Excellence and Impact

#11 IN THE NATION (PUBLIC)
#29 IN THE WORLD
U.S. NEWS AND WORLD REPORT/TIMES HIGHER EDUCATION

32,878 UNDERGRADUATE
11,209 GRADUATE
STUDENT ENROLLMENT, FALL 2015

$6.4 B DIRECT IMPACT ON STATE
2014 ECONOMIC IMPACT REPORT

23 NOBEL PRIZE WINNERS
19 MACARTHUR FELLOWS
309/$28.1M GRANTS AND FUNDING AWARDED BY NEH SINCE 1965
7 NATIONAL MEDALS OF SCIENCE
26 PULITZER PRIZE WINNERS
A pre-eminent public RESEARCH UNIVERSITY with a land-grant mission and global impact

Producing top graduates, leaders, and local, national and global citizens
Creating new knowledge and putting it into the hands of those who will use it
Serving Illinois, the nation, and the world
Ensuring accessibility and affordability
One campus, many voices
OUR STATE FUNDING
Estimated State Support per Student, FY14

<table>
<thead>
<tr>
<th>State</th>
<th>Estimated Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rutgers</td>
<td>$15,838</td>
</tr>
<tr>
<td>Maryland</td>
<td>$12,481</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$12,463</td>
</tr>
<tr>
<td>Illinois</td>
<td>$12,049</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$11,792</td>
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<tr>
<td>Wisconsin</td>
<td>$10,276</td>
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<tr>
<td>Iowa</td>
<td>$8,862</td>
</tr>
<tr>
<td>Purdue</td>
<td>$8,161</td>
</tr>
<tr>
<td>Ohio State</td>
<td>$7,928</td>
</tr>
<tr>
<td>Michigan</td>
<td>$6,630</td>
</tr>
<tr>
<td>Michigan State</td>
<td>$5,474</td>
</tr>
<tr>
<td>Indiana</td>
<td>$5,005</td>
</tr>
<tr>
<td>MI OH WI Average</td>
<td>$8,219</td>
</tr>
<tr>
<td>Big Ten Average</td>
<td>$9,621</td>
</tr>
</tbody>
</table>

- Illinois estimates include appropriation and normal payments on behalf.
- Estimates not available for Penn State.
- Northwestern not applicable.
Budget Sources (FY15)

- Auxiliary Enterprises & Departmental Activities: $378M (19%)
- Sponsored Research & Fed Appropriations: $453M (22%)
- Gifts & Endowment Income: $131M (6%)
- State Appropriations: $241M (12%)
- Tuition: $682M (33%)
- Indirect Cost Recovery Receipts: $139M (7%)
- Other Institutional Funds: $17M (1%)

Total = $2,041M
Budget Allocations FY15 (Unrestricted)

- **Academic**: 62%
- **Central Administration & Service Units**: 19%
- **Centrally Awarded Financial Aid**: 6%
- **University Items***: 13%

*Includes centrally-held discretionary spending for special initiatives, Medicare, Worker’s Comp, misc.

**Total = $1,080M**
Budget Average Annual Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>One Year</th>
<th>Five Year</th>
<th>Ten Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total UR Funds</td>
<td>4.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic</td>
<td>5.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrally Awarded Financial Aid</td>
<td></td>
<td>27.9%</td>
<td></td>
</tr>
<tr>
<td>Central Administration &amp; Service Units</td>
<td>-0.3%</td>
<td></td>
<td>-2.3%</td>
</tr>
<tr>
<td>University Items</td>
<td></td>
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</tr>
</tbody>
</table>

IN SUMMARY

• Unrestricted sources add up to slightly over half of our budgeted revenues
• Growth in unrestricted sources is slowing overall
• Our investments in financial aid have been substantial
• Growth in central administration, services, and costs has slowed significantly
FY 2015 Year End Balances

- **Total Campus**: $1,131,269,000
  - **State/Institutional**: $204,135,000
  - **Self Supporting**: $103,541,000
  - **Gift/Endowment**: $253,851,000
  - **Plant/RR**: $569,742,000
- **Centrally Held**: $45,877,000
100+ Capital Projects at Risk

1094 S. FOURTH STREET - ACCESSIBILITY IMPROVEMENTS
2711 SOUTH RACE STREET - BUILDING DEMOLITION
885 WEST PENNSYLVANIA - RENOVATION
ABBOTT POWER PLANT - BLACK START GENERATOR
ABBOTT POWER PLANT - GAS BOILER REPLACEMENT - PHASE 2
AGRICULTURAL ENGINEERING SCIENCES BUILDING - FISH PILOT PLANT RENOVATION
AGRICULTURAL ENGINEERING SCIENCES BUILDING - PAINT SOUTH VESTIBULE INTERIOR AND EXTERIOR
AITS BUILDING - MECHANICAL UPGRADES
ALLEN HALL - AHU REPLACEMENT
ALLERTON MAIN HOUSE - ROOF REPLACEMENT & CHIMNEY REPAIRS
ARCHITECTURE BUILDING - REMODELING AND ADDITION FEASIBILITY STUDY
ARMORY - CTL RENOVATION
ARMORY BUILDING - CLASSROOM REPAIRS PHASE 2
ARMORY BUILDING - SOUTH EXTERIOR ENVELOPE & FLOORS 1 & 2 OFFICE REMODELING
ARMORY, FOELLINGER AUDITORIUM, HUFF HALL - LIFE SAFETY DEFICIENCY CORRECTIONS (CDB)
ART & DESIGN BUILDING - SPACE CONSOLIDATION FEASIBILITY STUDY
BEVIER HALL - INFRASTRUCTURE RENOVATION - PHASE 1
BIELFELD ATHLETIC ADMINISTRATION BUILDING - LANDSCAPE IMPROVEMENTS FEASIBILITY STUDY
BURRELL HALL - MCB CENTER FOR UNDERGRADUATE ADVISING & INSTRUCTION
BUSINESS INSTRUCTIONAL FACILITY - COURTYARD RENOVATIONS
CERL - BUILDING NO. 2 - FIRE SUPPRESSION SYSTEM
CERL - HEATING SYSTEM RENOVATION - PHASE 2
CERL - IMPROVE AND ENLARGE EXISTING NORTHWEST PARKING LOT
CERL MAIN BUILDING ADDITION
CHEMISTRY ANNEX - ADDITION AND RENOVATION MASTER
COLLEGE OF ENGINEERING BUILDINGS - EPC PROJECT 03
DAVENPORT HALL - EXTERIOR REPAIRS
DAVENPORT HALL - RESTROOM RENOVATION
DESIGN CENTER
DIGITAL, COMPUTER LABORATORY - POETS RENOVATION
ENGLISH BUILDING - GROUP FACULTY OFFICE UPGRADES
ENGLISH BUILDING - SLATE ROOF REPLACEMENT
EVERITT LABORATORY RENOVATION - BIOENGINEERING GRAINGER ENGINEERING BREAKTHROUGHS
FLAGG HALL - EXTERIOR REPAIRS
FOELLINGER AUDITORIUM - LED DOME LIGHTING
FREER HALL - POOL INFILL RENOVATION
FREER HALL - SOUTH ACCESSIBLE ENTRANCE
GREGORY HALL - CLASSROOM 112 AHU AND SEATING REPLACEMENT
HARDING BAND BUILDING - BAND REHEARSAL ROOM REPAIRS
HENRY ADMINISTRATION BUILDING - ENVELOPE REPAIR & HVAC UPGRADE
HENRY ADMINISTRATION BUILDING - EXTERIOR AND VESTIBULE DOOR RESTORATION
HORTICULTURE FIELD LABORATORY - ARCHIVES RESEARCH CENTER HVAC RENOVATION - PHASE II
HOUSING FOOD STORES - ROOF REPLACEMENT
HUFF HALL - VOLLIBALL LOCKER ROOM REMODELING - FEASIBILITY STUDY
ICE ARENA - PORTABLE ICE REFRIGERATION SYSTEM
IKENBERRY COMMONS #3 RESIDENCE HALL WITH TAI AND VAN DOREN DEMO - MASTER
ILLINI UNION - COMBINED HOOD & AHU DIRECT DIGITAL CONTROL RENOVATION
ILLINI UNION - COMBINED HOOD & AHU DIRECT DIGITAL CONTROL RENOVATION
ILLINI UNION - EXTERIOR PAINTING REPAIRS PHASE II
ILLINI UNION - FACILITY STUDY
ILLINI UNION - ILLINI ROOMS OPERABLE WALL RENOVATIONS
ILLINOIS HEIGHT MODERNIZATION PROGRAM - 2016 LEVEL LINE 3 NORTH
ILLINOIS SUSTAINABILITY TECHNOLOGY CENTER - CHILLED WATER CONVERSION
KENNEY GYM - VAULT LANDING AREA
KENNEY GYMNASIUM - LOCKER ROOM RENOVATION FEASIBILITY STUDY
KRANNERT ART MUSEUM - EXHIBIT DESIGN AND DISPLAY
KRANNERT ART MUSEUM - FIRST FLOOR GALLERY RENOVATION - PHASE II
KRANNERT ART MUSEUM - OUTSIDE AIR INTAKE IMPROVEMENTS
LAW BUILDING - CLASSROOM REVITALIZATION AND ADDITION
LAW BUILDING - LEGAL CLINIC REMODELING & EXPANSION
LIDAR 2015 - DATA ACQUISITION OF FORD, IROQUOIS, AND LIVINGSTON COUNTIES
LIDAR 2016 - DATA ACQUISITION & PROCESSING OF BUREAU COUNTY
LIDAR 2016 - DATA PROCESSING OF FORD, IROQUOIS & LIVINGSTON COUNTIES
LIDAR 2016 - DATA PROCESSING OF FORD, IROQUOIS & LIVINGSTON COUNTIES
MADAGAN LABORATORY - LINTIL AND EXTERIOR ENVELOPE INVESTIGATION STUDY
MADAGAN LABORATORY - MECHANICAL ROOM TROLLEY BEAM DESIGN
MAIN LIBRARY - CORRIDOR AND STAIRWAY RENOVATION
MAIN LIBRARY & UNDERGRADUATE LIBRARY ENTRY RENOVATIONS
MATERIAL SCIENCE AND ENGINEERING BUILDING FIRST FLOOR WEST WING REMODEL
MCKINLEY HEALTH CENTER - WINDOWS REPLACEMENT BUILDING C
MCKINLEY HEALTH CENTER - WINDOWS REPLACEMENT BUILDING C
MORRILL HALL - SB LABORATORY AND SUPPORT SPACE RENOVATION
MULTIPLE BUILDING - ROOF REPLACEMENTS
MULTIPLE BUILDING ELEVATOR UPGRADES
MULTIPLE BUILDING RESTROOM RENOVATIONS PHASE II
NATIONAL HISTORY BUILDING RENOVATION - MASTER PROJECT
NCSA PETASCALE COMPUTING FACILITY - INFRASTRUCTURE UPGRADE FOR BEYOND BLUE WATERS
NEWARKMART CIVIL ENGINEERING BUILDING - 4TH FLOOR HVAC RENOVATION
NOTES LABORATORY - WEST CLASSROOM RENOVATION
NOTES LABORATORY RENOVATION - NANOSCALE THEORY CENTER
OAK STREET LIBRARY FACILITY - 3RD FLOOR REMODELING FOR COLLECTION MANAGEMENT SERVICES (CMS) OPERATIONS, MAINTENANCE, AND COMPLIANCE FOR NATURAL GAS SYSTEM - 2016 PARKING MASTER PLAN UPDATE - 2014
PARKING STRUCTURE C7 AND C10 STRUCTURAL ASSESSMENT FY2016
PRESIDENT'S HOUSE - INTERIOR AND EXTERIOR REPAIRS - MASTER PROJECT
PRESIDENT'S HOUSE - MICROCOMPUTER CENTER - PIPELINE EVENT UPGRADE
PRESIDENT'S HOUSE - MICROCOMPUTER CENTER - PIPING EVENT BRUSHING, REPLACEMENTS
SMITH MEMORIAL HALL - INFRASTRUCTURE AND LIFE SAFETY - PHASE II
SOCCER/TRACK FIELD BLEACHERS INSPECTION - 2015
SPEECH & HEARING CLINIC - LAB RENOVATION
STATE FARM CENTER - WATER AND LIFE SAFETY UPGRADES
STATE FARM CENTER - WATER AND LIFE SAFETY UPGRADES
STATE FARM CENTER - WATER AND LIFE SAFETY UPGRADES
STATE FARM CENTER - WATER AND LIFE SAFETY UPGRADES
STEAM TUNNEL REPAIR - 1ST STREET AND PEABODY DRIVE
SURVEYING BUILDING RENOVATION
TALBOT LABORATORY - EDUCATIONAL LABORATORY UPGRADE & EXPANSION
TALBOT LABORATORY - TRANSPORTATION BUILDING - ELEVATOR & LIFE SAFETY UPGRADES
TANNAHILL - CLASSROOM RENOVATIONS
U.E.S - STRUCTURAL AND CIVIL ENGINEERING SUPPORT SERVICES SFC 1 - FY16
UTILITIES STEAM TUNNEL REHABILITATION PHASE 1 - GREGORY DRIVE
VET MED - BASIC SCIENCES BUILDING - COLLABORATIVE LEARNING SPACE
VETERINARY TEACHING HOSPITAL - MRI UNIT REMODELING
VETERINARY TEACHING HOSPITAL - STANDING SEAM ROOF REPLACEMENT

Office of the Provost
University of Illinois at Urbana-Champaign

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PATH FORWARD
Sustained STATE COMMITMENT?
### State Fiscal Support, Assets & Liabilities

**“G8”**

<table>
<thead>
<tr>
<th>State</th>
<th>Per $1,000 in Personal Income</th>
<th>US Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>$8.08</td>
<td>10</td>
</tr>
<tr>
<td>California</td>
<td>$6.38</td>
<td>18</td>
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<tr>
<td>New York</td>
<td>$5.08</td>
<td>32</td>
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<tr>
<td>Michigan</td>
<td>$4.44</td>
<td>37</td>
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<tr>
<td>Ohio</td>
<td>$4.38</td>
<td>38</td>
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<tr>
<td>New Jersey</td>
<td>$4.04</td>
<td>43</td>
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<tr>
<td>Massachusetts</td>
<td>$3.73</td>
<td>44</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$2.74</td>
<td>49</td>
</tr>
</tbody>
</table>

**5th highest Gross State Product**

**18th highest Median Household Income**

> $110 billion unfunded liability

Source: Grapevine, Fiscal Year 2015: Annual Compilation of Data on State Fiscal Support for Higher Education, Center for the Study of Education Policy at Illinois State University and the State Higher Education Executive Officers (SHEEO). Illinois allocations data include all funds appropriated to SURS in any given year. SURS appropriations have increased significantly since 2008 in response to prior underfunding.
Increase TUITION RATES?
Resident Tuition and Fees, 2015-2016

- Max Differential
- Base Rate

Students we admitted but lost to competitors in 2014

<table>
<thead>
<tr>
<th>University</th>
<th>Max Differential</th>
<th>Base Rate</th>
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</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>$82,000</td>
<td>$19,000</td>
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<tr>
<td>Penn State</td>
<td>$88,000</td>
<td>$17,000</td>
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<tr>
<td>Michigan State</td>
<td>$174,000</td>
<td>$54,000</td>
</tr>
<tr>
<td>Rutgers</td>
<td>$394,000</td>
<td>$450,000</td>
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<tr>
<td>Minnesota</td>
<td>$213,000</td>
<td>$105,000</td>
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<tr>
<td>Michigan</td>
<td>$158,000</td>
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<tr>
<td>Purdue</td>
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<tr>
<td>Wisconsin</td>
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<tr>
<td>Maryland</td>
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<td>$21,000</td>
</tr>
<tr>
<td>Iowa</td>
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<tr>
<td>Indiana</td>
<td>$21,000</td>
<td>$21,000</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$21,000</td>
<td>$21,000</td>
</tr>
</tbody>
</table>

Raise tuition?
Philanthropy

More Efficient Use of Resources

Capture Opportunities
Barriers

Unstable state funding and high regulation

Academic program development processes

Budgeting system and model

Organizational structure
Budget System and Model: Weaknesses

Campus Budget Advisory Task Force

Investigating campus budget model and methods; method of GRF allocation; carry-forward

- Incremental
- Non-transparent
- Complex, illegible, contributing to mistrust
- Vertical budgeting is not aligned
- Has not adapted to diversifying revenue streams

Council of Deans

Experience in annual budgeting process and formulating response to current budget impasse

- Annual process lacks consistent feedback
- Costing is incomplete
- Accounting systems vary widely
- Centralized control has grown over time
Parallel Actions (Building on FY16 Planning)

**FY17 Planning**
- Clarification of unit types, with tailored guidance
- FY17 planning scenarios
- Incentives for organizational innovation

**Budget System and Model Reform**
- CBATF Final Report
- Project Steering Committee
- Focused task forces
- Consultation
  - COD
  - Senate
  - CBATF
- Communications

**Capacity Building**
- Vice Provost for Planning and Budgeting
- Mid-level professional staff
- Consultation
  - Peer institutions
  - Consulting assistance
Our Future

Producing top graduates
Creating new knowledge
Serving Illinois, the nation, and the world
Ensuring accessibility and affordability
Ranked #11 among public universities in the nation
Record number of applicants for AY 2016-17
Questions?