

Date: August 13, 2021
(Revised 10-20-21)

To: Avijit Ghosh, Interim Executive Vice President and Vice President for Academic Affairs
Paul Ellinger, Interim Vice President, Chief Financial Officer and Comptroller

From: Karen Whitney, Interim Chancellor University of Illinois Springfield
Arnold Henning, Interim Vice Chancellor for Finance and Administration

UIS DEFICIT REDUCTION PLAN

UIS has had mixed financial performance over the last seven years, resulting in two surpluses and five deficits. FY22 is expected to be another deficit year. UIS leadership is committed to addressing the reasons for these unacceptable financial results and is developing a five-year financial plan to return the campus to financial sustainability. Highlighted below are the key elements of this plan.

COMMITTED LEADERSHIP AND SUPPORT

The Interim Chancellor for UIS and Interim Vice Chancellor for Finance and Administration are responsible for the completion of the five-year plan. We will lean heavily on the Chancellor's Cabinet, the faculty and staff to help us define, validate, and execute the key components of our financial recovery.

We will seek support from the UI System. Obtaining input and advice from both of you over the next several months will be an integral component of the plan's development. In addition, the University Office for Planning and Budgeting has already agreed to be an early participant in our financial modeling efforts.

KEY COMPONENTS OF THE PLAN

1. Grow enrollment – this is an extremely important element of the five-year plan
 - a. Undergraduate enrollment 2015 – 2020 is down (9.6%)
 - b. Graduate enrollment 2015 – 2020 is down (39.5%)
 - c. Student credit hour (SCH) targets for the entire university will be developed for each year of the five-year plan. The plan will focus more on the number of SCH generated

than on actual enrollments given the diverse modalities, program approaches, student profiles and approach to pricing.

2. To meet our university mission, vision and desired enrollment targets, significant structural changes to the Colleges and Academic Departments have been underway and will be completed in year one of the plan (FY22).
 - a. Colleges are under transformation, which will be completed by July 2022. The result of this transformation of the academic enterprise will be:
 - i. Launching a new College of Health, Science and Technology (and sunsetting the College of Education and Human Services) while realigning the remaining colleges to preserve a four-college structure.
 - ii. Through mergers and realignments, the number of academic departments will decrease from 32 to 19.
3. Make structural changes in Enrollment Management
 - a. Effective August 4, 2021, Dr. Vickie Cook, previously Executive Director of the Office of Professional and Engaged Learning, was appointed the Acting Associate Provost for Enrollment Management.
 - b. Stabilize and support the Enrollment Management staff, which has experienced high turnover, currently has an excessive number of unfilled positions and is operating with inefficient processes.
4. Attract New Students to UIS
 - a. Adding a new College of Health, Science and Technology in Fall 2022 will attract a new cadre of students to UIS. The largest job sector in the Springfield metropolitan area is health care.

- b. One of the primary goals of academic reorganization is to foster curriculum revitalization and the development and implementation of new academic programs strategically implemented to attract students.
- c. New leadership in Enrollment Management will focus on best-practice approaches to new student recruitment, financial aid, and registration.
- d. Other prospective populations that will be further developed for recruitment include students with some college and no degree, military-connected students, collaborations with UIUC and UIC offering high-demand jointly delivered academic programs, and collaborations with the system regarding international student recruitment.
- e. Continue to leverage our expertise in delivering and growing online/distance courses and explore offering accelerated programs and course content that is attractive to non-degree seeking lifelong learners as well as certificate programs that enhance career prospects for those in the workforce.

5. Expense Control

- a. Academic Affairs restructuring in FY 23 is expected to decrease administrative costs.
- b. Student/faculty ratio has been flat from 2018 to 2020 and historically low relative to peers. A low student/faculty ratio presents an opportunity to strategically re-balance the faculty by focusing resources to the areas of greatest demand.
- c. Labor costs constitute our largest expense. Historically, increased labor costs have been self-funded, so controlling labor costs will be crucial to institutional cost controls. A merit-based salary program will best position the campus to control its labor costs.

6. Financial Targets

- a. With a starting deficit of \$(3.7M) in FY21, we have established financial targets consistent with new strategic enrollment growth metrics and cost reduction plans over

the next five years. FY23 enrollment is projected to be flat, which is significant in that it begins to reverse a six-year decline in SCHs.

i. \$ (3M) FY22

ii. \$ (3M) FY23

iii. \$ (2M) FY24

iv. \$ (1M) FY25

v. \$ 0 FY26

- b. We will do financial modeling that will allow us to test assumptions and validate the fiscal impact of various strategies to reach our target revenues and expenses.

We will submit our first biannual progress report in January 2022 and provide updates on various aspects of the plan in the intervening months.

Cc: President Killeen
Brent Rasmus