Campus Budget Update
Academic Leadership Series, October 2023

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OFFICE OF THE PROVOST
Outline

Overview of Budget and Resource Planning Office

Campus Budget Overview

Questions
Mission of the Budget and Resource Planning Office

- Steward financial and capital resources for campus
- Provide leadership, training & support to enhance fiscal operations of campus units
- Produce timely and useful information to decision-makers
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What does our office do?

- Develop & Implement Annual Operating Budgets
- Coordinate Annual Unit Review Process
- Monitor Fiscal Health of Units Campus-wide
- Tuition Rate Development & Approval Process
- Manage Campus Reserves
- Address Compliance Issues
- Salary Program Administration Other HR
- Financial Analysis, Data & Reporting
- Lead Budgeting Reform Initiative
- Provide Shared Business Services*
- Capital Planning
- Co-Lead Operational Excellence @ Illinois Initiative

*Office of the Chancellor, Office of the Provost, Office of Vice Chancellor for Admin & Operations and other selected units which report to these offices.
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Campus Budgeting Process

- Units develop annual reports, hiring plan, budget requests
- Individual admin. unit budget meetings with Administrative Budget Committee
- Campus allocates funds to units

October
- Campus planning guidelines developed

November/December
- Individual college budget meetings led by Provost

January/March
- Provost updates Senate budget committee

May/June
- College leadership reconciles requests with allocation

July/August

Guidance provided to Provost from Council of Deans and CBOC
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FY24 Budget Sources

- Direct State Appropriation $277M (10%)
- Income Fund $968M (34%)
- Institutional Funds $216M (8%)
- Sponsored Research & Fed Appropriations $602M (21%)
- Gifts & Endowment Income $214M (8%)
- Auxiliary Enterprises & Departmental Activities $535M (19%)

FY24 Total $ 2.81B = $1.46B Unrestricted + $1.35 Restricted
State Funding Trend
(2024 dollars)

FY24 estimated CPI adjusted dollars. FY24 includes 4% salary increase. HLD estimate based on 3-year average HLD rates.
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FY24 Unrestricted Budget

Tuition Units $700M
49%

Coursera Contract $18M
1%

Held for distribution to colleges/units $58M
4%

Centrally Awarded Financial Aid $125M
9%

Campus Level Research Units $75M
5%

Technology Services, F&S and Utilities $146M
10%

Campus-wide support, initiatives & risk management reserve $135M
10%

Other Centrally Budgeted Ac & Admin $162M
12%

Allocated $1.419B

Over-Realization Reserves + 42M

FY24 Unrestricted Total $1.461B
Tuition and Fee Revenues
Budgeted Tuition

Compounded annual growth from FY15 to FY24 3.6% using nominal dollars
0.76% using FY24 dollars
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In-State Cost of Attendance for First Year Students
Big 10 Public Institutions, 2023-2024

Penn State
$20,234

Rutgers
$17,240

Michigan
$17,228

Purdue
$9,992

Nebraska
$10,108

Iowa
$10,964

Wisconsin
$11,216

Indiana
$11,790

Maryland
$11,504

Ohio State
$12,858

Michigan State
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Minnesota
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Illinois
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Penn State
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Tuition & Fees
Housing & Meals
Books & Supplies
Other

Base tuition excluding program differentials. Maximum program differential at Illinois is $5,264. Note: many peer institutions assess a program differential for select programs. Illinois is the only University in the Big 10 to include Health Insurance in the cost of education. This fee is $1,568.
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Out-of-State Cost of Attendance for First Year Students Big 10 Public Institutions, 2023-2024

Base tuition excluding program differentials. Maximum program differential at Illinois is $5,264. Note: many peer institutions assess a program differential for select programs. Illinois is the only University in the Big 10 to include Health Insurance in the cost of education. This fee is $1,568.
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Central Investment in Financial Aid

$ in millions

<table>
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<th>Year</th>
<th>Actual</th>
<th>Budgeted</th>
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<td>2026 Est.</td>
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Amounts include entire Financial Aid budget, both the central contribution as well as the auxiliary funded portions

FY20 total includes $2.4M in COVID-19 Emergency Support
Key Budget Considerations

Revenue Growth & Stability
State funding
Enrollment and tuition portfolio
Fundraising
Investment for Growth

Expense & Strategic Investments
Competitive salaries
Faculty hiring (salaries & startups)
Strategic investments
Unavoidable costs
Investments in deferred maintenance
IT and data security
Cost control
Integrated Value-Centered Budgeting

Critical Components
Appropriate incentives
Integrated across missions
Flexibility to address values
Balance between campus and colleges
Supported by data

Continuous Improvement
Budget Reform Steering Committee
Sources of Funds

Annual changes from baseline

- Majors
- Instructional Units
- Graduate/prof. tuition
- Centrally Funded Financial Aid

- ICR Generation
- Tuition Remission

- Transparent leadership discussions

Baseline - Tuition - ICR - University Value-Based Investments
College Budget Year-to-Year Changes

Annual changes from baseline

Uses of Funds
Two Broad Financial Responsibilities

Financial Planning

- Developing the strategy and the effective deployment of a unit’s financial resources in support of its goals

Financial Oversight

- Safeguarding fiscal viability
- Ensuring that expenditures meet institutional, state and federal regulations and guidelines.
- Are public funds being spent responsibly?
Unit Budget Planning

Smarter Budgeting - Point of Emphasis
System, University, College, Unit Levels

• Unit’s planning should come from goals in its strategic plan—units should look for connection to college and campus plans
• Know how your unit is spending its resources. Does that spending match strategic goals and align with your mission?
• Know how your unit is contributing to the college and campus missions. Is this evident in the data?
• Planning should not be dependent on growth. How can a unit best deploy existing resources?
• Be creative—find ways to partner with others, find new funding sources, focus efforts on highest priorities
Questions?

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