FINANCIAL REPORT

UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN•CHICAGO•SPRINGFIELD

BOARD OF TRUSTEES
July 23, 2015
Since May BOT Meeting

- State budget remains at impasse
- HB 4147: U of I direct appropriation reduction (8.5%) of $57 million (vetoed)
- FY 2016 budget reductions range from $57 million to $209 million (Governor’s February budget)
- No FY 2016 capital bill, pension reform or agreement on revenues
- Suspension of State grants and capital projects
- July payroll is being made based on the University’s authority from other existing resources
- UA hiring freeze effective July 1, 2015
- Senate committee on higher education executive compensation
- House and Senate committee hearings on affordability
University of Illinois  
FY 2016 Budget Variables

• FY 2016 University operating budget delayed due to State budget impasse and extent and composition of reduction

• AY 2015-2016 salary program undetermined

• Campuses and University Administration have been planning for varying budget reduction scenarios

• University has $114 million in unpaid FY 2015 State vouchers that we expect to collect in FY 2016

• Budget impact of approved FY 2016 elementary/secondary education appropriation and required pension contribution

• Planning for FY 2017, but budget request delayed
State of Illinois
Budget by Outcomes
FY 2015

**All Funds**

- Gov't. Services: 21.3%
- Healthcare and Family Services: 28.0%
- Higher Education: 6.0%
- Elementary/Secondary: 27.2%
- Public Safety: 5.9%
- Human Services: 15.0%
- Other: 0.9%
- Econ. Dev.: 2.3%

$65.2 Billion

**General Funds**

- Gov't. Services: 12.9%
- Healthcare and Family Services: 22.0%
- Higher Education: 10.7%
- Elementary/Secondary: 27.2%
- Other: 0.3%
- Human Services: 16.1%
- Public Safety: 5.0%

$30.8 Billion
Higher Education
General Fund Appropriations By Sector

FY 2005

- U of I: 28.3%
- Other Public Universities: 24.7%
- Student Aid: 16.5%
- Community Colleges: 12.6%
- All Other: 6.4%
- SIRS: 11.5%

FY 2015

- U of I: 18.0%
- Other Public Universities: 15.5%
- Student Aid: 10.9%
- Community Colleges: 8.3%
- All Other: 3.6%
- SIRS: 43.7%

$2.4 Billion

$3.5 Billion
State Retirement Systems
Projected Total State Pension Cost
Based on Public Act 98-0599
FY 2015 – FY 2020

State of Illinois Unfunded Public Pension Obligations
(SERS, SURS, JRS, GARS, TRS)

(Dollars in Billions)

(At end of Fiscal Year, FY 2003-04 sale of Pension Bonds)
Using Actuarial Accrued Liability at Market Value without asset smoothing.
## Payments on Behalf
### FY 2005 – FY 2015
(Dollars in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retirement</th>
<th>Fringe Benefits</th>
<th>Health Insurance Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005</td>
<td>$372M</td>
<td>$169M</td>
<td>$23M</td>
</tr>
<tr>
<td>FY 2006</td>
<td>$353M</td>
<td>$173M</td>
<td>$117M</td>
</tr>
<tr>
<td>FY 2007</td>
<td>$402M</td>
<td>$179M</td>
<td>$142M</td>
</tr>
<tr>
<td>FY 2008</td>
<td>$466M</td>
<td>$184M</td>
<td>$219M</td>
</tr>
<tr>
<td>FY 2009</td>
<td>$511M</td>
<td>$219M</td>
<td>$398M</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$660M</td>
<td>$398M</td>
<td>$431M</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$708M</td>
<td>$398M</td>
<td>$431M</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$843M</td>
<td>$398M</td>
<td>$431M</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$1,109M</td>
<td>$398M</td>
<td>$431M</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$1,100M</td>
<td>$398M</td>
<td>$431M</td>
</tr>
<tr>
<td>FY 2015*</td>
<td>$1,149M</td>
<td>$445M</td>
<td>$214M Estimated Full Normal Cost</td>
</tr>
</tbody>
</table>

In Nominal Dollars

Estimated: Retirement based on estimated historical share of SERS funding and fringe benefits based on 5 year average increase. Normal cost and prior under-funding are estimated.
University of Illinois
GRF Appropriations for FY 2002 – FY 2016
(Dollars in Millions)

- Total Enrollment Fall 2001 over 68,500
- Total Enrollment Fall 2014 over 78,500

In Constant FY2016 est. CPI Dollars

FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16
Gov HB

- GRF
- CMS Health Insurance
- ARRA Funds
- Survey Transfer
- Rescission

FY16 Governor's recommended budget and FY16 General Assembly budget in HB 4147
U of I Capital Appropriations
FY 2002 – FY 2016

(Dollars in Millions)

- Repair & Renovation
- Regular Capital
- Designated Projects

= Frozen
## FY 2010 State Capital Budget

<table>
<thead>
<tr>
<th>Project</th>
<th>$ in Thousands</th>
<th>% Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Wide Repair and Renovation</td>
<td>$32,205</td>
<td>33%</td>
</tr>
<tr>
<td>Urbana Lincoln Hall Remodeling</td>
<td>$57,304</td>
<td>100%</td>
</tr>
<tr>
<td>Chicago College of Medicine Rockford</td>
<td>$14,820</td>
<td>100%</td>
</tr>
<tr>
<td>Urbana Petascale Facility</td>
<td>$60,000</td>
<td>100%</td>
</tr>
<tr>
<td>Chicago Dentistry Modernization/Code Compliance</td>
<td>$20,800</td>
<td>17%</td>
</tr>
<tr>
<td>Urbana Electrical and Computer Engineering Bldg. $1</td>
<td>$44,520</td>
<td>100%</td>
</tr>
<tr>
<td>Urbana Integrated Bioprocessing and Research Lab</td>
<td>$20,034</td>
<td>26%</td>
</tr>
<tr>
<td>Springfield Public Safety Building</td>
<td>$5,300</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Total:** $255.0M

1 State match of non-state funds

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**Advanced Chemical Technology Building (Chicago) — $66.8 M** (2002 Project, Released Fall 2012, Held Spring 2015 9% complete)

**Wounded Veterans’ Center (Urbana) — $4.0 M** (State Grant, Fall 2012)
State of Illinois – General Revenue Fund
Estimated Accumulated Unpaid Vouchers and % of Appropriation

TOTAL ACCOUNTS PAYABLE at FISCAL YEAR END

Dollars in Billions

FY 2015 Estimate: $6 billion

*Estimated.
Appropriations based on CGFA Budget Summaries.
State Appropriation Revenue
Billings and Collections through July 13, 2015

Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>Appropriation</th>
<th>Billed</th>
<th>Collected</th>
<th>Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$697</td>
<td>$384</td>
<td>$313</td>
<td>$180</td>
</tr>
<tr>
<td>2012</td>
<td>$689</td>
<td>$482</td>
<td></td>
<td>$206</td>
</tr>
<tr>
<td>2013</td>
<td>$662</td>
<td>$662</td>
<td>$482</td>
<td>$180</td>
</tr>
<tr>
<td>2014</td>
<td>$662</td>
<td>$662</td>
<td>$545</td>
<td>$117</td>
</tr>
<tr>
<td>2015</td>
<td>$662</td>
<td>$662</td>
<td>$643</td>
<td>$114</td>
</tr>
</tbody>
</table>

Mid Year Reduction: $18.4

$114

13
## Income Fund (Tuition) Revenue

### Fiscal Years 2011 – 2015

Collections and Billed through June 30th

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budget</th>
<th>Billed</th>
<th>Collected</th>
<th>MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>$843</td>
<td>$839</td>
<td>$780</td>
<td>$59</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$939</td>
<td>$934</td>
<td>$873</td>
<td>$61</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$1,012</td>
<td>$1,014</td>
<td>$956</td>
<td>$59</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$1,064</td>
<td>$1,055</td>
<td>$994</td>
<td>$61</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$1,098</td>
<td>$1,113</td>
<td>$1,044</td>
<td>$59</td>
</tr>
</tbody>
</table>

Exclude funds transferred for the State Surveys.
Hospital Revenue/Expense/Net Income
Fiscal Year 2014 vs. Fiscal Year 2015 through May 31st

Dollars in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Revenue</th>
<th>Expense</th>
<th>Net Income plus Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$753.2</td>
<td>$737.5</td>
<td>$728.7</td>
<td>$24.1</td>
</tr>
<tr>
<td>2015</td>
<td>$746.8</td>
<td>$749.7</td>
<td>$696.6</td>
<td>$15.8</td>
</tr>
</tbody>
</table>
Big Ten Public Universities Total Systems
Academic Support as a % of Total Expenditures FY 2014

Note: Total Expenditures are Operating Expenditures less Depreciation
Source: FY 2014 Annual Financial Reports
Big Ten Public Universities Total Systems
Academic Support as a % of Total Expenditures FY 2014
Excluding Hospital Enterprises

Note: Total Expenditures are Operating Expenditures less Depreciation and Hospital/Medical
Source: FY 2014 Annual Financial Reports