Dear Colleagues,

The State of Illinois, the University of Illinois, and our students and their families are facing unprecedented fiscal challenges. These fiscal realities prompted us to create the Stewarding Excellence@Illinois process so that we may ensure our continued excellence despite dwindling state support. We highly value the goal of assisting our students and their families to meet these challenges so that a University of Illinois education remains accessible to students from all economic backgrounds. The Refocusing Scholarships Project Team skillfully assisted us in understanding important issues and evaluating areas for possible improvement. The unit responses to the final report and feedback provided by the Campus Advisory Committee, the campus community and the public further deepened our sense of the complexity of the issues at stake. We have adopted and begun work on several of the Project Team’s recommendations and are actively planning for future initiatives that will serve our students and the campus.

As an important first step, we accept the Project Team’s recommendation that the Division of Intercollegiate Athletics (DIA), a self-supporting auxiliary of the university, be asked to prepare a plan to replace tuition waivers provided to student athletes with alternative sources of financial support. At our direction:

- the DIA has developed a graduated five-year plan for the reduction of tuition waivers for student-athletes from campus funds;
- the campus will reduce its allocation of tuition waivers to DIA by $100,000 beginning in Academic Year 2011-2012; and
- an additional $100,000 in tuition waivers will be reduced in each successive year, so that in year five of this plan (Academic Year 2015-2016), the campus will have cut in half the value of the tuition waivers currently provided to DIA.

As recommended by the Project Team, we have asked DIA to evaluate and report on the impact of this reduction in tuition waivers. At the conclusion of this five-year period, the campus will consider DIA’s findings and assess the need for further reductions. It is important to note that in recent years DIA has paid over $6 million annually ($6.9 million for FY2010) to the campus in the form of the tuition and fees paid on behalf of student athletes. Student athletes attending the university with partial scholarships have paid an additional $3.2 - $4 million annually for tuition and fees. These numbers continue to grow and are projected to be $7.6 million and $4.8 million for FY2011. Funds from tuition and fees represent just one of the
many benefits DIA brings to our campus. We take great pride in the fact that we have one of the most fiscally self-supporting divisions of intercollegiate athletics among our peers. We appreciate DIA’s strong leadership and full partnership in this endeavor which will allow us to both support our student athletes and help us meet the significant financial needs of our general student body.

For the campus as a whole, we have additionally identified three essential tasks:

- launching a fundraising initiative focused on meeting the growing unmet financial needs of our students;
- creating a campus policy that establishes our priorities and guides our waiver and scholarship program; and
- improving coordination of campus and unit level scholarship and waiver offers.

Fundraising for scholarships to help recruit undergraduate students and meet unmet financial need is a top priority. The Project Team recommended that the campus should address the growth in unmet financial need by directing sufficient amounts from tuition increases to need-based financial aid. As tuition costs have increased, the campus has increased its institutional support of need-based aid and will continue to do so. For the current year, the campus increased its institutional support for financial aid by more than $4 million and now provides in excess of $25 million from centrally-controlled funds. These funds are in addition to departmental financial aid. As significant as these increases are, they only begin to address the level of unmet need. Therefore, campus leadership is working with the Office of Institutional Advancement, the Office of Undergraduate Admissions, the Office of Student Financial Aid and the University of Illinois Foundation to prepare and launch a fundraising initiative. This initiative will be formally announced at the annual meeting of the University of Illinois Foundation on October 1, 2010. A Council of Deans task force will assist with this important initiative to ensure the commitment at the college and unit level that is essential to its success.

The Office of Undergraduate Admissions and the Office of Student Financial Aid is drafting a campus Undergraduate Scholarship and Waiver Policy. We have directed that these offices work with admissions representatives from campus units and that the policy reflect the work of both the Stewarding Excellence Refocusing Scholarship Project Team and the July 2008 report of the Scholarship Working Group. In particular, core components of the draft policy should include:

- an explicit articulation of top campus priorities for the use of scholarships and waivers to recruit the best students and to address unmet financial need;
- a clear statement of our commitment to diversity and how scholarships are to be used to serve that commitment;
- the clear direction that, when possible, award amounts should generally be at sufficient levels to be effective recruiting tools; and
- an express mandate that aid be capped at the cost of attendance, except for a very few and well-defined situations that serve institutional purposes.
The draft policy will be shared with campus leaders including the Council of Deans, the Office of Undergraduate Admissions, the Office of Student Financial Aid, and other key stakeholders.

It is crucial that we manage our financial aid resources and maximize our recruiting efforts. The Office of Undergraduate Admissions and the Office of Student Financial Aid will evaluate and make specific recommendations on ways to improve the coordination of all campus scholarship and waiver offers, including those awarded centrally as well as those awarded by colleges and departments. As one part of this task, those offices will identify ways to improve the timing and effectiveness of our communications with prospective students. Appropriate stakeholders will be consulted prior to the implementation of any new procedures or processes.

We have asked the Office of Institutional Advancement, the Office of Undergraduate Admissions, and the Office of Student Financial Aid to identify the infrastructure and procedures necessary to improve our processes for awarding and stewarding scholarships. These recommendations should be made both in light of the immediate need for greater coordination and improved communications and to prepare for an increased workload resulting from our fundraising initiative. Finally, we anticipate that some investment and hiring may be necessary to allow us to achieve our goals of significantly addressing the unmet financial needs of our students.

Sincerely,

Robert A. Easter
Chancellor and Provost (Interim)

Richard P. Wheeler
Vice Chancellor for Academic Affairs (Interim)

Attachment: Refocusing Scholarships Implementation Grid