



# BUDGET UPDATE AND PLANS

March 2016



# OUR CHALLENGE



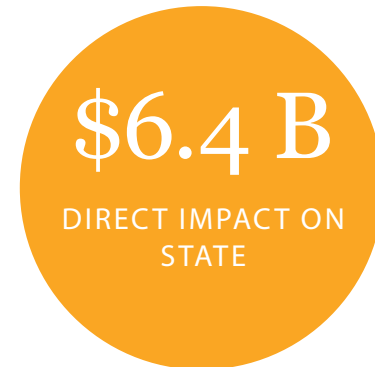
# Excellence and Impact



U.S. NEWS AND  
WORLD REPORT /  
TIMES HIGHER EDUCATION



STUDENT ENROLLMENT,  
FALL 2015



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



OUR VALUES

*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

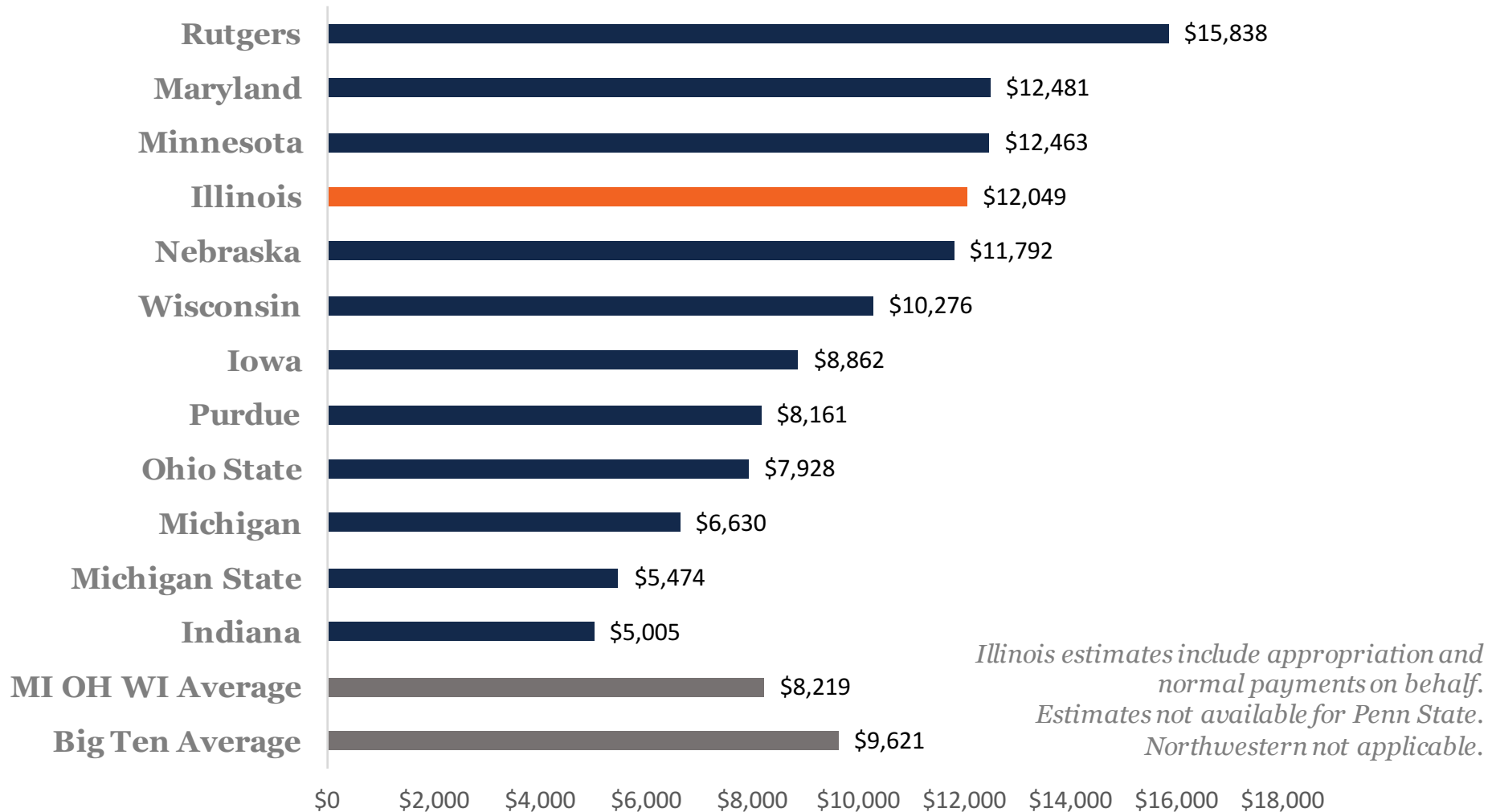




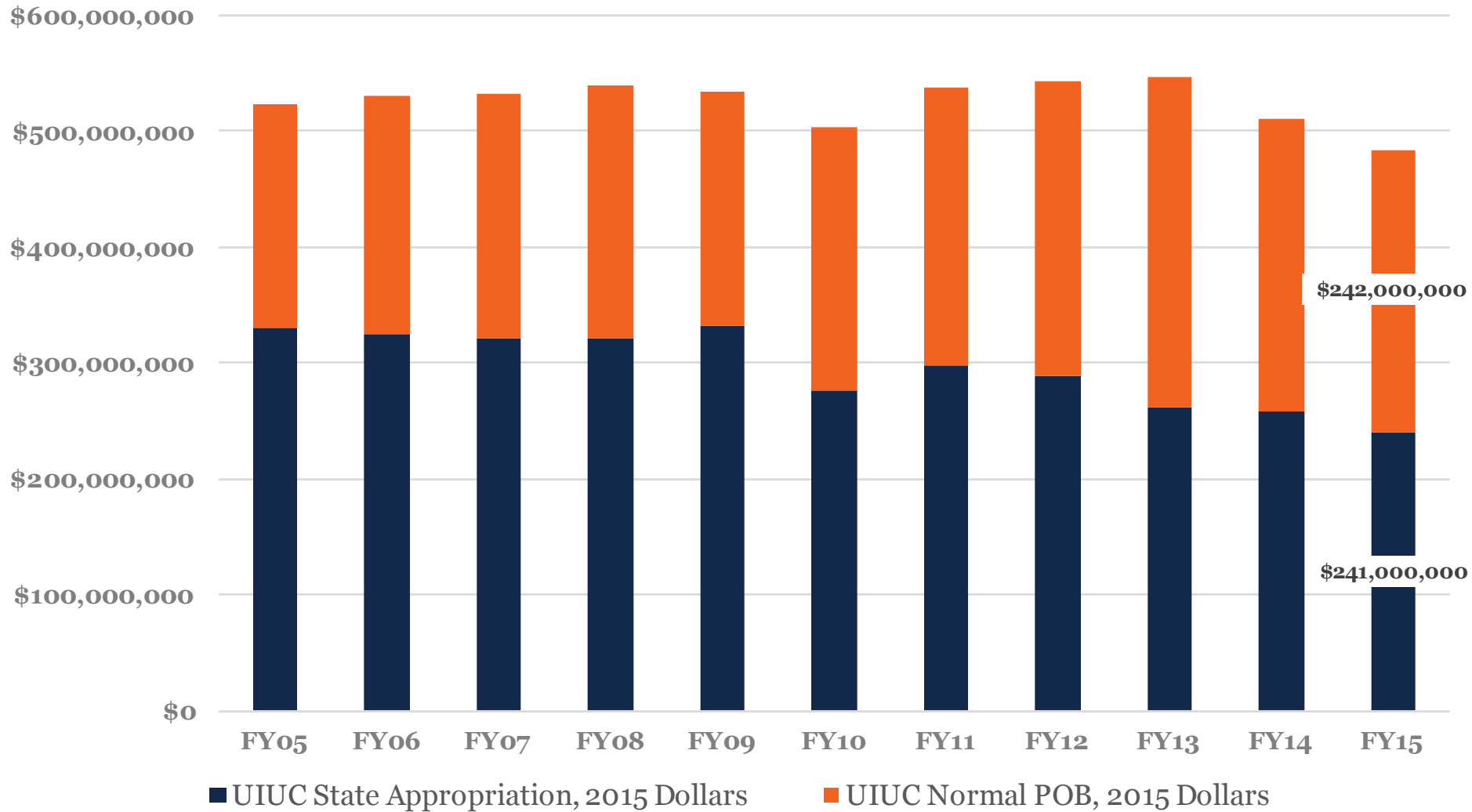
# OUR STATE FUNDING



# Estimated State Support per Student, FY14



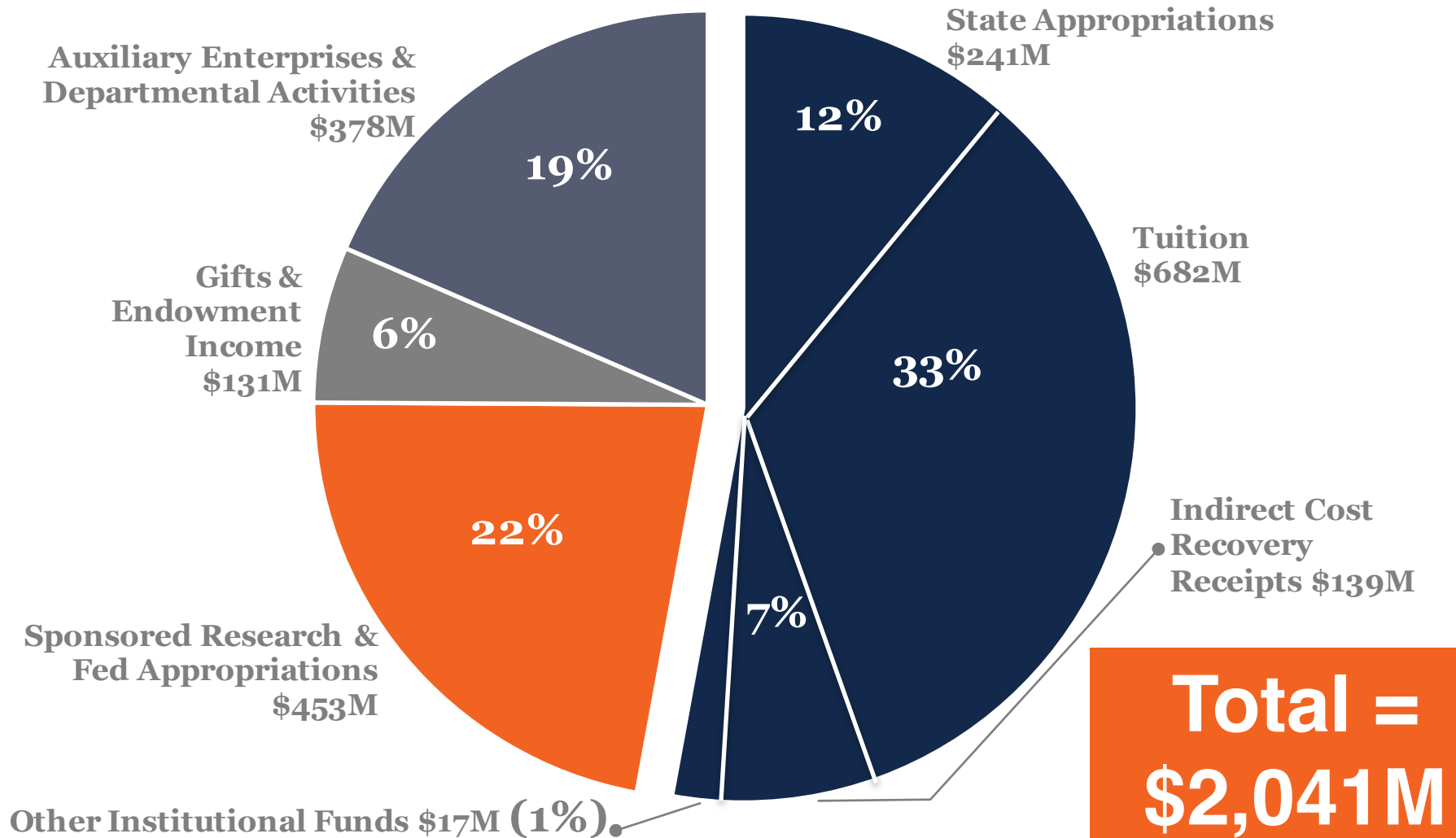
# Ten-Year State Funding Trend



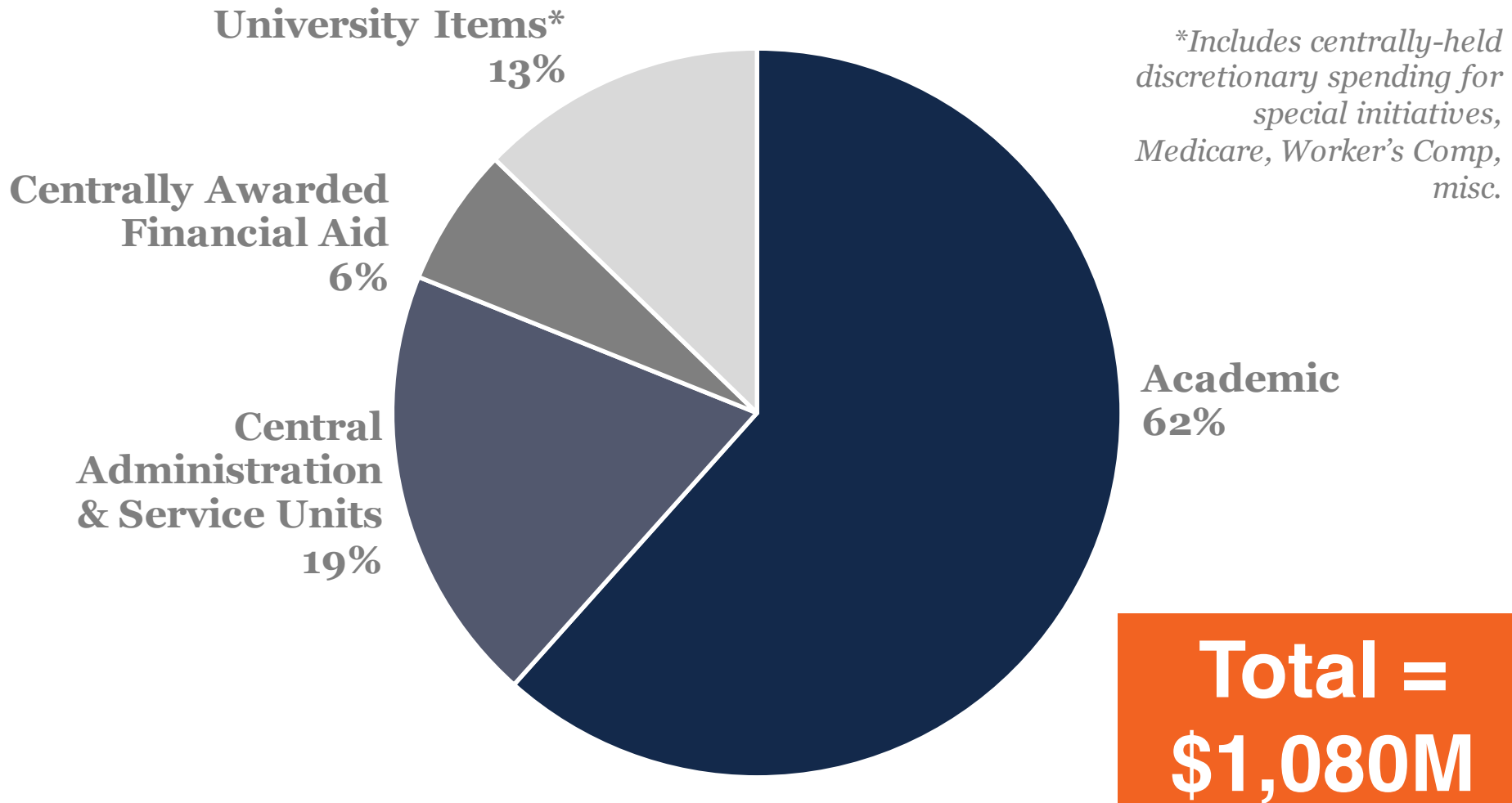
# OUR BUDGET



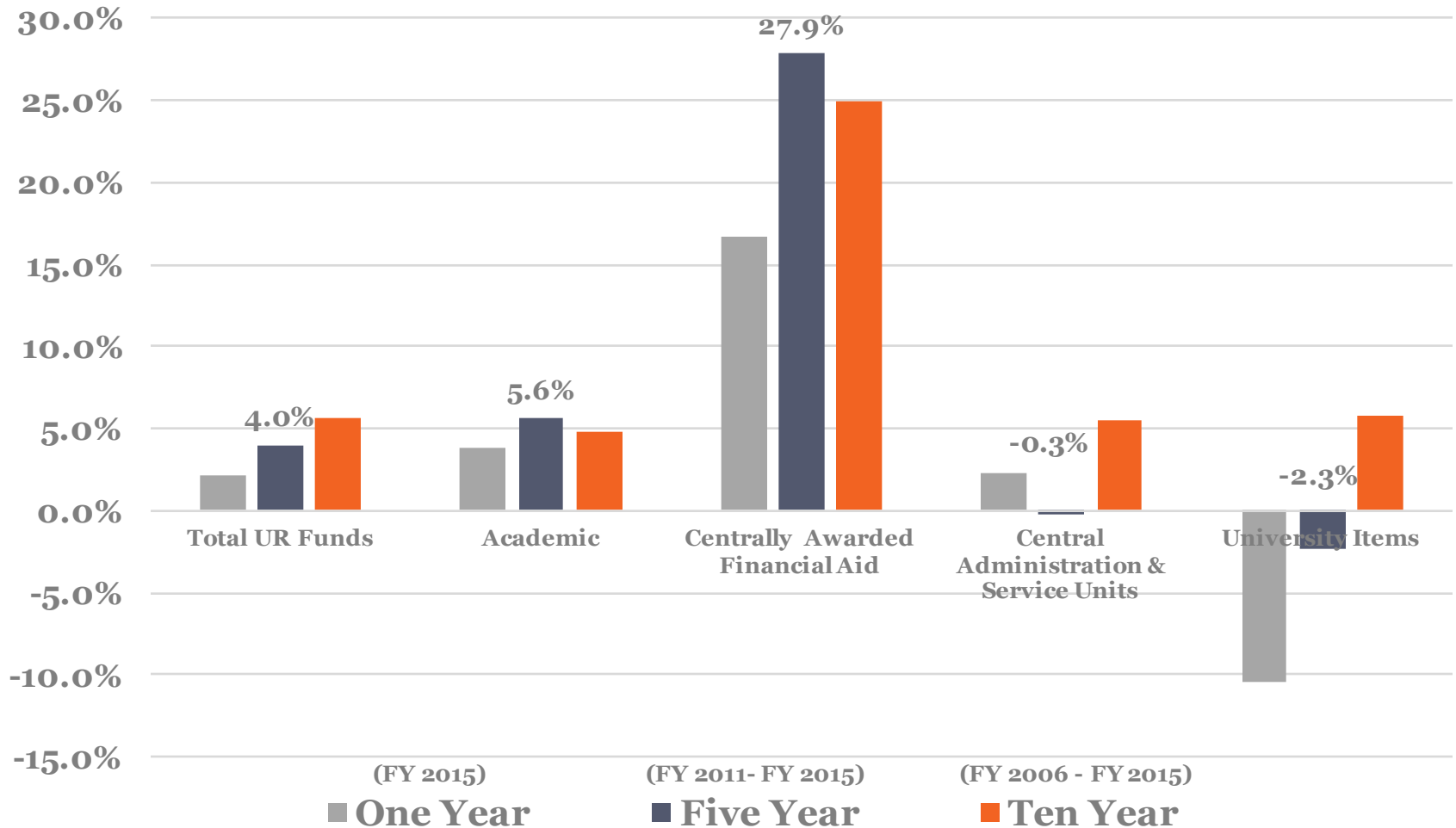
# Budget Sources (FY15)



# Budget Allocations FY15 (Unrestricted)



# Budget Average Annual Growth

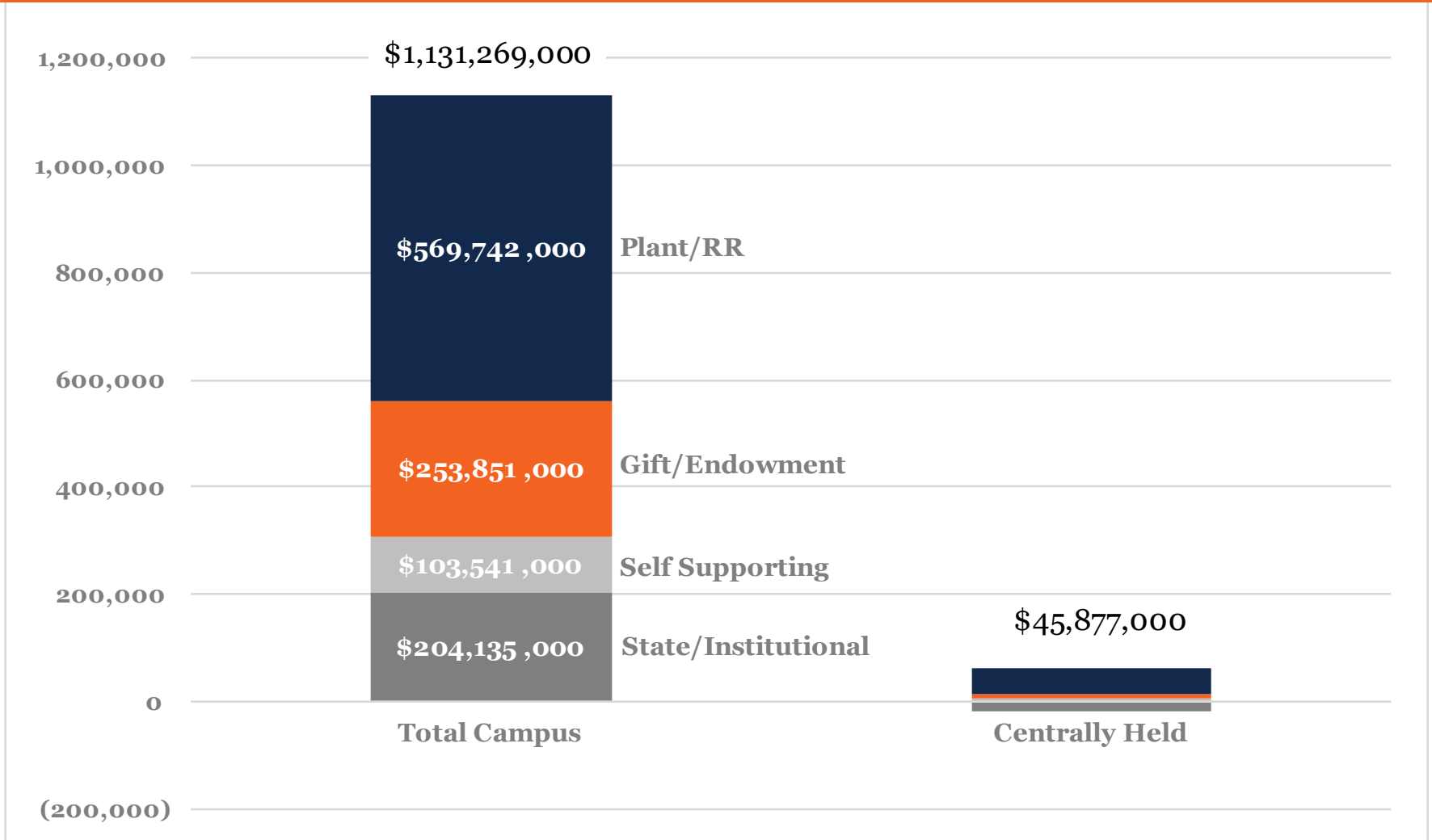




# IN SUMMARY

- 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



# 100+ Capital Projects at Risk

1004 S. FOURTH STREET - ACCESSIBILITY IMPROVEMENTS  
 2711 SOUTH RACE STREET - BUILDING DEMOLITION  
 805 WEST PENNSYLVANIA - RENOVATION  
 ABBOTT POWER PLANT - BLACK START GENERATOR  
 ABBOTT POWER PLANT - GAS BOILER REPLACEMENT - PHASE 2  
 AGRICULTURAL ENGINEERING SCIENCES BUILDING - FSHN 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 - CITL 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  
 BIELFELDT ATHLETIC ADMINISTRATION BUILDING - LANDSCAPE IMPROVEMENTS FEASIBILITY STUDY  
 BURRILL 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 - VOLLEYBALL LOCKER ROOM REMODELING - FEASIBILITY STUDY  
 ICE ARENA - PORTABLE ICE REFRIGERATION SYSTEM  
 IKENBERRY COMMONS #3 RESIDENCE HALL WITH TAFT 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  
 MADIGAN LABORATORY - LINTEL AND EXTERIOR ENVELOPE INVESTIGATION STUDY  
 MADIGAN 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 - SIB LABORATORY AND SUPPORT SPACE RENOVATION  
 MULTIPLE BUILDING - ROOF REPLACEMENTS  
 MULTIPLE BUILDING ELEVATOR UPGRADES  
 MULTIPLE BUILDING RESTROOM RENOVATIONS PHASE II  
 NATURAL HISTORY BUILDING RENOVATION - MASTER PROJECT  
 NCSA PETASCALE COMPUTING FACILITY - INFRASTRUCTURE UPGRADE FOR BEYOND BLUE WATERS  
 NEWMARK CIVIL ENGINEERING BUILDING - 4TH FLOOR HVAC RENOVATION  
 NOYES LABORATORY - WEST CLASSROOM RENOVATION  
 NOYES 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  
 SIEBEL CENTER FOR COMPUTER SCIENCE - PIPING VENT BUSHING REPLACEMENTS  
 SMITH MEMORIAL HALL - INFRASTRUCTURE AND LIFE SAFETY - PHASE II  
 SOCCER/TRACK FIELD BLEACHERS INSPECTION - 2015  
 SPEECH & HEARING CLINIC - LAB RENOVATION  
 STATE FARM CENTER - RENOVATION AND ADDITION - MASTER PROJECT  
 STEAM - BRICK ARCH TUNNEL INSPECTION & CONCEPTUAL IMPROVEMENTS  
 STEAM - REFEED TO TURNER HALL GREENHOUSE  
 STEAM TUNNEL REPAIR - 1ST STREET AND PEABODY DRIVE  
 SURVEYING BUILDING RENOVATION  
 TALBOT LABORATORY - EDUCATIONAL LABORATORY UPGRADE & EXPANSION  
 TRANSPORTATION BUILDING - ELEVATOR & LIFE SAFETY UPGRADES  
 TURNER HALL - CLASSROOM RENOVATIONS  
 UES - 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



# PATH FORWARD



MOVING FORWARD

*Sustained*  
STATE COMMITMENT?



# State Fiscal Support, Assets & Liabilities

“G8”

| State         | Per \$1,000<br>in Personal<br>Income | US<br>Rank |
|---------------|--------------------------------------|------------|
| Illinois      | \$8.08                               | 10         |
| California    | \$6.38                               | 18         |
| New York      | \$5.08                               | 32         |
| Michigan      | \$4.44                               | 37         |
| Ohio          | \$4.38                               | 38         |
| New Jersey    | \$4.04                               | 43         |
| Massachusetts | \$3.73                               | 44         |
| Pennsylvania  | \$2.74                               | 49         |



5<sup>th</sup> highest Gross State Product  
18<sup>th</sup> 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.

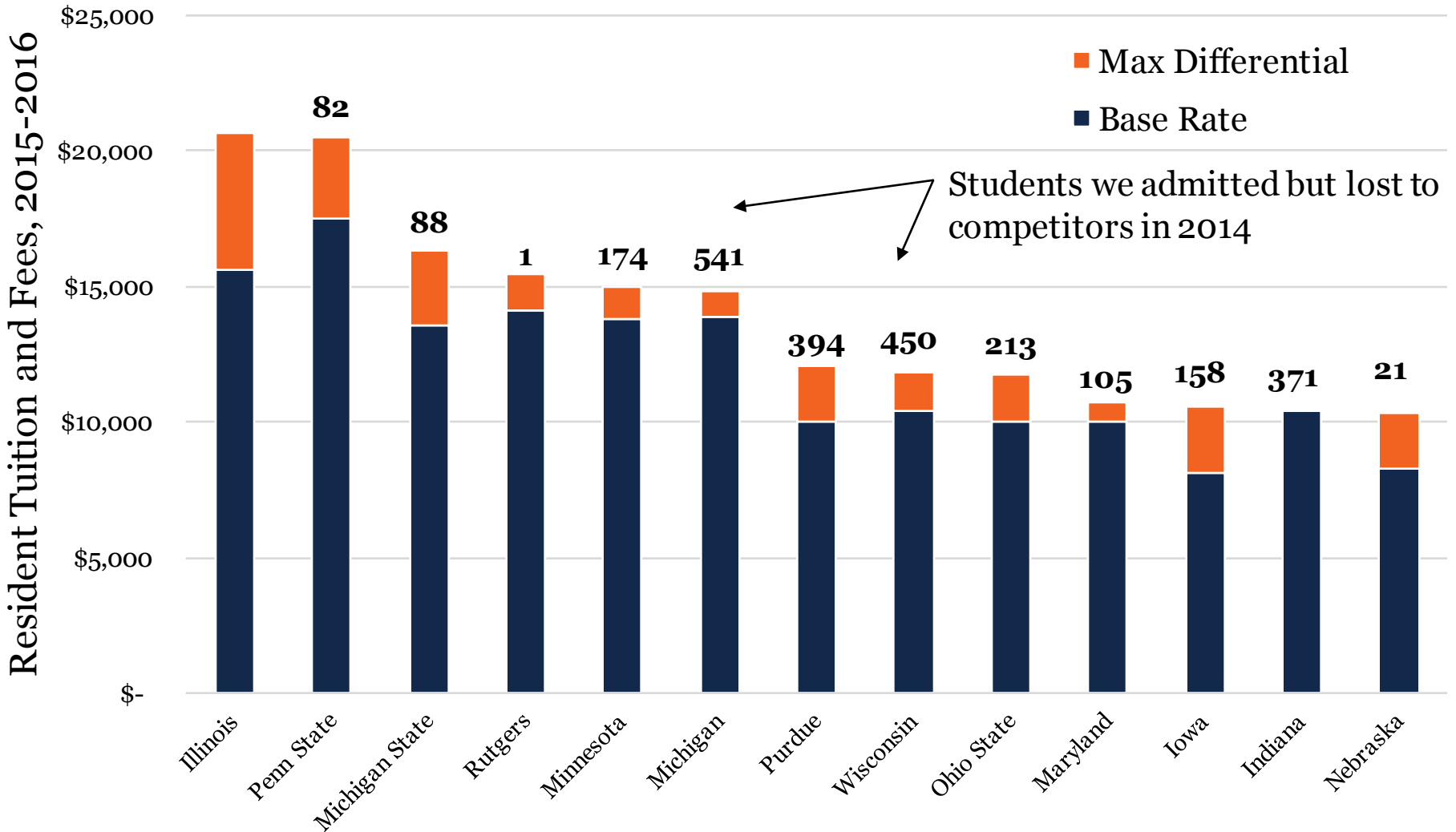
MOVING FORWARD

*Increase*  
TUITION RATES?





# Raise tuition?



MOVING FORWARD

# *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



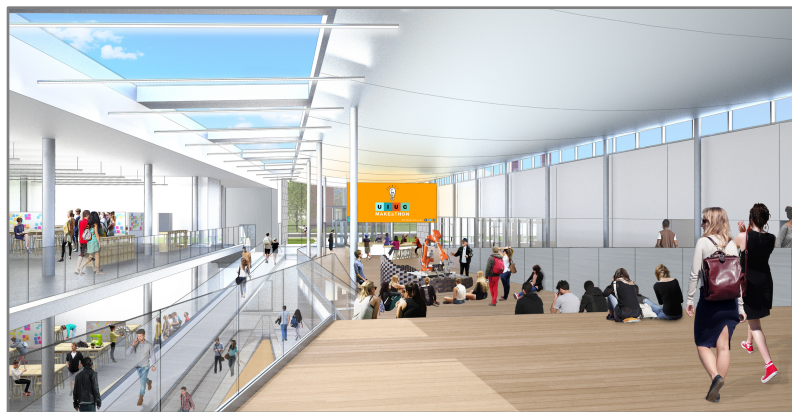
# Prospects for Success





# 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



Campus-wide Design Center





# Questions?

