

Annual Report to the Board of Trustees on the State of the University

Alan W. Cramb, President

October 22, 2015

2015



Summary

During the past year, Illinois Institute of Technology made significant gains in the areas of financial stability, fundraising, summer enrollment, campus infrastructure, and visibility. We have had some challenges in fall 2015 enrollment, especially in law and business, but overall our outlook is very positive.

We again met our budget target in FY15. The university's balance sheet increased by approximately \$9.6M and unrestricted net assets increased by \$8.2M. FY15 was the fourth year in a row where an operating surplus was allocated to capital improvements.

By the end of the fiscal year we had raised \$208M toward our fundraising goal of \$250M, and we are on schedule to end our campaign by December 2016. We also met the \$10M Ed and Carol Kaplan Challenge, and \$32.6M has been committed toward the \$45M goal needed for construction of the Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship.

Capital investment of \$13.3M in FY15, funded from philanthropic gifts, state grants, and operating revenues, was used to plan and implement upgrades to facilities on campus. Major projects completed included the new roof on Hermann Hall, the renovation of the John T. Rettaliata Engineering Center, and the entrance to the Life Sciences Building.

A new summer program, initiated by Armour College of Engineering and quickly adopted by most of our undergraduate colleges, resulted in 1,504 undergraduates taking classes in the summer. The previous high was 830. The experiential research program attracted approximately 796 additional undergraduate students who also lived in our campus housing during the summer semester. We look to grow this program in future years.

We had very good new student enrollment in fall 2015. The total number of new students (graduate plus undergraduate) was 2,596, 120 higher than last year.

Total enrollment was stable for our graduate programs, with decreases in law and business being offset by increases in science and applied technology. Total undergraduate enrollment decreased from 3,099 to 2,991 due to fewer visiting students. However, the number of visiting students enrolled in the previous year (256, primarily from Brazil) was anomalously high. This year's visiting class (124) accounts for the overall decrease in undergraduate numbers and our overall decrease in our total numbers of students from 7,898 to 7,792.

Visibility for the university continues to grow. Media mentions/stories (local, national, and international) totaled 8,320 between July 1, 2014 and June 30, 2015. This is an increase of more than 700 percent over FY14.

Research awards, attributed to our academic units, totaled \$36M. IIT Research Institute reported an additional \$17M, for a total of \$53M. We continue to see a very difficult environment with exceedingly high competition for government-funded grants.

I end this executive summary with the four key observations that I made concerning the future of the university during my inauguration speech:

1. We must ensure the success of our graduates through a state-of-the-art professional education that is focused on the total student experience, both inside and outside of the classroom, and upon the student's ultimate career development.
2. We must also elevate Illinois Tech's visibility and reputation as a premier global technological university in Chicago and the world.
3. We must build a community that supports the achievement of our goals as well as their entire careers.
4. We must grow.

I also stated in that speech that:

1. We will continue to be a place where talented students can seek knowledge and success regardless of their financial means.
2. We will continue to celebrate the international nature of our community, knowing that by coming to Illinois Tech, our students truly meet the world.
3. We will continue to refresh our excellent and rigorous academic programs, ensuring that our graduates have the skills for their first job, as well their entire careers.
4. We will continue to hire and develop a great faculty and staff—the community that supports our students.

To achieve our goals and aspirations we will need to increase our student body, increase our visibility, increase our revenues, build our endowment, build our research portfolio, and continue to improve our academic programs. However, we must also focus on our facilities and on the total student experience for both undergraduates and graduates. It is by all of us continuing to work together that we will ensure that our university will achieve its potential and will achieve respect, recognition, and admiration from all.

ENROLLMENT

- In fall 2015, 2,991 undergraduate students were enrolled.
- Total graduate enrollment (full-time and part-time) in fall 2015 was 4,801.
- Enrollments in the School of Applied Technology and the College of Science grew significantly in the last year; this growth compensated for decreases in Stuart School of Business and Chicago-Kent College of Law.
- First-to-second-year retention was 92 percent, exceeding 90 percent for the 6th year in a row.
- Summer enrollment totaled 2,930, the highest in the last 10 years. The growth in summer enrollment was related to a new undergraduate experiential research program initiated by engineering, which accounted for 796 of the 1,504 summer semester undergraduates.

INSTITUTIONAL ADVANCEMENT

- *Fueling Innovation: The Campaign for IIT* is on schedule to meet its goal by December 2016, with \$208.4M of the \$250M raised.
- In FY15, we exceeded our \$34M fundraising goal, reaching \$34.2M.
- In May 2015, the \$10M Ed and Carol Kaplan Challenge for the design and construction of the Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship was completed.
- Thanks to generous support from alumni and friends, \$32.6M has been committed toward the \$45M goal needed to construct the Kaplan Institute.
- Progress toward endowment and expendable funds is \$97.5M and \$64.4M, respectively. Capital has increased to \$46.5M mainly due to the completion of the Kaplan Challenge.
- Campaign giving by members of the Board of Trustees reached \$105M, which is 84 percent toward the board's \$125M goal and represents 50 percent of the campaign progress thus far.
- We have completed the Pritzker Challenge with \$6.8M raised toward the renovation of Life Sciences.

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- The 125th Anniversary Gala honoring President John L. Anderson netted more than \$1M for the Kaplan Institute.
- Three investitures for endowed chairs occurred in FY15.
- In September 2014, we hosted the Global Alumni Gathering, with 337 attendees from 13 countries.

ACADEMIC AND FACULTY INITIATIVES

- Our *U.S. News & World Report* ranking improved to 108 from 116.
- All programs in engineering and computer science were accredited for a further six years by ABET.
- The \$1M Nayar Prize competition resulted in 50 entries, of which three were chosen as finalists. The three projects are:
 - Game Development for Early Language Acquisition in High-Risk Children
 - The Driverless City
 - ADEPT Cancer Imager
- Enrollment in co-terminal programs reached 184 in FY15, an increase of 50 over the previous year. This program allows our best students the opportunity to complete both a bachelor's and master's degrees while at Illinois Tech.
- 25 new faculty members were hired in the fall of 2015.
- John L. Anderson and R. Russell Betts were named Distinguished Professors.
- The following professors were given endowed chairs:
 - Siva Balasubramanian: Harold L. Stuart Endowed Chair of Stuart School of Business
 - Eric Brey: Duchossois Endowed Professor of Biomedical Engineering
 - Hassan Nagib: John T. Rettaliata Endowed Professor of Mechanical, Materials, and Aerospace Engineering

- The following faculty received national accolades:
 - Xiangyang Li (Computer Science) was named ACM Distinguished Scientist and an IEEE Fellow
 - Liad Wagman (Business) was named to Poets & Quants Top 40 Business Faculty
 - Keith Stiverson (Law) assumed the presidency of the Association of American Law Libraries
 - Hamid Arastoopour (Chemical and Biological Engineering) received the 2015 American Institute of Chemical Engineers Thomas Baron National Awards in Fluid-Particle Systems, awarded in recognition of outstanding scientific/technical accomplishment
 - Patrick Corrigan (Psychology) was recognized as the Senior Faculty Sigma Xi Excellence in Research Award winner for 2015, based on his groundbreaking work, funded by a grant from the National Institutes of Minority Health and Health Disparities, in understanding the challenges of African Americans with serious mental illness.

RESEARCH

- Illinois Tech research proposals, which totaled just under our FY15 goal of \$250M, was our highest proposal volume since 2011 (American Recovery and Reinvestment Act period).
- Illinois Tech research awards were \$36M in FY15 versus \$38M in FY14. This is to some degree attributable to the challenges in Washington, D.C. and Springfield, Ill.
- Illinois Tech research revenue was nearly \$35.1M in FY15, up from \$32.5M in FY14.
- IIT Research Institute (IITRI) reported research volume activity in FY15 as \$17M—an increase of 7.5 percent over FY14.
- Our institutes, including WISER, IFSH, and Pritzker, continue to lead our research efforts in energy, food safety and nutrition, and biomedical and bioscience research, and account for much of Illinois Tech’s research funding.

FACILITIES AND PUBLIC SAFETY

Facilities

- A total capital investment of \$13.3M, funded from generous philanthropic gifts, state grants, as well as a modest operating allocation, was used to plan and implement upgrades to facilities on campus.
- Design of the Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship was completed.
- Renovation of the John T. Rettaliata Engineering Center was completed, with a grand opening held on September 25, 2015.
- Phases One and Two of the renovations for the Life Sciences Building were completed, including a new west entrance plaza and entry, an updated south entrance, renovated restrooms and public spaces on the ground floor, and full repainting of the exterior steel.
- Other housing improvements included the renovation of all bathrooms in the Lewis Hall wing of McCormick Student Village and renovation of all rooms and bathrooms in the south wing of State Street Village.
- Historic Carr Chapel was restored. Generously funded by the Mies van der Rohe Society, this restoration was the subject of a very positive review by *Chicago Tribune* architecture columnist Blair Kamin, who attended the celebratory reopening ceremony.
- The full roof replacement at Hermann Hall was completed.
- A student rate was secured with Divvy bike service, providing a 25 percent discount on annual membership.

Public Safety

- The number of Clery reportable incidents decreased from 18 in FY14 to 16 in FY15.
- Additional resources were added to increase the presence of public safety officers at key places and times, and the public safety escort process was redesigned to provide a more consistent and efficient service.
- Three new emergency call stations, equipped with cameras, were installed on the Mies Campus in strategic, high-traffic areas that did not previously have coverage.

BUDGET AND FINANCE

- The university's balance sheet increased by approximately \$9.6M; unrestricted net assets increased by \$8.2M. FY15 was the fourth year in a row where a modest operating surplus was allocated to capital improvements.
- FY15 total net tuition and fees increased by 6.3 percent over FY14.
- The university retired \$6.3M of taxable debt issued in 2006.
- Total Property, Plant, and Equipment increased by 3 percent, largely due to the renovation of the John T. Rettaliata Engineering Center and Life Sciences.
- Illinois Institute of Technology's endowment value grew by 1.7 percent to \$235.5M.
- Fitch upgraded the university's debt rating from BB- to BB. Moody's reaffirmed its Baa3 outlook stable rating.

GOVERNMENT AND COMMUNITY RELATIONS

- Illinois Tech received the final installment of \$3.659M from the state to complete vital infrastructure projects and received the second installment of \$900,000 for the Life Sciences renovation.
- With the 2014 grant of \$375,000 from the state, IFSH was able to renovate and has completed an incubator space at the Moffett Campus that will house small and mid-size food companies for training and research.
- Illinois Tech implemented a partnership (OPT4Stem) with Von Steuben High School and Exelon Corporation.
- University Technology Park is almost completely leased, with 22 companies and more than 400 employees. In April 2015, UTP and the university hosted the Americas Competitiveness Exchange sponsored by the U.S. Department of Commerce for 50 innovation professionals from Latin America.

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MARKETING AND COMMUNICATIONS

- M&C developed, implemented, and evaluated the communication strategies (copy and creative positioning) for Undergraduate Admissions that helped Illinois Tech achieve its fourth straight year of record applications—up 20 percent over last year. These strategies produced above-average open rates for emails, ranging from 17 percent for high school prospects, 20 percent for domestic transfer students, and 27 percent for international transfer students.
- A video and narrated slide show were created for IIT's 125th anniversary, and 12 video features have been added to the *IIT Magazine* online editions. "This is Illinois Tech," produced in October 2013, became the most watched video in the university's history—posting more than 94,155 views as of September 2015 with more than 95 percent of the views coming directly from the video embedded on the Illinois Tech home page and admissions page.
- Illinois Tech's media mentions/stories (local, national, and international) totaled 8,320 between July 1, 2014 and June 30, 2015. This is an increase of more than 700 percent over FY14. Notable experts in the news included the faculty of SAT who were in high demand for stories related to cybersecurity. A *Chicago Tribune* story by columnist Eric Zorn discussed the transition of the institution's name from IIT to Illinois Tech.
- Web traffic for the new Illinois Tech website continues to increase as a result of the transition to our new content management system and design. For the home page (January–September 2015), users increased by 87.5 percent (from 240,432 to 450,854) and page views increased by 209 percent (from 695,050 to 2,147,472) over the same period in 2014.
- Scott Benbrook, senior graphics designer, and Jeanne Hartig, vice president, took top honors at the Publicity Club of Chicago (Gold Medal) for the Kaplan Institute brochure. Marcia Faye, editor of *IIT Magazine*, and Scott Benbrook, received a bronze medal from the Publicity Club of Chicago for the Leadership Issue of *IIT Magazine*.
- Illinois Tech was ranked as one of the 50 Most Underrated Colleges in America by *Business Insider*. The ranking is based on reputation and future earnings potential for graduates.
- Illinois Tech ranked fifth in the Brookings Institution Ranking of Colleges and Universities. The ranking is based, in part, upon graduates' value-added average mid-career salaries.

FIGURES

- Figure 1. Endowment distribution.
- Figure 2. Value of the endowment on June 1 of each fiscal year, before distributions were taken for the fiscal year.
- Figure 3. Total revenue with detail by major source.
- Figure 4. Total enrollment (full-time + part-time).
- Figure 5. Full-time undergraduate enrollment.
- Figure 6. Full-time undergraduate enrollment percentage of female, minority, and international students.
- Figure 7. Research awards.
- Figure 8. Full-time faculty.
- Figure 9. Full-time staff.
- Figure 10. Timeline for *Fueling Innovation: The Campaign for IIT*.
- Figure 11. Annual fundraising progress (new cash gifts and pledges), including the FY16 fundraising goal.
- Figure 12. Advancement of Illinois Tech's visibility.

Figures

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Figure 1. Endowment distribution.

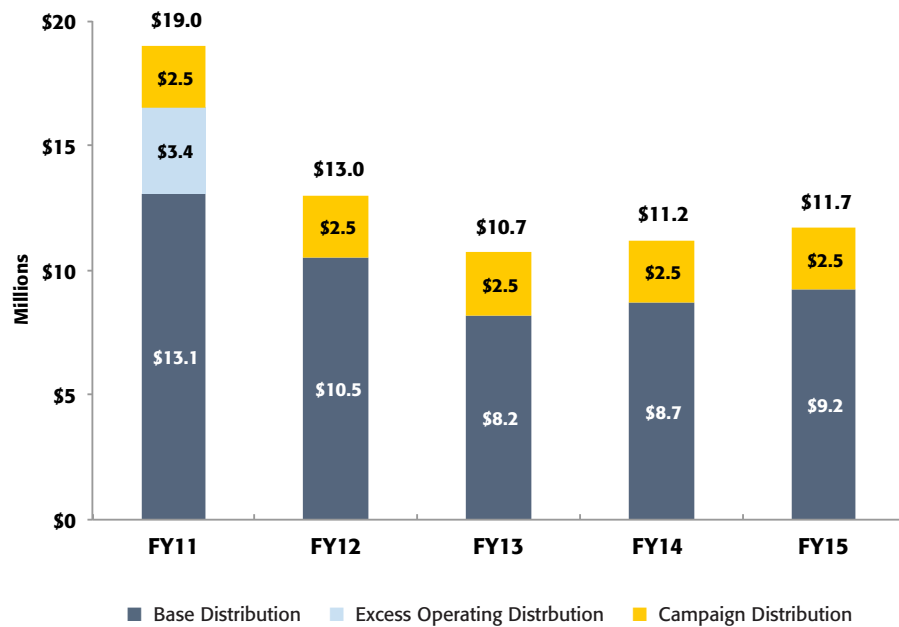
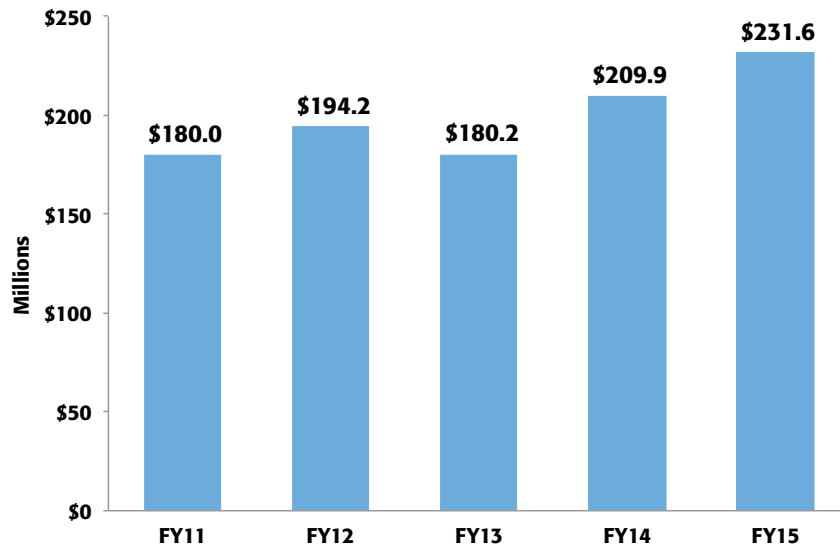


Figure 2. Value of the endowment on June 1 of each fiscal year, before distributions were taken for the fiscal year.



Figures

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Figure 3. Total revenue* with detail by major source.

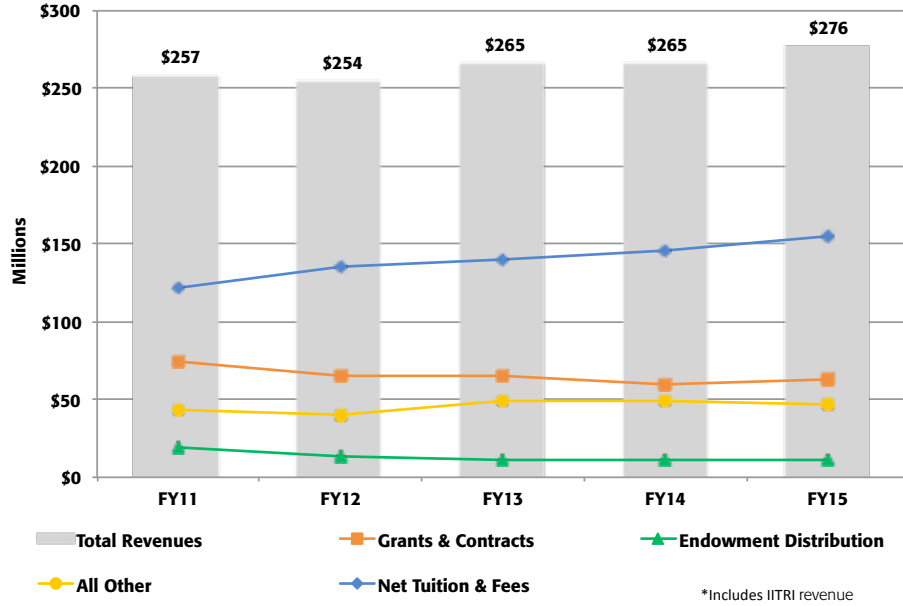
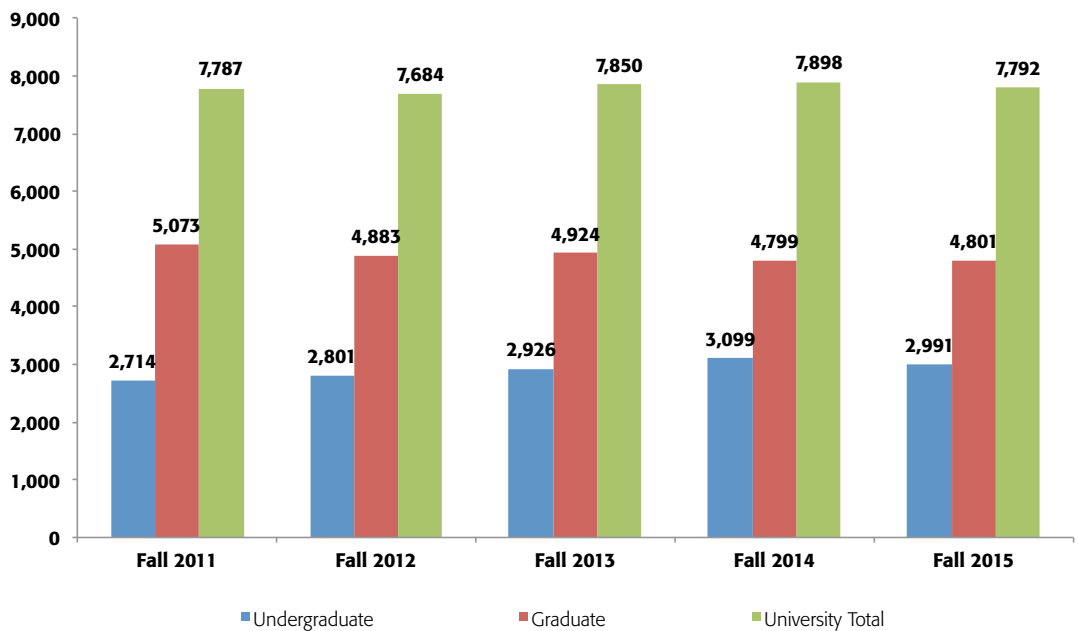


Figure 4. Total enrollment (full-time + part-time).



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Figure 5. Full-time undergraduate enrollment.

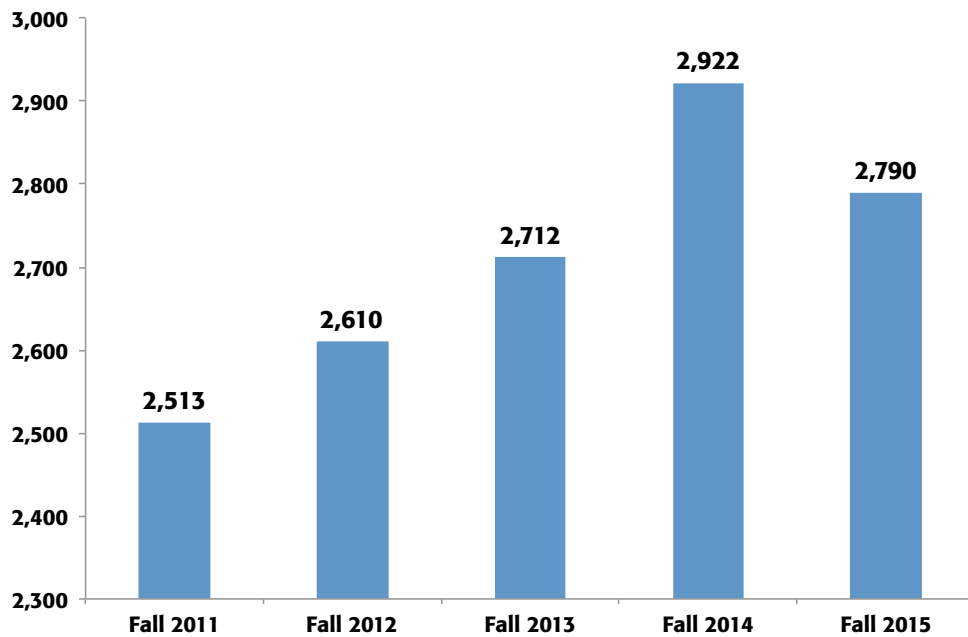
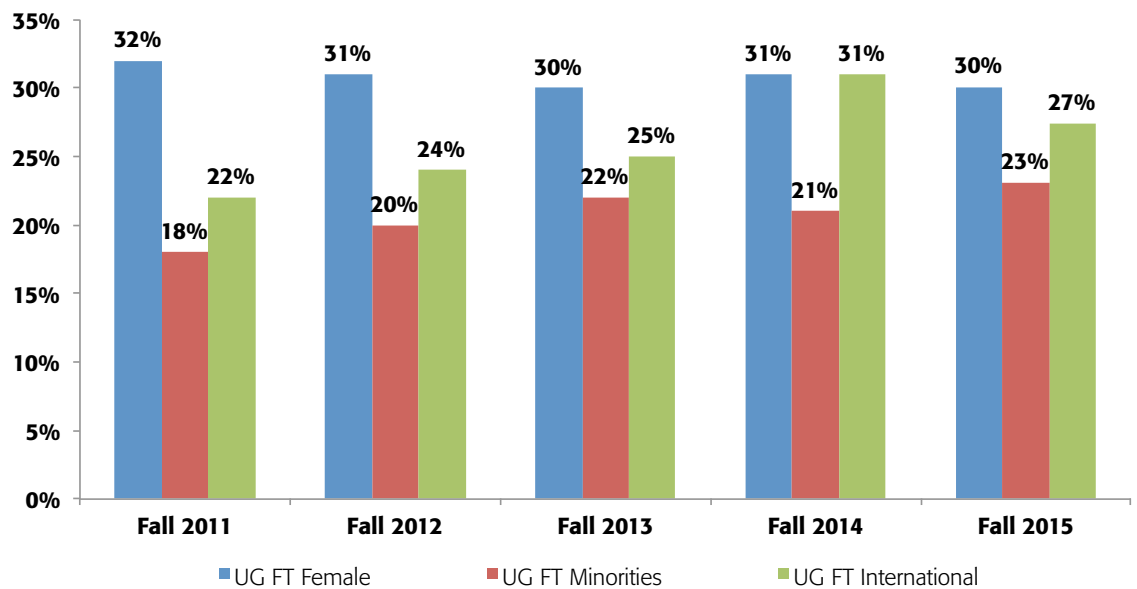


Figure 6. Full-time undergraduate enrollment percentage of female, minority, and international students.



Figures

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Figure 7. Research awards.

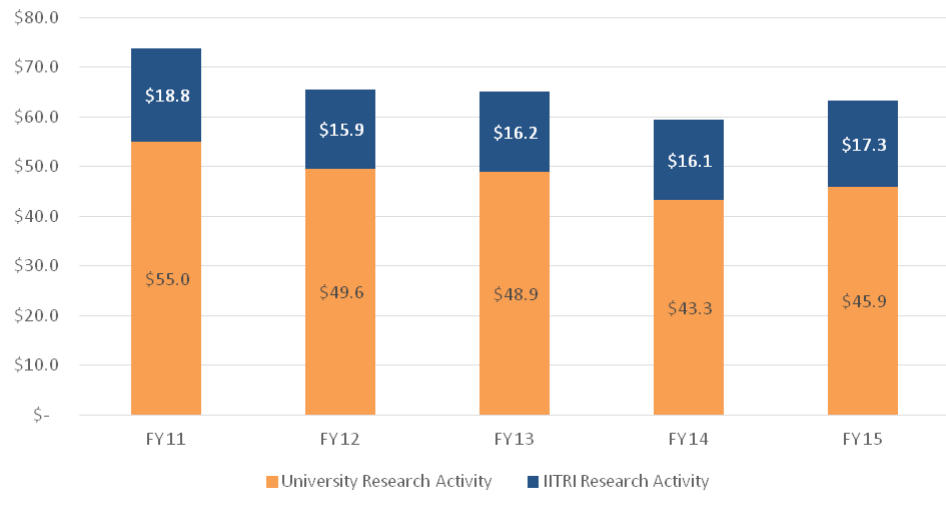
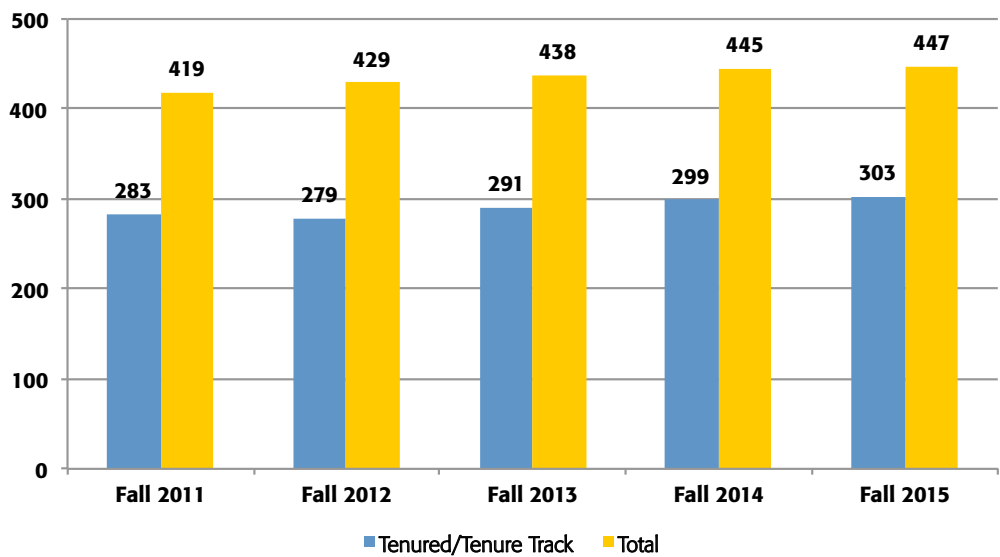
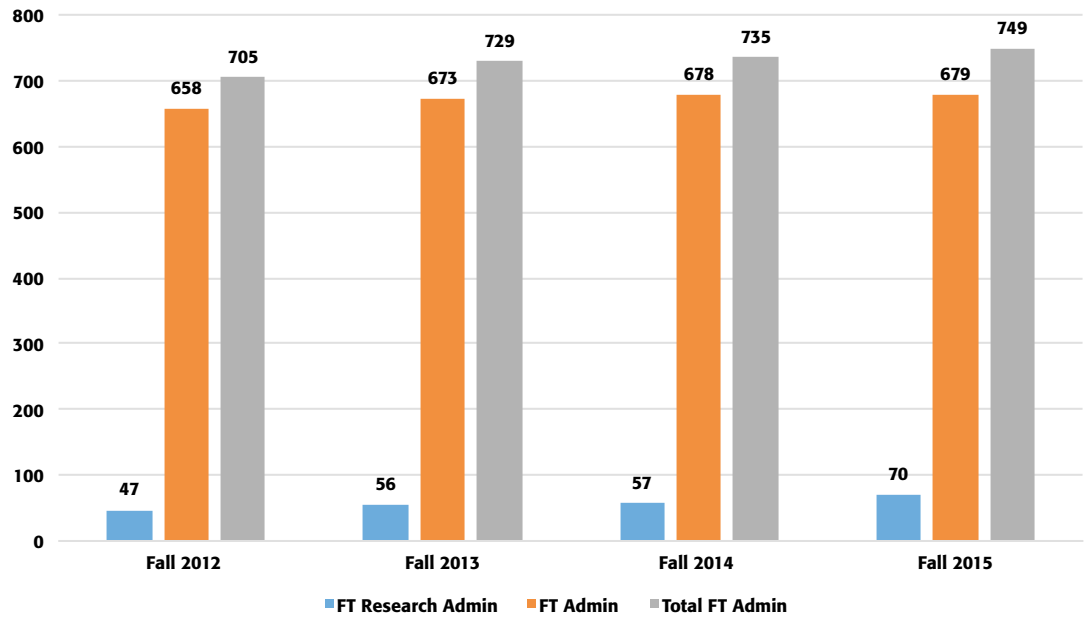


Figure 8. Full-time faculty.



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Figure 9. Full-time staff.



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Figure 10. Timeline for *Fueling Innovation: The Campaign for IIT*.

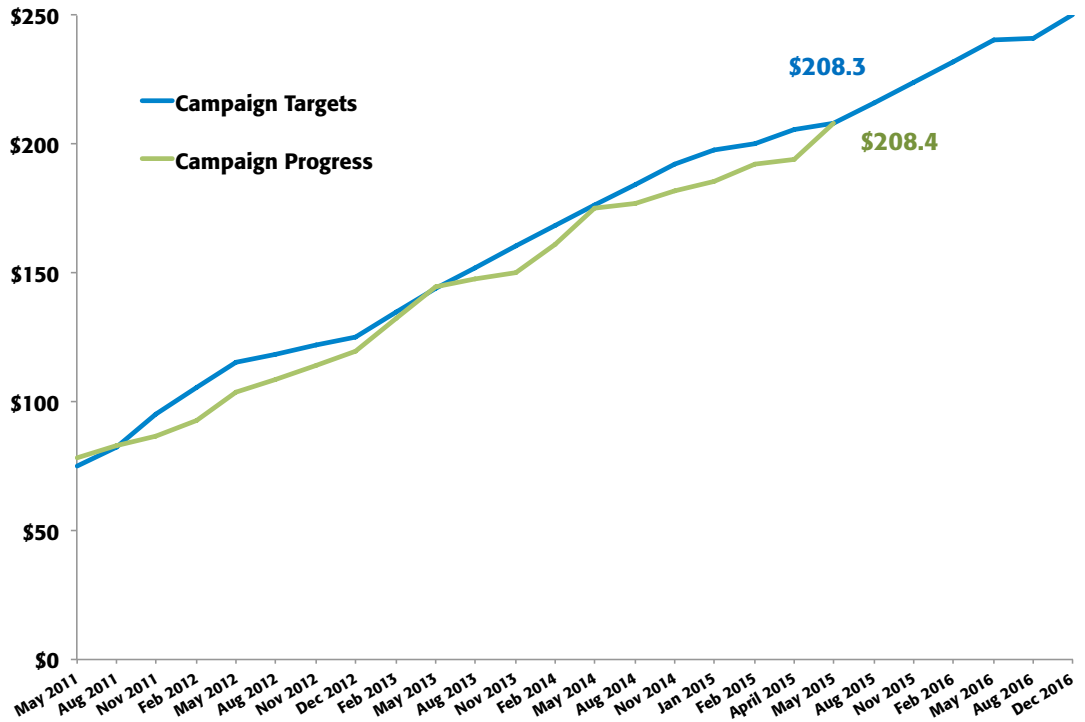
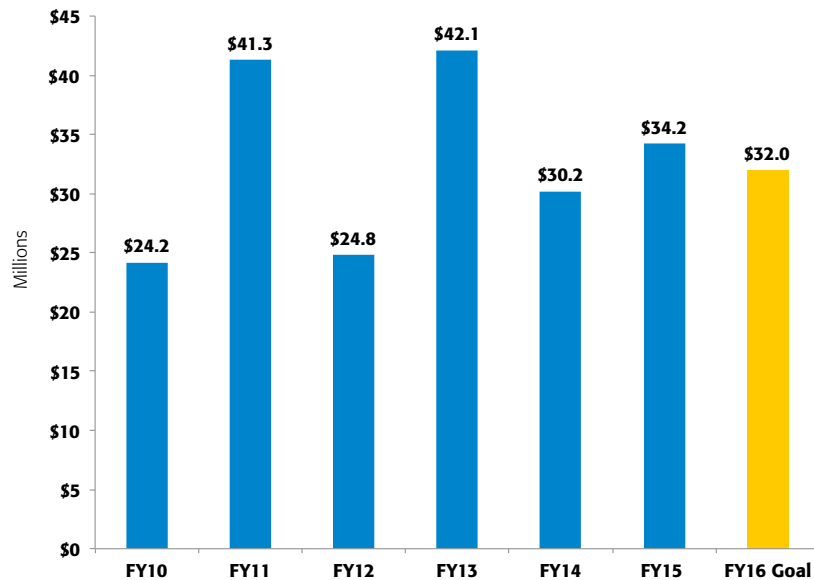


Figure 11. Annual fundraising progress (new cash gifts and pledges), including the FY16 fundraising goal.



Figures

Figure 12. Advancement of Illinois Tech's visibility.

- The Nayar Prize, valued at \$1 million, was established by alumnus and trustee Madhavan Nayar (M.S. IE '68) to encourage and challenge members of the Illinois Tech community to develop breakthrough, innovative projects that will, within three years, produce meaningful results with a societal impact.
- Mayor Rahm Emanuel announced a new partnership between Illinois Tech, Exelon Corporation, and Von Steuben High School.
- Illinois Tech was ranked as one of the 50 Most Underrated Colleges in America by *Business Insider*. The ranking is based on reputation and future earnings potential for graduates.
- Illinois Tech ranked fifth in the Brookings Institution Ranking of Colleges and Universities. The ranking is based, in part, upon graduates' value-added average mid-career salaries.
- Illinois Tech won the gold medal from the Publicity Club of Chicago for the design of the Kaplan Institute brochure.
- Dr. Robert S. Langer, David H. Koch Institute Professor at Massachusetts Institute of Technology, and prolific researcher, inventor, and entrepreneur, presented the 2014 Darsh Wasan Lecture.
- The 2014–15 Presidential Lecture Series featured alumnus Martin Cooper (EE '50, M.S. '57) speaking on "The Birth and Death of the Cell Phone" and Wiel Arets, dean of the College of Architecture, speaking on "Towards a Hybrid Metropolis."
- The Chicago-Kent College of Law team of Emily Schroeder '15 and Nicolette Ward '16 won the 40th annual National Trial Competition, the premier trial advocacy tournament in the United States.

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