



Personal Reflections

4/25/2016

Dear IMSA Community,

It's the end of March and guess what? IMSA remains open even though our unpaid bills now exceed our locally-held funds! I committed to you in the Fall that we would find a way to reach the end of the school year, even without a state budget, and every day this goal becomes closer and closer. While we are currently reliant on the understanding of vendors we owe money to — like \$780,000 for food service for our students and over \$1 million for facilities operations expenditures — we appreciate them working with us to ensure that we may continue to operate. If you are in the cafeteria, please make sure to thank the Sodexo staff for continuing to be a wonderful partner.

While we are now in our seventh month without a budget, we remain open as the State of Illinois continues to pay salaries. Our dedicated faculty and staff are the lifeblood of IMSA. When our alumni look back at their IMSA experience, these community members are the ones that they cite as being the most transformational part of their lives — who shaped their passions and careers.

The halls are quiet at IMSA while our students and faculty (and many staff) are away for Spring Break. We miss their energy and the buzz that they create when their minds, both students and faculty, are churning! You would think that this is the perfect time for me to think and draft an inspirational Personal Reflection that moves you deeply and inspires you to action. Well, this Personal Reflection isn't it! However, it is a longer Personal Reflection on IMSA's budget that I hope you will consider reading through to the end.

I want to provide you with as specific, detailed, fact-based information on our **budget situation** as I'm able. I, along with staff who remained on campus this week, have been focused on preparing for our Senate Appropriations Hearing scheduled at the Michael A. Bilandic Building in Chicago on Thursday, March 24. In this Personal Reflection, I seek to answer the following three questions:

1. What is the status of IMSA's budget?
2. Will IMSA remain open through the end of this year and open next year?
3. What is IMSA doing to create a more sustainable fiscal future?

Let's get started.

What is the status of IMSA's Budget? IMSA, along with universities and higher education organizations under the Illinois Board of Higher Education, has not received a Fiscal Year 16 budget appropriation. IMSA relies on the State for 80% of our budget and we are fortunate that all our IMSA employees are State employees. As such, all of us at IMSA are receiving our pay checks.

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A large portion, almost 80%, of IMSA's budget is employee salaries, but what about the rest? Our remaining budget expenses include food services, maintenance, telecommunications, student transportation, utilities, supplies and resources (think IRC, science lab equipment and specimens, etc.). How are we paying for these important services? Well, the short answer is that we're not. Our vendors realize that IMSA, as a state agency, has not received a budget. For the most part, they continue to be patient with us and our lack of payment. To give you a sense of our outstanding debt, as of March 10, over \$2.5 Million (M) is obligated as follows:

| Outstanding Debt | IMSA Owes* |
|--|--|
| \$1.3M more than 120 days overdue | \$777,837 for food service |
| \$1.7M more than 90 days overdue | \$1,040,450 for facility operations |
| \$1.9M more than 60 days overdue | \$224,565 for IMSA telephone and computing network |
| | \$22,910 for student transportation |

* Larger expenditures. All IMSA invoices due now total over \$2.5 million

As I mentioned earlier, our strategy to operate without a budget consists of monitoring our cash and keeping as much cash on hand as possible (cash is king) and negotiating with our vendors, asking them, where possible, to allow us to withhold payments. In preparation for this budget cliff, we reduced staff by 12 full time equivalents (FTE) in June 2015. We are so grateful to those vendors who continue to be patient with us. If any given vendor refuses to provide services unless they receive payment, I evaluate whether or not we require the service at the present time, gather recommendations from staff, and **I personally** make the decision to pay or not pay the vendor.

We continue to communicate frequently with Secretary of Education, Dr. Beth Purvis, and with our Representatives. All have been and continue to be very supportive of IMSA. I like to say that I have the number for the "red phone" in Dr. Purvis's Office. In case of a major emergency, I can dial it and know that I will receive an answer and the support that IMSA might require.

Will IMSA remain open through June 2016 and open next year in August 2016? There, I stated what many of you have been thinking and asking yourselves. Is IMSA still viable for the remainder of this year and into next year and into future years? My answer is "yes." Why do I say this? I believe that IMSA is too important to too many people. We're too important to Illinois and the world to "fail." While we're not "too big to fail," we're "too important to too many people to fail."

This past January we had our largest group for our Preview Day, over 1,300 people spent the



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day on campus. Last week, we held our Admissions Review Committee, who reviewed approximately 600 applications for the class of 2019. There is still great interest in IMSA.

In addition to great interest in IMSA, our alumni continue to represent IMSA well, whether breaking new ground in scientific fields, creating new businesses, earning degrees in laws, letters, or world languages, or staying at home developing the new generation. IMSA continues to provide immense value locally, nationally, and globally. For example notable alumni contributions include:

- The CEO of Chicago-based Impact Engine, an investment fund which empowers entrepreneurs, investors, and mentors to make a positive impact on society
- The Chief Operating Officer of Fermilab
- A Senior Economist in the Hanoi office of the World Bank, leading Bank studies on poverty mapping, and poverty and growth analysis
- The first African-American woman to be awarded a Bioengineering PhD by Caltech, now an award-winning Assistant Professor of Bioengineering at the University of Illinois at Urbana-Champaign
- A pioneer in the social media industry and recipient of Fortune's "Most Powerful Women Entrepreneurs" and Fast Company's "Most Influential People in Technology"
- A Harvard PhD candidate in physics named to "30 Under 30" lists by both Scientific American and Forbes and recently recognized as "the next Einstein"
- The Director of the International Human Rights Clinic at the University of Chicago Law School
- The Principal of Urban Prep Charter Academy for Young Men, Englewood Campus, recently recognized by Edutopia
- An F/A-18F Super Hornet pilot (female) from the VFA-41 "Black Aces" of Lemoore, CA, with hundreds of carrier arrested landings in support of Operation Iraqi Freedom and Operation Enduring Freedom in Afghanistan
- The Vice President of Technology at Cleversafe, one of Chicago's hottest tech companies that IBM recently bought for \$1.3 billion

What is IMSA doing to create a more sustainable fiscal future? I'm glad that you asked! In December 2014, upon the completion of my first 90-days as the new President of IMSA, I established the Presidents' Committee on Fiscal Sustainability and charged them with considering how we can have more control over our fiscal future, including how to decrease our dependency on the State. I appointed two co-chairs: Jim Pearson, IMSA Founding Board of Trustees, and Dr. Jeff Margolis, Class of 2000. (I would later ask Dr. Margolis to serve as Vice-President of External Engagement, becoming the highest ranking alum on IMSA's staff.) Because of the on-going fiscal challenges, this Committee has had some false starts. Yet, last week, ahead of schedule, they presented a status report to a joint retreat / working group of



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the IMSA Board of Trustees, IMSA Fund Board of Directors, and my Cabinet. The Committee has until June 2016 to finalize their recommendations for the IMSA Board of Trustees to consider. The Board will be presented three or four options for deeper analysis and study. In a future Personal Reflection, I will describe the work of this Presidential Committee.

During the same joint retreat / working group, I presented some initial ideas for the future of IMSA; what we're calling IMSA 4.0. In essence, we need to build the future that Illinois and the world need-teaching students to apply their passion and skill for mathematics and science to tackling the world's biggest problems from a young age. Even during challenging fiscal times we cannot lose track of this "North Star." IMSA 4.0 represents what some at IMSA are calling a new and exciting vision and direction for IMSA. Others are calling IMSA 4.0 the fulfillment of IMSA 3.0 — "igniting and nurturing creative, ethical, scientific minds that advance the human condition." I look forward to working out a more detailed version of IMSA 4.0 to share with you in the near future.

If you have read this far, thank you for staying with me. This was a much longer Personal Reflection. I hope that you found it informative. At this point, many people ask me, "What shall we do?" My response is "continue to advocate for IMSA to government leaders and business professionals." [Give](#). Believe. Provide [feedback](#).

With Respect,

José M. Torres, Ph.D.