiring intensive computation. In 2019, the University began phasing in a complete upgrade to its wired network, with expected completion in 2025. A two-year project to update the wireless network began in 2023. A multiyear data center server upgrade offering more scalability, operational effectiveness, and sustainability was completed in 2023. Resources have been reallocated in support of stronger information security. Security staff have been added (50% staff increase since 2019), and security software tools have been purchased (\$250,000) to safeguard endpoints, servers, and communication platforms.

Illinois State has an extensive set of information technology policies that guide the administration of its enterprise data repository, which stores institutional data that inform university decisions. The policies address data classification procedures, data security, security

incident reporting, and roles and responsibilities regarding enterprise data management. The policies provide for Data Governance. The University has a solid data governance structure in place to ensure institutional data is reliable, accurate, and appropriately secured.

**[5.B.2]**

Strategic planning is embedded throughout the institution's culture. Divisions and units are encouraged to adopt strategic and tactical plans aligned with the vision, mission, and objectives of the University's strategic plan, which lead to meeting realistic and attainable objectives (see section 1.A). The most recent strategic plan was approved by the Board of Trustees in May 2024.

Each year, the Office of the Vice President for Academic Affairs and Provost works closely with the Academic Planning Committee, an external committee of the Academic Senate, and constituent units of the Division of Academic Affairs to articulate near-term academic division initiatives in the *Academic Plan*, which also includes strategic plans for the colleges and graduate school.

Enrollment Management and Academic Services developed a strategic enrollment management plan that provides short- to mid-term recommendations to address enrollment challenges. Enrollments have remained steady in the past 10 years, slightly increasing from fall 2015 with 20,760 students to fall 2024 with 21,546. These levels stabilize the University's tuition and fee revenue resources and reflect a higher percentage of historically underrepresented students. In total, underrepresented groups increased from 21.2% of total student enrollment in fall 2015 to 32.9% in fall 2024. Fall 2024 saw the largest freshman class in its history, with nearly 45% of freshmen and 34% of all students coming from traditionally underrepresented groups.

**[5.B.3]**

The University budget is developed using a modified incremental model, with prior-year expenditures providing a starting point for budgeting and other factors considered, including unfunded federal and state mandates, new incremental funding, and strategic plan priorities.

Illinois State effectively utilizes funds and money management as shown in audited financial statements, including but not limited to the debt burden ratios, deferred inflows of resources, and net operating revenue ratios on the noted pages. The University continues its long-standing policy of conservative use of debt with an average debt burden ratio around 2.85% over the last 10 years, well below the industry standard (8%).

Debt ratings significantly affect the cost of borrowing money. As a result of conservative fiscal practices, consistent enrollment, and improved state of Illinois debt ratings, the University's debt ratings from Moody's were upgraded in March 2023 to an A3 rating with a positive outlook for both revenue bonds and certificates of participation. Standard and Poor's affirmed an A- rating and upgraded the outlook to positive for Illinois State.

Developed over many years, Illinois State has a budgeting process that begins at the unit level and builds to the college, division, and university levels, concluding with the Board of Trustees

approving internal operating budgets and state appropriations requests. Each year, external auditors, in tandem with the Office of Auditor General, review the university's fiscal soundness by testing internal controls and compliance practices. The documents demonstrating budgeting compliance have been provided to the auditing firm, FORVIS. Budget managers are provided with initial and ongoing training. A Cognos-based budget system is securely provided to budget managers to access accounts within their responsibility. Real-time reports and dashboards provide detailed and summary-level operating and personnel fiscal information to operational staff and department leadership for expenditure monitoring, planning, and decision-making.

The Division of Academic Affairs uses its Academic Impact Fund to ensure funds to retain tenure-line faculty needed to teach academic programs. When tenure-line faculty positions are vacated due to retirements or resignations, authority to fund the positions reverts to the Academic Impact Fund rather than to the general fund. Academic units work within each college to prioritize instructional needs, and the colleges, in turn, request funding authorizations from the Office of the Provost. This process promotes ongoing review of tenure-line faculty needs across campus and allocation of limited funds to programs aligning with university, college, and unit priorities.

The Division of Finance and Planning and the Division of University Advancement also follow a modified incremental budgeting model. Budgeting in the Division of Student Affairs is connected to departmental strategic planning, with established intended outcomes, key performance indicators, action steps, and assessment methods to determine whether key performance indicators are met. In building the annual budget, division leadership considers progress toward intended outcomes, actions still needed, and any emerging issues and trends identified.

Illinois State maintains a policy of protecting its fiscal assets and spending them strategically. As a result, the University has maintained positive fiscal health. Net assets have steadily increased, from \$573,975,000 as of June 30, 2018, to \$651,783,000 on June 30, 2023 (a 13.6% increase). Additionally, assets available for any lawful purpose (unrestricted net position) increased from \$99,725,000 as of June 30, 2018, to \$135,755,000 on June 30, 2023.

Net operating revenues ratios remain positive, increasing from .79 on June 30, 2021, to 2.62 on June 30, 2022. This is an expected range of ratios, which is lower than the last review in fiscal 2018. Fiscal 2018 was elevated to 7.54 due to the impact of the fiscal 2016-2017 state of Illinois budget impasse, resulting in delayed revenue recognition of a large portion of fiscal 2017 state appropriation until July 2018.

Evidence of Illinois State's overall fiscal health is also found in the institution's Composite Financial Index (CFI). CFI scores are used by Illinois State University as a benchmark and provide a holistic perspective of the institution's overall financial health. Illinois State's annual CFI (including Governmental Accounting Standards Board) scores have ranged from 2.77 to 3.98 during the past five years providing another indicator of the institution's positive fiscal health.

In fiscal 2023, the appropriated funds were \$73,100,000, representing an increase of 12.5% over the five-year period, which has allowed tuition increases to remain modest at an average of 1.3% and mandatory student fees averaged 6.5% per year. Overall, tuition and mandatory fees have increased an average of 2.3% per year since fiscal 2018. Implemented in fiscal 2020, the Academic Enhancement Fee is one of the mandatory student fees and was established to aid in the delivery of instruction through appropriate learning environments and supportive infrastructure. The fee has had a tremendously positive impact on the University's ability to offer enhanced and modern learning spaces for students. Examples include renovating Julian Hall for the new cybersecurity program, reclaiming space in DeGarmo Plaza for improved instructional spaces, and modernizing the Center for Visual Arts Rotunda. The fee also funds many smaller projects including classroom upgrades, learning software, lab improvements, mechanical infrastructure to maintain health and safety, and enhancements to make spaces more comfortable and productive.

On January 25, 2024, the Board approved differential tuition based on factors like field of study, student demand, and instructional costs. This model generates extra revenue for a limited number of high-cost programs, enabling the University to attract top faculty and enhance learning experiences through improved facilities and technologies.

*U.S. News and World Report* recognizes Illinois State as one of the Best Value Schools in the nation. *Washington Monthly* includes the University on its Best Bang for the Buck list in the Midwest, ranking Illinois State in the top 30% of four-year higher education institutions for graduates' return on investment.

Integrity is a core value of Illinois State demonstrated by policies and procedures developed over many years for monitoring university expenses and ethically stewarding university resources. These university fiscal policies are reviewed and updated to maintain good fiscal processes throughout the University.

State law requires that state agencies, including public universities, establish internal and fiscal control systems. The president is responsible for compliance and annually certifies to the Illinois Auditor General whether university internal control systems fully comply with statutes. The Office of Internal Auditing regularly audits fiscal processes and assesses the adequacy of established internal controls. It is independent of other campus units, conducts regularly scheduled reviews, and reports directly to the president. The *Office of Internal Auditing Annual Report* provides the annual plan in addition to any open observations with each of the four divisions currently in progress to be revised. An administrator or unit head may also request an internal audit.

Illinois State annually prepares financial statements in accordance with Governmental Accounting Standards Board principles. Special assistance auditors retained by the state of Illinois Office of the Auditor General (OAG) audit these statements. In addition, OAG annually commissions an audit of university compliance with state and federal regulations with results reported in an annual report. Reports since the last HLC accreditation review are publicly available on the Office of the Comptroller website (for a few examples, see Financial Audit Report and Compliance Examination Report).

The Legislative Audit Commission assures compliance with funding sources and guidelines pertaining to each type of funding source. Each year the Commission reviews audits of all state agencies and calls before it for questioning representatives of agencies with significant audit findings. Illinois State has not been called to appear before the commission in the last decade.

**[5.B.4]**

The University's strategic plan identifies delivery of quality educational programs as a core institutional endeavor. Alignment with this core mission is a key criterion in the resource allocation process, thereby protecting educational programs from diversion of funds to activities not supporting the institution's academic mission. Long-standing shared governance structures and processes ensure that open discussion and debate among internal constituencies occur before any such diversion could be approved by the Board of Trustees.

The University has no superordinate entity to which it could divert funds, as the University is a legal entity separate from the state. By state statute, tuition revenue has been retained by the University to fund its programs and services. The University complies with regulations for each fund type and protects appropriated dollars and income fund revenue for allocations to support its educational mission. Fiscal managers and university leaders are versed in the various purposes of each fund type.

The above budgeting process allocates fiscal resources sufficient to support academic programs and student support services. The Division of Academic Affairs uses three additional funding mechanisms to provide flexibility in responding to changing student demands for academic programs.

Summer session budgets start with a permanent base amount, adding an increment to cover merit increases if instituted and allocating a temporary supplement based on projected department/school needs. Funds are also allocated to design online versions of high-demand courses.

The full-cost recovery and contract course model is used to deliver certain courses and programs off-campus to students who would not otherwise enroll at Illinois State. The FCR model has also been used in recent years to deliver the online RN to B.S.N. program. The full-cost recovery and contract funding model enables course delivery outside the regular academic unit budget, provided incremental revenue covers incremental costs associated with course delivery.

RERIP (Recruitment Enrollment Incentive Program) is an incentive-based funding program providing academic units the opportunity to earn operational funds. Most recently made available by the vice president of Academic Affairs, RERIP funds are based on academic units' successful recruitment and retention efforts within two student categories: headcount growth and success data.

The Illinois State University Foundation is an autonomous nonprofit organization responsible for stewardship of funds gifted to the University, with assets growing through increased giving and investment gains. Currently, endowed funds are valued at approximately \$201 million, a growth

of \$25 million over five years. The endowment supports student scholarships, professorships, research, academic programs, and co-curricular opportunities. Fiscal 2024 surpassed fiscal 2023 fundraising by at least 16%. Birds Give Back, an annual giving day, started in 2019, broke records in 2024 with over 4,415 individual gifts totaling over \$1.6 million. Foundation and university resources have been allocated to a new customer relationship management database (Salesforce) that enhances donor relations and online gift-giving functionality.

Illinois State invests in the campus by maintaining and enhancing facilities, particularly those utilized by students. Examples include designing the Multicultural Center, which equips students to value intersectional identities and enact a culture of anti-racism, equity, and justice; revitalizing Watterson Dining Services, which provides 8,000 meals per day to students; and repurposing part of Julian Hall, which houses the cybersecurity program.

Financial Compliance notes demonstrate our audit and compliance findings regarding state and federal guidelines for those areas that the university is working on to improve fiscal accountability, as well as those areas that have been completed and are now in compliance. An analysis of operations and financial ratios is included.

Illinois State University effectively allocates funds through yearly audited financial statements. The University can review through third party external auditors its fund utilization and determine that monies are being allocated properly through guidelines.

Current findings in accordance with the *Governmental Accounting Standards Board (GASB) Report* is provided by third-party external auditors to ascertain compliance according to governmental standards. The report describes the scope of testing of internal controls and compliance and results of that testing. Regarding this report, GASB57 related to leases on university campuses was updated and made necessary modifications on reporting for the University to recognize certain lease assets and liabilities.

Each year the Student Fee Review Committee reviews mandatory student fees charged, including previous allocations, departmental/area budgets, alignment of use with the student fee definition, and additional needs to be addressed for the next fiscal year. Once the committee develops a recommendation, it is reviewed by several individuals as per the charge and is considered when the resolution is forwarded to the Board of Trustees.

## Sources

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- 5.B.1.Administrator Selection and Search Policies
- 5.B.1.APEmployeesISU
- 5.B.1.ASPT
- 5.B.1.BargainingAgreement
- 5.B.1.CanvasMigration
- 5.B.1.CapitalRequestsFY25
- 5.B.1.CIPD
- 5.B.1.CivilServiceStaffISU

- 5.B.1.F2020-22FactSheets
- 5.B.1.FacilitiesAnnualReports
- 5.B.1.GraduateAssistantHandbook
- 5.B.1.HPC
- 5.B.1.HR
- 5.B.1.HRProfDev
- 5.B.1.InformationTechnologyPortfolioCouncil
- 5.B.1.ISUDataGovernance
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## 5.C - Core Component 5.C

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The institution engages in systematic and integrated planning and improvement.

1. The institution allocates its resources in alignment with its mission and priorities, including, as applicable, its comprehensive research enterprise, associated institutes and affiliated centers.
2. The institution links its processes for assessment of student learning, evaluation of operations, planning and budgeting.
3. The planning process encompasses the institution as a whole and considers the perspectives of internal and external constituent groups.
4. The institution plans on the basis of a sound understanding of its current capacity, including fluctuations in the institution's sources of revenue and enrollment.
5. Institutional planning anticipates evolving external factors, such as technology advancements, demographic shifts, globalization, the economy and state support.
6. The institution implements its plans to systematically improve its operations and student outcomes.

### Argument

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Illinois State University engages in systematic and integrated planning to guide its operations. The planning centerpiece is the University's strategic plan, to which all other plans link and from which all programs and services emanate.

#### [5.C.1]

Illinois State continues to align the allocation of resources with the University's Core Values from the recently retired strategic plan and with those of the new plan. Illinois State's president commissioned a 24-member task force to obtain input and engagement with internal and external stakeholders and to develop the plan. Annual reports highlight progress and accomplishments of the plan's strategic directions, objectives, and actions and are provided to University leadership and the Board of Trustees.

The University Budget Office assists fiscal managers in setting budgets that align resource allocation with strategic planning. Fostering a culture of collaboration and accountability, the Budget Office works closely with fiscal managers to review data, navigate the budget system, and meet fiscal management objectives. The annual internal budget process provides the opportunity to analyze existing budgets and data trends, assess and plan for future needs, and set new fiscal year opening budgets aligning with the Institution's strategic priorities. Strategic Budget Carryover (SBC) provides units the option to carry over funds from one fiscal year to the next, allowing them to plan expenses that require strategic fiscal planning.

The Board of Trustees approves two budget documents each October: a request for state appropriations and an internal budget. The state appropriation request includes operating and

capital development funds for the fiscal year beginning the following July 1. The request is largely based on the prior fiscal year appropriation, strategic plan priorities, and enrollment projections. Upon the Board's approval, the request is submitted to the Illinois Board of Higher Education (IBHE), which considers the request in developing its annual budget recommendations submitted to the governor and General Assembly. The internal budget considered by the board in October guides expenditures during the fiscal year that began the prior July 1. The internal budget is largely based on prior year expenditures, strategic plan priorities, state revenue forecasts, enrollment projections, and unfunded state and federal mandates.

Research and Sponsored Programs and Research Ethics and Compliance support the institution's research, scholarship, and creative expression endeavors, outlined as priorities in the University's strategic plan. In addition, the university has six research centers across campus: Office of Student Research; Center for Mathematics, Science, and Technology; Stevenson Center; Cross Chair in the Scholarship of Teaching and Learning; Center for a Sustainable Water Future; and Center for Collaborative Studies in Mathematical Biology. Financial support for organized research activities continues to be a priority for the University, with \$3.6 million budgeted from the appropriation and income fund and \$17 million from grants and contracts during fiscal 2023. These figures represent a 2.5% increase since fiscal 2018.

Facilities Services ensures that new projects are reviewed and aligned with *Master Plan Update 2010-2030* priorities, which also are aligned with the University's strategic plan. Facilities Services tracks the progress of its projects on its website. Fiscal year capital requests for state funds are also aligned with priorities outlined in the master plan.

#### [5.C.2]

Illinois State has developed internal planning processes in academic and support units that link assessment and evaluation to planning and budgeting.

The University's performance is largely measured by assessing progress toward achieving strategic plan directives, objectives, and actions. Progress reports, providing quantitative and qualitative evidence of achievements, are compiled annually for university leadership and the Board of Trustees.

Planning, Research, and Policy Analysis (PRPA) develops and reports metrics for use by Illinois State units, compiling much of these data in its environmental scan and annual statistical reports. These reports provide quantitative and qualitative evidence of achievements and ongoing initiatives.

University programs' and services' performance is assessed largely by documenting outputs and processes. Since the 2015 comprehensive review, Illinois State has developed an extensive University Compliance Program to coordinate, monitor, and, when possible, enhance the University's ability to meet its compliance responsibilities. Program components include goals, a university-wide compliance policy, a network of 35 university units responsible for managing

compliance in specific areas, and a process to report compliance concerns. A Compliance Working Group oversees the compliance efforts.

The primary assessment and planning process used in academic units is program review (see 3.A.1 and 4.A.1), providing macro-level data. Much of the data used to assess academic programs' performance is extracted, compiled, and disseminated by PRPA, including enrollment and graduation trends, retention rates, student demographics, and faculty profiles. PRPA compiles these data in program-level reports disseminated annually to departments/schools (see 4.C.2). Metrics are standardized across academic programs, and university Academic Program Profile reports are provided. Work to standardize metric definitions has largely been completed by PRPA since the 2015 HLC review, in conjunction with the transition to the new student information system and Power BI dashboard use.

Faculty responsible for designing and implementing the curriculum conduct and document student learning outcomes assessment at the department/school and program level (see 4.B). Programs, departments/schools, and colleges use findings and recommendations from the program review process when proposing initiatives in their annual planning and budget reports submitted to the Office of the Provost. The provost and staff use program review findings and recommendations to guide recommendations regarding the allocation of personnel, such as tenure track faculty and proposed college initiatives.

At the college level, every unit has an active strategic plan, outlining vision, mission, and strategic goals for faculty, staff, and student support, recruitment, and retention; innovation; collaborative partnerships; and fiscal management (College of Arts and Sciences, College of Applied Science and Technology, College of Education, College of Business, Mennonite College of Nursing, Wonsook Kim College of Fine Arts, and Milner Library). Academic advisors and graduate coordinators also use University and Graduate Student Success dashboards to assess progress toward degree, retention, engagement with the university, and financial aid use.

Systematic assessment and documentation of performance best suited to the mission is also a priority for non-instructional units. For example, the Division of Student Affairs has created a division-wide, comprehensive, systematic, and consistent approach to strategic planning, assessment, and accreditation reporting and an integrated, coordinated, and comprehensive approach for assessing outcomes across its 12 departments (see 4.B.1). Assessment methods include participant counts, participant feedback surveys, case manager and mentor evaluations, and analysis of student construct recidivism rates.

### **[5.C.3]**

Collaboration among internal and external university stakeholders is embedded in the University's culture. Stakeholders involved in planning processes vary depending on the plan's scope and may include the involvement of faculty, staff, students, alumni, annuitants, community leaders, employers, or citizens through planning committees, advisory boards, and participation in open forums and surveys.

Planning processes routinely incorporate communication for stakeholders regarding project status through project websites, progress reports, discussion boards, and listservs. Shared governance groups are represented on planning committees and are provided opportunities to review, comment on, and endorse plans before their adoption. The Campus Communication Committee, which reports to the Board of Trustees at each regular Board meeting, provides another consultation and collaboration forum among groups. Additionally, regular Board meetings are open to the public and allow other community members to address the Board. The planning processes for the current and future institutional strategic plans include a broad spectrum of university stakeholders.

The University also prioritizes external stakeholders' formal and informal input. Several academic units and colleges have advisory councils that provide consultation and advice related to the direction, changes, industry trends/needs, curriculum, careers, employment, research, and other matters of significance to the academic unit. Advisory councils are composed of alumni and non-alumni professionals within their respective fields.

#### **[5.C.4]**

Student enrollment data and state support levels serve as primary drivers for nearly every planning effort and initiative, with several measures to maintain the health of the institution's financial, human, physical, and technological resources aligning with the mission, projected enrollment, and state funding. Illinois State's plans are grounded in sound, realistic expectations of projected enrollment and funding levels, as well as an understanding of current resource capacities. Illinois State has an annual internal and external budget process to acquire state appropriations supporting University operations. Fiscal year operating budgets and data are collected annually, showcasing sources of revenue, revenue fluctuations, and impacts to current capacity. PRPA conducts environmental scans as part of the University's strategic planning process, influencing planning directives. Work toward achieving these strategic objectives is tracked and publicly reported.

#### **[5.C.5]**

Strategic planning efforts (see 5.C.4) are also used in other university planning initiatives. A review of past and present information, as well as analyses of emerging issues and factors, provides primary data including population projections, projections of higher education demand, technology trends, and anticipated legislation with potentially significant impacts on university operations.

Based on internal and external scanning data, specialized plans aligning with Illinois State's strategic plan have been developed and regularly updated. The Office of Technology Solutions has developed a strategic plan that has led to seven guiding principles that set expectations for their work and guide the creation and execution of operational plans within Technology. Technological trends are also regularly monitored through EDUCAUSE.

Various units regularly monitor demographic shifts and enrollment-related trends. At the university level, Enrollment Management and Academic Services oversees various policies,

procedures, and requirements related to enrollment, including demographic and other external trends. Demographic shifts and enrollment information, drawn from multiple internal and external sources such as the Western Interstate Commission for Higher Education, guide the institution's enrollment management plan.

The Office of International Engagement coordinates various international activities and services for domestic and international undergraduates, graduates, professors, and researchers. Its mission and related goals contribute to the University's Strategic Plan's internationalization and diversification goals. In addition to internal audits and planning coordinated by the Office of Internal Auditing, external audits of the institution's financial and/or compliance processes are also conducted, as required by the Illinois State Auditing Act, with findings shared with university stakeholders and the public.

Illinois State retains a legislative liaison to monitor state and federal activity, as well as economic trends. Located within the Office of the President, the director of public affairs and policy collaborates with other higher education stakeholders and elected and appointed federal, state, and local officials.

#### [5.C.6]

Operational performance is regularly monitored and documented, with findings guiding program and service improvements.

In 2016, the University's then-president appointed a Campus Climate Task Force to recommend equity- and inclusion-related changes. Largely driven by the *Campus Climate Assessment Report* results, a series of short- and long-term recommendations were developed, including developing a multicultural center. Officially opened in 2021, the Multicultural Center supports students self-identifying with groups traditionally underrepresented at the University and promotes an inclusive, equitable, and culturally responsive campus environment.

As another data-driven example, University Housing Services collects data via annual resident surveys to assess all operations. Recent changes from these data include more flexible and independently controlled Watterson Towers temperature controls, a YouTube channel (@Redbird\_Housing) launch, improved move-in structures, and several other updates and initiatives to support the student residential experience. In 2018, Campus Recreation, within Student Affairs, drew upon the findings from regularly conducted needs assessments to develop the Redbird Adventure Center, which provides new team-building opportunities supporting personal growth and group development to the campus community.

As described in 3.A.1, 4.A.1, 5.C.2., and 5.C.4, the program review process allows faculty to assess the academic programs' effectiveness and develop strategies for improvement. Each instructional unit completes a program review every eight years and outlines the progress made toward the previously identified improvement areas, along with program updates, performance, and overall effectiveness and sustainability.

## Sources

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## **5.S - Criterion 5 - Summary**

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The institution's resources, structures, processes and planning are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities.

### **Summary**

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Illinois State continues to maintain the fiscal, human, physical, and technological resources necessary to support its operations. Through careful planning and collaboration, Illinois State remains financially strong with high academic standards in teaching, scholarship, and public service. Significant infrastructure and facility upgrades during the past ten years have further supported the institution's efforts to live its mission and achieve its vision.

The continued strength of Illinois State as an institution is grounded in its clear vision and goals articulated through the strategic plan and supported by effective leadership and a spirit of collaboration across divisions. Planning and budgeting processes are based on systematic assessment practices, which seek to continually improve institutional effectiveness, capabilities, and sustainability.

### **Sources**

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*There are no sources.*