

ILLINOIS STATE UNIVERSITY

BOARD OF TRUSTEES

Report No. 2026.02/4000.01 FY25 Grants and Contracts Report

Introduction

As a national research university, ISU is committed to making a positive impact in our community through our scholarly and creative activities, student experiential learning, and University outreach. Our students, faculty, and staff engage in research, creative scholarly activities, or other forms of scholarly activities to that end. ISU has a long tradition of strong internal support for scholarship, including financial support through programs like the recent Advancing Research and Creative Scholarship program and the University Research Grant program. In addition to the financial support we provide internally, external sources of funding make substantial contributions to the advancement of these efforts. The work made possible by such funding supports the university's strategic direction to Elevate Institutional Excellence, as outlined in *Excellence by Design*, which supplanted *Educate. Connect. Elevate* in FY25. External financial support, and more often the expenditures using that support, is a key factor in a number of rankings for the University, including our Carnegie Research Activity Designation as a Research 2: High Research Spending and Doctorate Production (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 the grants and contracts directed through Illinois State University's restricted accounts managed by Research and Sponsored Programs.

Report Proposals

FY25 showed a return to more typical proposal submission rates for scholars at Illinois State University. It marked the third year in a row of more typical pre-COVID application rates and awards for grants and contracts. The absolute number of submitted proposals increased from FY24 to the highest number of proposals since FY16, and the amount of dollars requested also increased to the highest requested dollars since at least FY12. Proposals are the leading indicator of future awards. In FY25, we had 239 proposals submitted from 146 unique investigators. Professors (including Distinguished and University Professors) led the way with 64 proposals, followed by staff (55). Professors sought the most funds - \$42.5M. The size and complexity of the proposals continues to remain high, with 24 proposals submitted for over \$1M in FY25 (six awards). We saw increases across all categories of proposals, but most funding requests from ISU investigators are in the \$25-\$250k range (98) followed by requests for less than \$25k (60) and then the \$250k-\$1M range (56). As might be expected from a college with so many faculty and doctoral programs, the College of Arts & Sciences led the way in proposals with \$50.4M requested across 101 proposals, with 29 submitted proposals for \$31.6M from Biological Sciences, the University's most active School/Department.

Awards

Awards in FY25 were down nationwide – for several months in the third quarter of FY25, no new federal awards were issued. This pausing of the federal award (and review) cycle led to a large decline in the issuance of new awards. Award competitions are expected to become more competitive and federal funding success rates are expected to continue to decline. That said, 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 many of those agencies rely on federal dollars for funding, so this is an area to keep an eye on for the future. A total of 94 of the 239

proposals submitted (39%) in FY25 have been funded so far with a 19% success rate for federal awards (13 of 70) and 88% (36 of 41) for state-funded proposals. We know that there is a several month lag from proposal submission to award, and that lag has become even longer in the past 12 months. Now 18 months out, 109 of the 204 proposals submitted (53%) in FY24 have been funded with a 27% success rate for federal awards (13 of 49) and 88% (49 of 56) for state-funded proposals. We are cautiously optimistic that we can expect more success in FY26 for those applications that are still pending. For FY25, staff had the most success in awards, with 62 (of 150) awards for over \$21.8M in new awards, followed by Professors (including Distinguished and University Professors) with 43 awards totaling over \$6.07M. The Colleges receiving the most new expected external funding in FY25 were the College of Education (\$10.16 M) and the College of Arts and Sciences (\$7.97 M), with no other colleges receiving over \$1M.

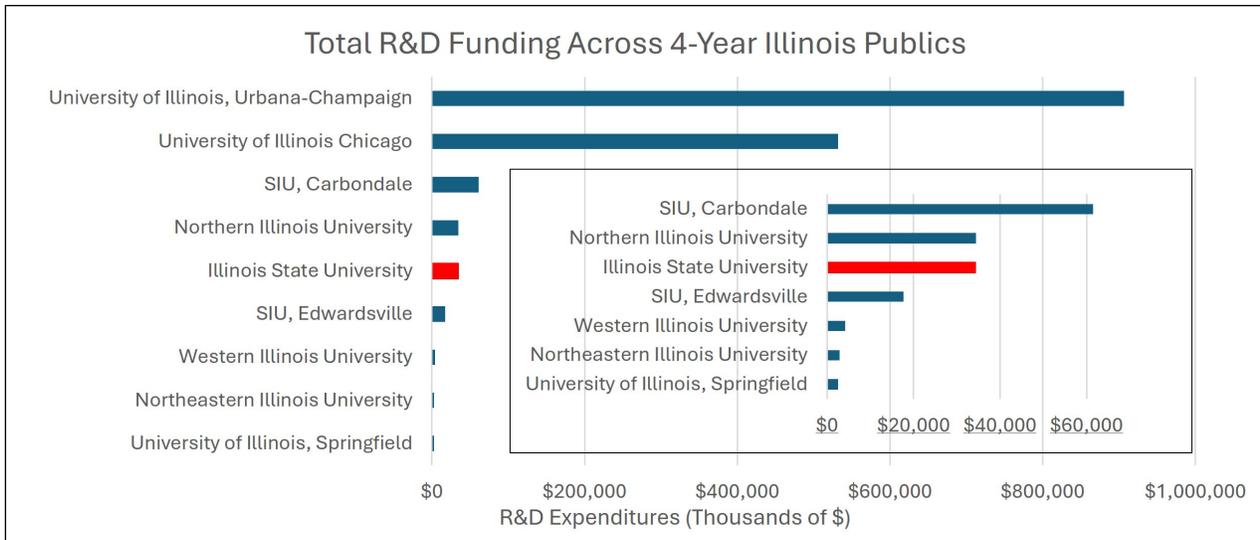
One continued feature of awards is the 43 awards for \$0, or 29% of the total number of awards in FY25. This is an even higher rate than from FY24, but aligns with previous years, and remains a significant fraction of new “awards”. In FY24 these \$0 awards are almost entirely “no cost extensions”. Although these awards are still positive in allowing the university to utilize previously allocated funds on continuing expenses to do good work, it does not lead to newly awarded funds that might have been received if we had expended the funds at the originally planned rate. There was a tremendous hesitancy to spend down federal awards, especially in light of the danger in not getting reimbursed by the federal agencies for those expenditures. Omitting these awards, Educational Administration and Foundations was most successful with 15 new awards, followed by Biological Sciences with 7 new awards. The largest *number* of funded awards in FY25 came from the National Science Foundation (13 new awards), the Illinois Board of Higher Education (12), and the Illinois State Board of Education (10), with the largest amount of new scholarly awards coming from the Illinois State Board of Education (\$7.12M) and U.S. Department of Energy (\$1.99M). FY25 was unique in that we also lost some awards and had new terms and conditions issued on others. All told, we lost seven federal awards with a value of \$601.7k.

Expenditures

A critical component of external awards is actual expenditures. Awards are “expected” because only actual expenditures get reimbursed for most award types – we spend the money and then get reimbursed by the agency more often than we get the funds and spend them down. That nuance has been clear this year with the pausing of federal reimbursement on several occasions. Awards and expense year do not always align -- multi-year awards may be recognized all in year 1, for example, or the aforementioned no-cost extensions – so expenditure data give a truer sense of trends. With that caveat in mind then, we saw a significant increase in expenditures in FY25. The largest area of restricted fund expenditures in FY25 remains in Financial Aid. Of note, five non-administrative units spent over \$1M in restricted external funds in FY25 – Education Administration & Foundations (\$7.86M), Biological Sciences (\$3.77M), Chemistry (\$2.38M), Special Education (\$2.15M), and Social Work (\$1.77M). As a College, the College of Education spent \$11.13M, largely through the National Board Resource Center. The College of Arts and Sciences spent \$9.45M.

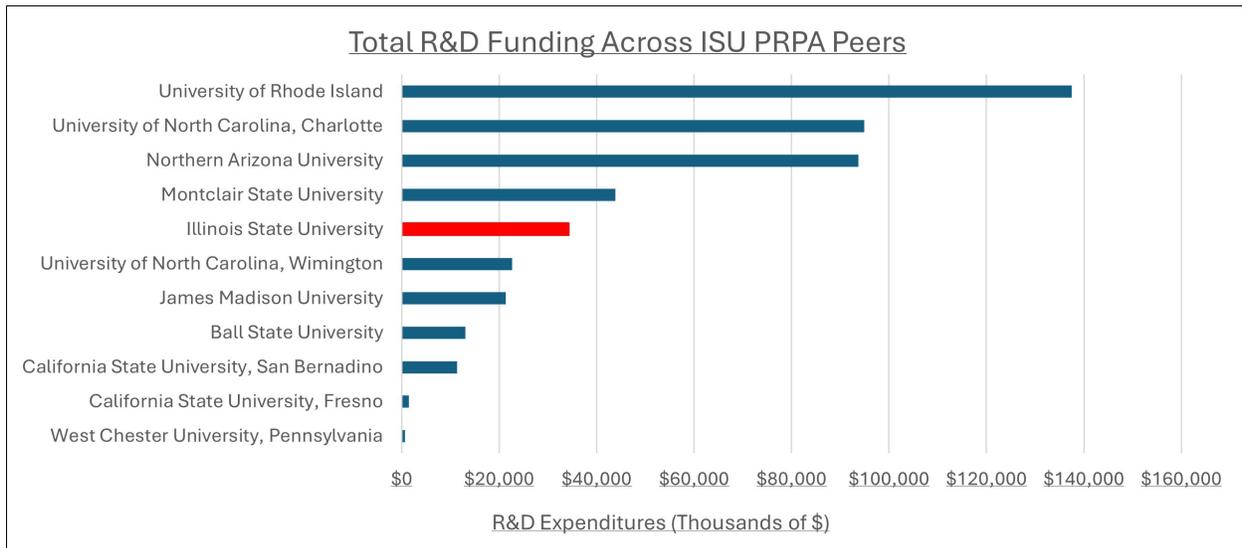
Expenditures are the measure of record in surveys such as the Higher Education Research & Development (HERD) survey conducted by the National Science Foundation. The release cycle of the HERD lags behind the institutional fiscal year reporting: FY23 HERD data were released in November 2024, and FY24 HERD data were published in December 2025. While HERD figures represent only one component of our overall research profile, they remain the authoritative federal record of research and development spending across higher education. Nationally, R&D spending again reached a historic high in FY24. Across all 915 reporting institutions, total R&D expenditures increased to \$117.7 billion in FY24, up from \$108.9 billion in FY23. Federal spending grew to \$64.7 billion, and the top 30 institutions accounted for roughly 40% of the national total.

Illinois State University posted another year of solid performance in the newly released FY24 data, with total R&D expenditures of \$34.2 million and a sustained increase over prior years. ISU continues to be a highly ranked Illinois 4-year public university without a medical school **and ranks** number 260 out of 915 institutions nationally in total R&D expenditures.



Source: 2024 National Science Foundation Survey of Higher Education Research and Development.

ISU’s internal support remains a defining strength of our research portfolio: nearly half of our FY24 R&D spending, \$16.6 million, is supported by institutional funds. This support demonstrates a strong internal commitment to research capacity, faculty development, and student engagement. Federal support also increased to \$13.1 million, reflecting continued competitiveness in externally sponsored activities.



Source: 2024 National Science Foundation Survey of Higher Education Research and Development.

Indirect Costs

Finally, only actual expenditures lead to recovery of Indirect Costs (IDC, aka Facilities & Administration costs). IDC rates are especially significant and have been a topic of widespread discussion over the past year, including in mainstream discussions not just within research administration circles. Significant pressure and questions arose that suggested limiting/capping the amount of funds that could be recovered by institutions to cover the costs of doing research that institutions incur. A joint group of professional associations and societies (Joint Association Group, JAG) proposed a new model for how institutions of higher education and research institutes might better recover these real costs of doing research. This group proposed several models for new ways to recover these costs, and the Financial Accountability in Research (FAIR) model has proposed “a new approach to increase transparency, accountability, and clarity in federal research funding.” It may take several years to implement this new approach,

which would allow direct charging of research costs for some aspects and would still require the approval of the Office of Budget Management and a revision to the Uniform Guidance (2CFR200) before we were required to make the significant efforts to adjust our operational costing/billing.

In FY25 we continued to operate using our extended federally negotiated IDC rate, while working with our external consultant to set out next rate. The rates often last for 4 years or longer and will be negotiated based on our FY25 expenses. It has required a concerted effort across campus to account for our research costs and space usage to be sure our consultant makes an appropriate request. As noted in previous reports, 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 IDC costs are known as “partial reimbursement”. With so many of ISU’s awards and expenditures capped at 0%, 8%, and 10% of modified total direct costs (MTDC) owing to the nature of the awards and a decades-long federal 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. For our new awards for FY25, at least 75 of 150 awards (50%) or a total of \$21.3M in awards are capped at an IDC rate of \leq 8% and \$14.7M in awards came with a 0% IDC rate. Only 64 of 150 or 43% of our FY25 awards are classified as “research”, and therefore eligible for using the 48% rate, whereas 17 (11%) are instruction, 34 (23%) are public service, and 17 (11%) are training grants. We also have 11 new awards classified as creative expression (7%), which generally come from agencies and foundations that do not allow application of our full federally negotiated IDC 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. Moving forward, Research & Sponsored Programs will work with the University Research Council and the College Research Coordinators to implement new strategies for increasing extramural grant submissions.

For FY25, we had a net recovered IDC rate of 6.5% for a total of \$2.29M, with nearly \$1.3M of that being recovered from expenses in the College of Arts and Sciences. This is just below the effective IDC rates from FY23 and FY24, which represented a huge increase from FY22 rates (2.5%). A cap on the allowed research recovery rate would have led to a significantly smaller number of IDC funds. There remains a concerted effort to recover the full university costs (as allowed) when performing work for external sponsors. These recovered IDC funds are reinvested in scholarship and are the main source of our operations for research support units and the sole source for initiatives such as the Office of Student Research. IDC 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 FY25 mirror those in previous years and included among other things, support for major research instrumentation; equipment; travel; professional development costs; publication, exhibition, and book subvention costs, including open access fees and read and publish agreements; student research grants; and patent costs.

Additional notes for FY25:

- In FY25, the State of Illinois led the way as our largest funding source with the several month hiatus on new federal awards. We have expected awards of ~\$18.9M from the state (~60%) for FY25, whereas ~\$11.3M in U.S. federal and federal flow-through awards are expected (35%).
- Five academic units and one Center all secured over \$1M each in new funding in FY25. Those units were Department of Educational Administration and Foundations (\$7.99M), the School of Biological Sciences (\$3.28M), the Department of Special Education (\$2.17M), the School of Social Work (\$2.14M), the Department of Chemistry (\$1.52M), and the Center for Math, Science, and Technology (\$1.64M).
- As we have hired faculty for our College of Engineering, we saw the first proposals from that college in FY25- six proposals for over \$3M have been requested, and we saw success on our first award in early FY26.
- Intellectual property (IP) and license arrangements are also an area of expected growth for the future. In FY25, we had seven new IP disclosures and four new patent filings. We maintain one large license agreement that covers multiple protected technologies and hold 21 active patents overall and anticipate increased license royalty payments in the coming years. Disclosures, patent filings, and licenses will likely increase with the growth of the Illinois Innovation Network, and the future hiring of faculty into 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.

	FY21*	FY22	FY23	FY24	FY25
Total Expected Awards	\$90,039 (189)	\$29,755 (174)	\$40,802 (178)	\$33,182 (168)	\$31,727 (150)
Federal Awards	\$78,298 (53)	\$9,822 (39)	\$7,868 (39)	\$9,272 (39)	\$5,828 (31)
Federal Flow-Through	\$6,700 (47)	\$9,290 (42)	\$8,943 (28)	\$10,823 (34)	\$5,246 (28)
State Awards	\$3,143 (34)	\$9,189 (30)	\$20,533 (52)	\$8,089 (50)	\$18,945 (53)
Other	\$1,869 (55)	\$1,455 (63)	\$3,457 (59)	\$4,997 (45)	\$1,592 (38)
Submissions	\$71,277 (228)	\$92,792 (210)	\$93,201 (236)	\$83,924 (204)	\$124,356 (239)
Total Expenditures	\$58,111	\$73,645	\$32,616	\$37,524	\$35,084
Total Indirect Costs Recovered	\$1,667	\$1,873	\$2,297	\$2,643	\$2,284

* Includes money and resources provided by the Federal Government and the State of Illinois to offset the losses incurred due to the COVID pandemic.

Conclusion

Even with the federal funding agency pressures, ISU continues to attract external funding to support the work of our scholars. That world-class research is conducted here in Normal *and* across the globe. Proposal submissions are a leading indicator, and our increase in proposals along with high success rates signal future success is on the horizon, even in an increasingly competitive grant environment. Our track record and promise should help us in obtaining future success. To keep our competitive advantage, we will continue to invest in the scholarly success of our staff, students, and faculty to further strengthen research outcomes. It will take a university-wide commitment to achieve our goals for scholarly success and institutional excellence as laid out in *Excellence by Design*.