OFFICE OF THE AUDITOR GENERAL

August 18, 2026
Performance Audit
Report Highlights

Christopher B. Meister *Auditor General*

www.auditor.illinois.gov

Performance Audit of the

State Monies Provided to the Discovery Partners Institute and the Illinois Innovation Network

Background:

On April 29, 2025, the Legislative Audit Commission adopted Resolution Number 168, which directed the Office of the Auditor General to conduct a performance audit of the State monies provided to the Discovery Partners Institute and the Illinois Innovation Network to examine the entities' purpose and handling of funds appropriated by the General Assembly (see Appendix A). The Illinois Innovation Network and its primary hub, the Discovery Partners Institute, were developed to accelerate innovation, job creation, and economic growth throughout Illinois and consists of 15 hubs across the State, including hubs at public universities and one independent nonprofit hub. On October 10, 2024, the University instructed the Director of the Capital Development Board to stop construction on the Discovery Partners Institute headquarters. On October 18, 2024, the University of Illinois System President announced that construction for the new headquarters at The 78 in downtown Chicago had stopped. Under the University's new vision, a new location called the Discovery Partners Institute South would be established at the planned Illinois Quantum and Microelectronics Park while maintaining the Discovery Partners Institute's current downtown Chicago headquarters.

Key Findings:

- Auditors identified 68 payments for the Discovery Partners Institute headquarters and 225 payments for all the additional Illinois Innovation Network hubs combined. Auditors reviewed supporting documentation provided by the Capital Development Board for each payment and determined that payments were adequate, accurate, appropriate, and were properly monitored by Capital Development Board. Additionally, auditors found that each payment from FY23 through FY25 was accountable and appeared accurately on the Illinois Office of the Comptroller's website.
- As of June 2025, $57.4 million of State appropriations were expended for the Illinois Innovation Network hubs, not including the Discovery Partners Institute headquarters. The expenditures from the $500 million in capital funding appropriated to support the development of the Discovery Partners Institute and the statewide Illinois Innovation Network totaled $13.1 million, while expenditures from other State appropriations totaled $44.3 million.
- From FY18 through FY25, $11,815,882 in State appropriations were used for the DPI's administrative and operational personnel costs. Additionally, $37,918,782 was expended by the State for the design and construction costs for the Discovery Partners Institute headquarters through FY25. Therefore, total State funds used for the Discovery Partners Institute were $49.7 million.
- The Discovery Partners Institute made progress toward achieving its established goals. According to the University of Illinois, its established goals were 1) applied and translational research; 2) research-driven entrepreneurship and commercialization; and 3) talent development for the next-generation workforce. A five-year summary report on the progress since inception for the three core goals was provided by the University of Illinois.

The audit report contained no recommendations directed at the University of Illinois or the Capital Development Board. This performance audit was conducted by the staff of the Office of the Auditor General.

Report Digest

On April 29, 2025, the Legislative Audit Commission adopted Resolution Number 168, which directed the Office of the Auditor General to conduct a performance audit of the State monies provided to the Discovery Partners Institute (DPI) and the Illinois Innovation Network (IIN) to examine the entities' purpose and handling of funds appropriated by the General Assembly. The Resolution contained three determinations. Our assessment of these determinations is shown in **Digest Exhibit 1**. (page 1)

Digest Exhibit 1
ASSESSMENT OF AUDIT DETERMINATIONS

Determination from Audit Resolution	Auditor Assessment
A comprehensive accounting of all expenditures of State monies by the Discovery Partners Institute and the Illinois Innovation Network, assessing the adequacy and appropriateness of these expenditures.	• Auditors identified 68 payments for the Discovery Partners Institute headquarters and 225 payments for all the additional Illinois Innovation Network hubs combined. Auditors reviewed supporting documentation provided by the Capital Development Board for each payment and determined that payments were adequate, accurate, appropriate, and were properly monitored by the Capital Development Board. Additionally, auditors found that each payment from FY23 through FY25 was accountable and appeared accurately on the Illinois Office of the Comptroller's website. (pages 27-28)
A thorough evaluation of the allocation, utilization, and monitoring of the $500 million appropriated to the Department of Commerce and Economic Opportunity and the Capital Development Board by the Illinois General Assembly, ensuring accuracy and accountability.	• As of June 2025, $57.4 million of State appropriations were expended for the IIN hubs, not including the DPI headquarters. The expenditures from the $500 million appropriation totaled $13.1 million, while expenditures from other State appropriations totaled $44.3 million. (pages 8-9) • From FY18 through FY25, $11,815,882 in State appropriations were used for the DPI's administrative and operational personnel costs. Additionally, $37,918,782 was expended by the State for the design and construction costs for the DPI headquarters through FY25. Therefore, total State funds used for the DPI were $49.7 million. (pages 13-20)

An assessment of DPI's purpose, goals, and impact to include documentation of DPI's original stated purpose and objectives at its inception; records of any mission, strategic, or operational changes since the initiative began; performance assessments highlighting progress made toward achieving stated goals; and an assessment on the impact of any changes to its mission and projects since inception on the initiative and its funding to determine if DPI is meeting the purposes for which State monies were provided.	• The DPI made progress toward achieving its established goals. According to the University of Illinois, its established goals were 1) applied and translational research; 2) research-driven entrepreneurship and commercialization; and 3) talent development for the next-generation workforce. A five-year summary report on the progress since inception for the three core goals was provided by the University of Illinois. (pages 11, 20-25)

Source: OAG assessment of the audit determinations contained in Legislative Audit Commission Resolution Number 168.

Background

In an October 2017 press release, Governor Bruce Rauner and the University of Illinois System announced plans for the Illinois Innovation Network. The Illinois Innovation Network and its primary hub, the Discovery Partners Institute, were being developed to accelerate innovation, job creation, and economic growth throughout Illinois and consists of 15 hubs across the State, including hubs at public universities and one independent nonprofit hub (Distillery Labs). Exhibit 1, in the audit report, provides a timeline of the Illinois Innovation Network and Discovery Partners Institute. (pages 2-3)

Illinois Innovation Network

According to the Capital Development Board (CDB), as of June 2025, $57.4 million of State appropriations were expended for the Illinois Innovation Network hubs, not including the Discovery Partners Institute headquarters **(see Digest Exhibit 2)**. The expenditures from the $500 million appropriation totaled $13.1 million, while expenditures from other State appropriations totaled $44.3 million. The Illinois Innovation Network was formed in May 2019 and consists of 15 hubs across the State, including one at each public university. The mission statement for the Illinois Innovation Network is: "The Illinois Innovation Network fosters collaboration, increases capacity, and integrates systems in education, research, and innovation by connecting people, organizations, and resources. Together, we build equitable, inclusive, and sustainable communities across Illinois." (pages 4-9)

Digest Exhibit 2
ILLINOIS INNOVATION NETWORK HUB EXPENDITURES[1]
As of June 30, 2025

Illinois Innovation Network Hub	Hub Expenditures	Other State Expenditures
Chicago State University	$0	$4,491,415.10
Distillery Labs [2]	$9,500,000.00	$0
Eastern Illinois University [2]	$956,600.92	$0
Governors State University	$71,977.56	$0
Northeastern Illinois University	$109,454.75	$0
Northern Illinois University	$531,009.50	$0
Southern Illinois University Carbondale	$39,160.00	$0
Southern Illinois University Edwardsville	$75,785.00	$0
University of Illinois Chicago	$671,021.28	$0
University of Illinois Springfield	$1,174,726.59	$0
University of Illinois Urbana-Champaign	$10,945.92	$39,787,416.87
Totals[3]	**$13,140,681.52**	**$44,278,831.97**

[1] Exhibit does not include expenditures for the Discovery Partners Institute.

[2] Project has been completed.

[3] Projects at Illinois State University, University of Illinois College of Medicine Rockford, Western Illinois University, as well as additional projects at the University of Illinois Urbana-Champaign, have not had any expenditures as of June 30, 2025.

Source: Capital Development Board.

Discovery Partners Institute

The Discovery Partners Institute is a joint education, research, and innovation institute led by the University of Illinois System. According to University of Illinois officials, the Discovery Partners Institute is to serve as "an engine for equitable economic development in Chicagoland by building collaborative partnerships to address societal grand challenges through 1) applied and translational research; 2) research-driven entrepreneurship and commercialization; and 3) talent development for the next-generation workforce."

According to documentation provided by the University of Illinois, **$11,815,882** in State appropriations were used for the Discovery Partners Institute's administrative and operational personnel costs from FY18 through FY25 (as of January 2026).

Auditors determined that from FY18 through FY25 (as of January 2026), the Discovery Partners Institute expended nearly $92 million in total for administration and operations. As seen in **Digest Exhibit 3**, the largest expenditure was approximately $47 million for salaries and wages. Of the $92 million, only 25 percent of the $47 million **($11,815,882) for salaries and wages was from State appropriations**.

Digest Exhibit 3
ADMINISTRATIVE AND OPERATING EXPENDITURES FOR THE DISCOVERY PARTNERS INSTITUTE BY EXPENSE TYPE
FY18 through FY25 (as of January 2026)

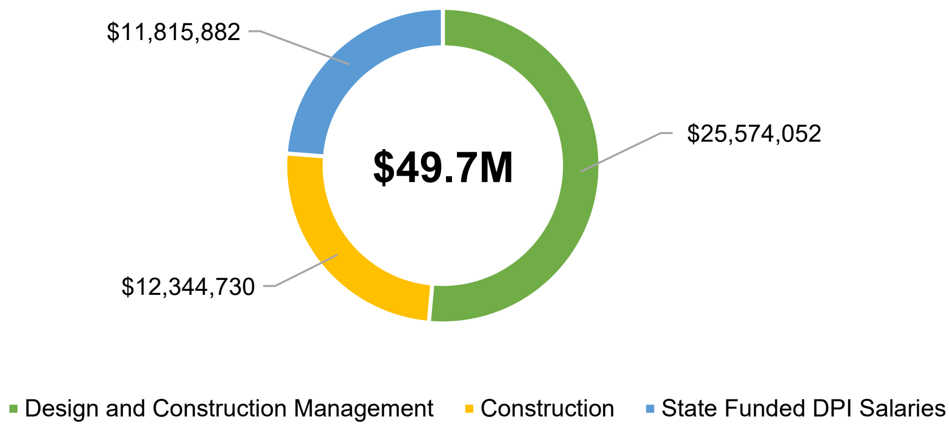
Expense Type	Total Expense
Miscellaneous	$277,051
Allowances	364,824
Non-Mandatory Transfers	512,905
Plant Expenditures	611,414
Transportation Services	710,383
Equipment/Software/Capital Lease	782,622
Indirect Costs Pool	3,283,843
Fringe Benefits	4,245,397
Materials and Supplies	5,520,637
General and Professional Services	28,928,284
Salaries and Wages[1]	46,662,638
Total	**$91,899,998**

[1] State appropriations for salaries and wages were $11.8 million. No other State appropriations were expended on administrative and operating expenses.

Source: University of Illinois documentation.

Auditors also determined that **$37,918,782** was expended by the State for design and construction management ($25,574,052) and construction costs ($12,344,730) for the Discovery Partners Institute headquarters through FY25 (as of January 2026). **Therefore, as seen in Digest Exhibit 4, total State funds used for the Discovery Partners Institute were $49.7 million.**

Digest Exhibit 4
STATE FUNDS USED FOR THE DISCOVERY PARTNERS INSTITUTE
As of June 30, 2025



Note: The total State funded portion of the cost for the headquarters does not include $75,225.60 paid to Johnson Lasky Kindelin Architects, Inc. and $10,740.40 for the Chicago Title and Trust. These expenditures were paid by the University of Illinois.

Source: Summary of Capital Development Board and University of Illinois documentation.

The Discovery Partners Institute headquarters project was cancelled in October 2024, about a month and a half after construction began (Clark was authorized to begin construction on August 22, 2024). According to information provided by the Capital Development Board and the University of Illinois, as of June 30, 2025, $38 million was spent on the project (see **Digest Exhibit 4**). The majority of the expenditures (85.2%) were to Jacobs Consultants, Inc. (Jacobs) and Clark Construction Group – Chicago LLC (Clark). Jacobs was the architect/engineering company contracted to design the headquarters. Clark was the contractor and Turner-Descoto-Powers & Sons-Cullen Joint Venture (Turner) was the construction management firm. The remaining expenditures went to three architecture firms, which were awarded stipends for submitting design proposals.

As noted in **Digest Exhibit 5**, the expenditures for Jacobs, Clark, and Turner included construction administration fees (CAF) charged to projects for CDB oversight. As a result, once the CAF was subtracted, Jacobs was paid $19.3 million, Clark was paid almost $12.0 million, and Turner was paid almost $5.0 million. The actual payments made to all three of these contractors did not include the construction administration fees charged to projects for CDB oversight.

Digest Exhibit 5
THE DISCOVERY PARTNERS INSTITUTE HEADQUARTERS COST EXPENDITURES
By Contract as of June 30, 2025

Contractor	Expenditure
Jacobs Consultants, Inc.[1]	$20,039,231.97
Clark Construction Group – Chicago LLC[1]	12,344,730.00
Turner-Descoto-Powers & Sons-Cullen Joint Venture[1]	5,384,819.94
Johnson Lasky Kindelin Architects, Inc.	75,225.60
F+P Architects New York, Inc.	75,000.00
Studio Gang Architects, Ltd.	75,000.00
Chicago Title and Trust	10,740.40
Total	**$38,004,747.91**

[1] Includes construction administration fees as follows: Jacobs - $722,300; Clark - $359,555; and Turner - $391,900. These fees are charged by CDB for project oversight.

Source: Capital Development Board and the University of Illinois.

The total construction cost for the Discovery Partners Institute headquarters was $12.3 million. As shown in **Digest Exhibit 6**, Clark Construction was paid just under $12 million (not including a construction administration fee charged to projects for CDB oversight). The $6 million paid to Clark Construction (not subcontractors) included insurance, mobilization/demobilization and overhead costs, and profit. (pages 10-20)

Digest Exhibit 6
CLARK CONSTRUCTION GROUP EXPENDITURES FOR THE DISCOVERY PARTNERS INSTITUTE HEADQUARTERS PROJECT

Expense	Total Expense
Subcontractors	$6,056,192
Bond	77,313
General Liability Insurance	191,763
Excess Insurance	371,076
Builder's Risk Insurance	26,546
Overhead/Mobilization/Demobilization	3,212,284
Profit	2,050,000
Clark Total	**$11,985,174**
Construction Administration Fee (CAF)	359,555
Total with CAF	**$12,344,730**

Note: The construction administration fee (CAF) is charged to projects for CDB oversight.

Source: Capital Development Board.

Discovery Partners Institute Purpose, Goals, and Impact

The Discovery Partners Institute made progress toward achieving its established goals. According to the University of Illinois, its established goals were 1) applied and translational research; 2) research-driven entrepreneurship and commercialization; and 3) talent development for the next-generation workforce. A five-year summary report on the progress since inception for the three core goals was provided by the University of Illinois. (pages 11, 20-23)

Decision to Stop Construction of the Discovery Partners Institute Headquarters

On October 10, 2024, the University instructed the Director of the Capital Development Board to stop construction on the Discovery Partners Institute headquarters. On October 18, 2024, University of Illinois System President Timothy Killeen announced that construction for the new Discovery Partners Institute headquarters at The 78 in downtown Chicago had stopped. Under the University's new vision, a new location called the Discovery Partners Institute South would be established at the planned Illinois Quantum and Microelectronics Park while maintaining the Discovery Partners Institute's current downtown Chicago headquarters located at 200 S. Wacker Drive. Additional documentation from the University identified by auditors noted: "Planning should pivot away from building a DPI headquarters on The 78. To build more office spaces and dry labs on The 78, especially given the unforeseen real estate situation, **no additional entities committed to The 78, and most importantly, not having an intellectually-driven focus to DPI – presents significant risk to its future.** DPI should not be a hall mark facility, rather DPI is a bold vision and should be considered as a series of facilities across the Chicagoland area." [Emphasis added.] According to University of Illinois officials, "this is a mix of secondary reasons and commentary from the proposal that the Dean put forward that had nothing to do with the decision." Additionally, University officials noted, these individual comments from this document are "not what drove the decision. These were perspectives from one university leader." Auditors asked University of Illinois officials why the scope of the Discovery Partners Institute headquarters project changed. Officials noted it was President Timothy Killeen's decision to expand in this way and to move from The 78 and create two separate locations. (pages 23-25)

Review of Discovery Partners Institute and Illinois Innovation Network Expenditures

Auditors identified 68 payments for the Discovery Partners Institute headquarters and 225 payments for all the additional Illinois Innovation Network hubs combined. Auditors reviewed supporting documentation provided by the Capital Development Board for each payment and determined that payments were adequate, accurate, appropriate, and were properly monitored by the Capital Development Board. Additionally, auditors found that each payment from FY23 through FY25 was accountable and appeared accurately on the Illinois Office of the Comptroller's website. (pages 27-28)

Audit Recommendations

The audit report contained no recommendations directed at the University of Illinois or the Capital Development Board. The response from the University of Illinois is included in this report as Appendix D. The Capital Development Board did not provide a response.

This performance audit was conducted by the staff of the Office of the Auditor General.

SIGNED ORIGINAL ON FILE

TRICIA WAGNER
Division Director

This report is transmitted in accordance with Sections 3-14 and 3-15 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

CHRISTOPHER B. MEISTER
Auditor General

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