

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

Report No. 2023.02/4000.01
FY22 Grant and Contract Activity Report

Introduction

In addition to the support we provide internally, external sources of funding make substantial contributions to the advancement of faculty scholarly activities, student experiential learning, and University outreach. The work made possible by such funding supports the core values of Illinois State University, most directly the values of Learning and Scholarship, Civic Engagement, and Collaboration. Furthermore, the research, creative activities, and educational outreach made possible by such external support are integral parts of the University's Strategic Directions, Objectives, and Actions outlined in *Educate. Connect. Elevate*. External support is one factor in a number of rankings for the University, including our Carnegie Classification as a High Research Activity Doctoral Institution (R2). Support comes through a variety of channels (*e.g.* grants, contracts, agency dollars, foundation support, etc.) and for a number of functions (*e.g.* research, instruction, public service, etc.). This report captures grants and contracts directed through Illinois State University's restricted accounts.

Summary

After a few years of large, emergency, non-competitive proposals (most significantly the Higher Education Emergency Relief Fund (HEERF) funds from the U.S. Department of Education), FY22 saw a return to more traditional proposals and awards for ISU. The absolute number of submitted proposals declined from FY21, but was up from other recent years and the number of dollars requested increased from FY21. When removing the non-competitive requests from previous years, FY22 represents a significant increase in the size of the submitted proposals. The size and complexity of the proposals is changing, then, with eight awards for over \$1M in FY22 (18 submitted proposals). Most funding requests from ISU investigators are in the \$25-250k range (75) followed by requests for less than \$25k (64) and the \$250k-\$1M range (51). The size and complexity become apparent when one notices that College of Education requested the most funds (over \$46M as a college, across 47 proposals) with \$30M by the College itself across only 3 proposals. Biological Sciences led the way in number and amount of requests for Schools/Departments with \$9.7M requested across 20 submitted proposals.

Funding success rates have been declining nationally for several federal agencies, and some foundations have even lower success rates, but our documented proposal success rate remains high. Some of this is a product of the long-standing nature of many of our awards with certain state agencies, but the high federal success rate is a point of pride. A total of 99 of the 210 proposals submitted (47%) in FY22 have been funded so far with a 29% success rate for federal awards (18 of 63) and 81% (39 of 48) for state-funded proposals. We know that there is a 6-18 month lag from proposal submission to award and we hope for more success in FY23 for those still pending. For example, several large proposals submitted in FY21 were awarded in FY22, including large awards from the Illinois State Board of Education and National Science Foundation and awards from the National Endowments for both the Arts (NEA) and Humanities (NEH). The Colleges receiving the most new expected external funding in FY22 were the

College of Education (\$12.25 million), the College of Arts and Sciences (\$5.9 million), and College of Applied Science and Technology (\$2.1 million).

One noticeable feature of the FY22 awards is the 51 awards for \$0, or 29% of the total number of awards. Many of these are no cost extensions on prior awards. The narrative and lore are that this is a result of a slower spend rate from COVID restrictions. Removing these awards, Educational Administration and Foundations was most successful with 16 new awards, followed by Agriculture with 12 new awards. Both the National Science Foundation and Illinois State Board of Education funded 10 new awards (8 and 5 more no cost extensions, respectively) in FY22.

A critical component of external awards is actual expenditures. Awards are “expected” because only actual expenditures get reimbursed for most award types. Awards and expense year do not always align -- multi-year awards may be recognized all in year 1, for example -- so expenditure data can give a truer sense of trends. Spending rates on research awards rebounded some in FY21 and FY22 from a COVID-influenced decline in FY20. Spending rates still remain slower than predicted, though, and expenditures are concentrated at year-end -- a large percentage of transactions occur in the final month of the fiscal year even though grants have varying end dates. The largest area of expenditures in FY22 was in Financial Aid. The tremendous outpouring of spending through HEERF, Governor’s Emergency Education Relief (GEER), and Federal Emergency Management Agency (FEMA) emergency relief (nearly \$53M in FY22 for ISU, and largely recorded as lost revenue recovery rather than true expenditures) disguises the spending within non-administrative units in the aggregate total of restricted fund expenditures. Three non-administrative units spent over \$1M in restricted external funds in FY22 --Biological Sciences (\$3.65M), Education Administration & Foundations (\$5.65M), and Mennonite College of Nursing (\$1.82M). As a College, the College of Education spent \$7.94M and the College of Arts and Sciences spent \$6.39M.

Expenditures are the measure of record in surveys such as the Higher Education Research & Development (HERD) survey conducted by the National Science Foundation. The Federal HERD data always lag behind -- FY21 was just released in December of 2022 and FY22 data were due on January 31, 2023 -- and they are only a portion of the narrative, but these data should show all the research and development spending that we document. Nationally NSF-reported spending was down in FY20, but nearly every other agency had higher spending. That rebounded nationally, with the 910 HERD-reporting institutions having spent \$89.9 B in FY21... the largest growth since FY11. Federal spending accounted for \$42.9B of that... and the top 30 institutions spend 42% of that! ISU declined in our spending ranking in the FY21 data for research and development expenditures just recently released, moving from the highest-ranked Illinois 4-year public university without a medical school to second in that category (5th among Illinois publics and 260th overall of 910).

Finally, only actual expenditures lead to recovery of Facilities and Administration costs (F&A, aka indirect costs). F&A rates are especially significant going in to FY23 as we are in the process of requesting a non-negotiated extension of our federally-negotiated F&A rate. The rates often last for 4 years (ours expired at the end of FY22) and it will be important to have more accurate cost estimates from the new College of Engineering in our next negotiated rate. It will require a concerted effort across campus to account for our research costs to be sure our consultant makes an appropriate request. It is not uncommon for the approved federal rate to be below the requested rate, and it is the norm that universities are not able to fully recover their true research costs -- it is why F&A costs are known as “partial reimbursement”. With so many of ISU’s awards and expenditures capped at 0%, 8%, and 10% of total modified direct costs (TMDC) owing to the nature of the awards and a decades-long administrative cap of 26% despite increased costs of compliance, it should not be surprising that we are a far cry from recovering our 48% federally negotiated rate. It is not expected we would ever recover the full 48% --only 87 or 174 or 50% of our FY22 awards are classified as “research”, and therefore eligible for using that rate, whereas 26 (15%) are instruction, 25 (14%) are public service, and 19 (11%) are training grants. We also have 13 new awards classified as creative expression (7%), which generally come from agencies that do not allow application of full negotiated F&A rates. ISU has shown a dedication to research in self-supporting so much work, but lags behind our peers by having such a high percentage of that support being internal support. For FY22, we had a net recovered F&A rate of 2.5% for a total of \$1.873 M, with over \$1M of that being recovered from expenses in the College of Arts and Sciences. These funds are the main source of our operations for research support units and the sole source for initiatives such as the Office of Student Research. F&A funds allow us to provide additional services in support of research, scholarship, and creative activities, plus they support initiatives designed to increase external funding. Examples of

such support in FY22 included, *inter alia*, support for major research instrumentation; equipment; travel; publication, exhibition, and book subvention costs; student research grants; and patent costs.

Additional notes for FY22:

- The U.S. government remains ISU’s largest source of new awards. Over \$19M in federal and federal flow-through awards are expected, accounting for 64% of awards. The U.S. Department of Education (\$10.8M) is the largest federal funder with the National Science Foundation second, awarding \$3.5M. Additional significant funds were newly awarded from the Illinois State Board of Education (\$2.45M) and the Illinois Community College Board (\$1.88 M).
- The three academic units receiving the highest amount of newly awarded external funding in FY22 were the Department of Educational Administration and Foundations (\$6.3 million), the School of Biological Sciences (\$3.2 million), and the School of Teaching and Learning (\$1.8 million).
- Centers and Institutes accounted for just over \$625k in new expected research awards and over \$145k in new training awards in FY22.
- The large state-wide Illinois Tutoring Initiative out of the College of Education deserves special mention. The program serves students across the state in recovering from classroom learning losses suffered during COVID-19 and brought \$2.5M to ISU as part of that effort in FY22. This award continues in FY23.
- Efforts are underway to increase corporate partnerships and we expect to see sponsored projects with non-federal entities to grow in future years as a result. Federal support as a percentage of research dollars is declining nationally, so it will be important for ISU to also leverage our expertise in this way. In FY22, we had three new disclosures and two new patent filings. We maintain one large license agreement that covers multiple protected technologies. Disclosures, patent filings, and licenses will likely only increase as we lead out community efforts as part of internal priorities, the growing Illinois Innovation Network, and the growth of our College of Engineering.

Data Summary

The following table details sponsored project expected funding for new awards with the past four fiscal years included for comparison. Dollars are in thousands and are rounded for simplicity. The numbers of awards/submissions for each item are included in parentheses.

	FY22	FY21	FY20	FY19	FY18
Total Expected Awards	\$29,755 (174)	\$90,039 (189)	\$37,002 (141)	\$28,536 (145)	\$23,689 (209)*
Federal Awards	9,822 (39)	78,298 (53)	28,453 (33)	17,755(53)	12,915 (35)
Federal Flow-Through	9,290 (42)	6,700 (47)	4,598 (14)	6,930 (31)	5,785 (36)
State Awards	9,189 (30)	3,143 (34)	2,196 (19)	2,252 (21)	2,375 (26)
Other	1,455 (63)	1,869 (55)	1,447 (30)	1,599(38)	3,163 (112)*
Submissions	92,792 (210)	71,277 (228)	120,053 (196)	44,857 (171)	44,021 (257)*
Total Expenditures	73,645	58,111	29,993	24,232	21,804
Total F&A (Indirect) Costs Recovered	\$1,873	\$1,667	\$1,749	\$1,973	\$1,745

*Prior to FY19, graduate practicum agreements were included in the grant totals. Although they are contracts that support ISU students and our mission, they were removed from being defined as “awards”. We typically place 50-70 student per year in such off campus experiences and the students are now often employed directly by the agencies.

Conclusion

Examining trends across the past few years, our research profile remains fairly flat despite a huge influx of federal external funds. Proposal submissions are on the leading edge of indicators, so we hope to see an increase in income from these sources in the future given our high success rates on proposals. Illinois State University remains a very solid High Research Activity Doctoral Institution.