

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

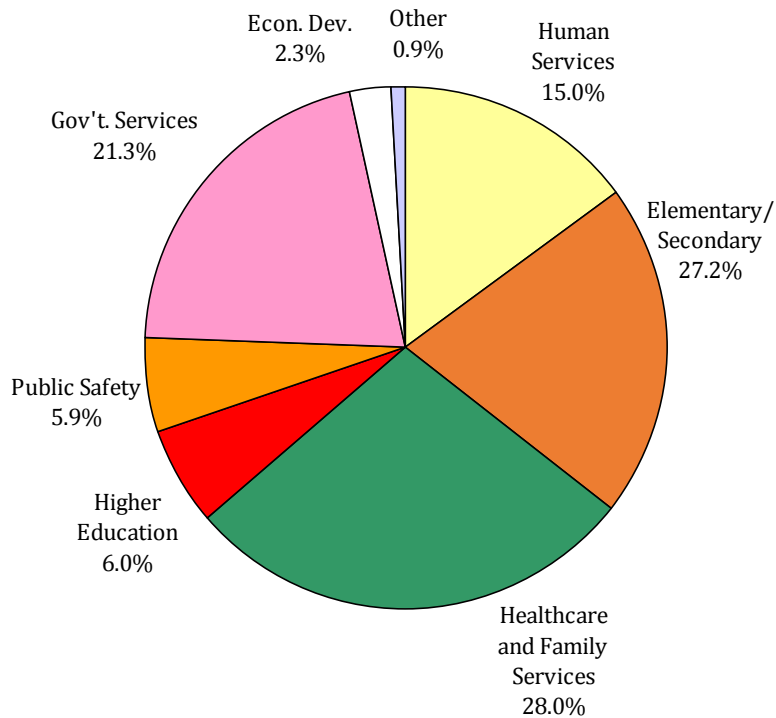
University of Illinois

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

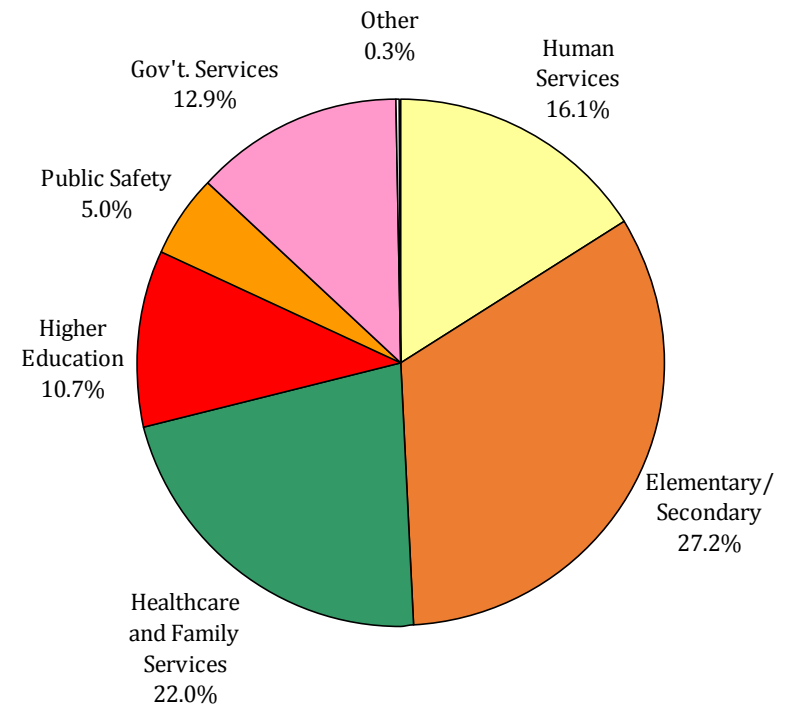
State of Illinois Budget by Outcomes FY 2015

All Funds



\$65.2 Billion

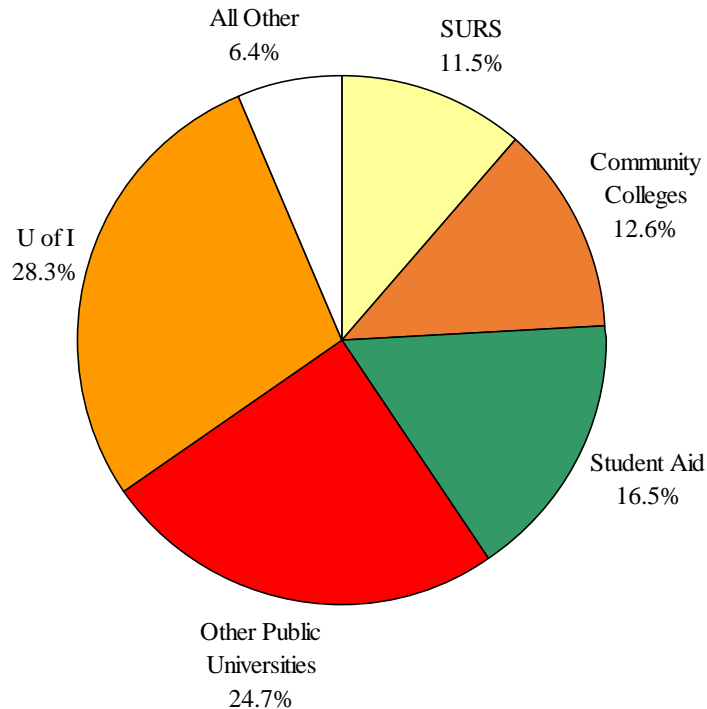
General Funds



\$30.8 Billion

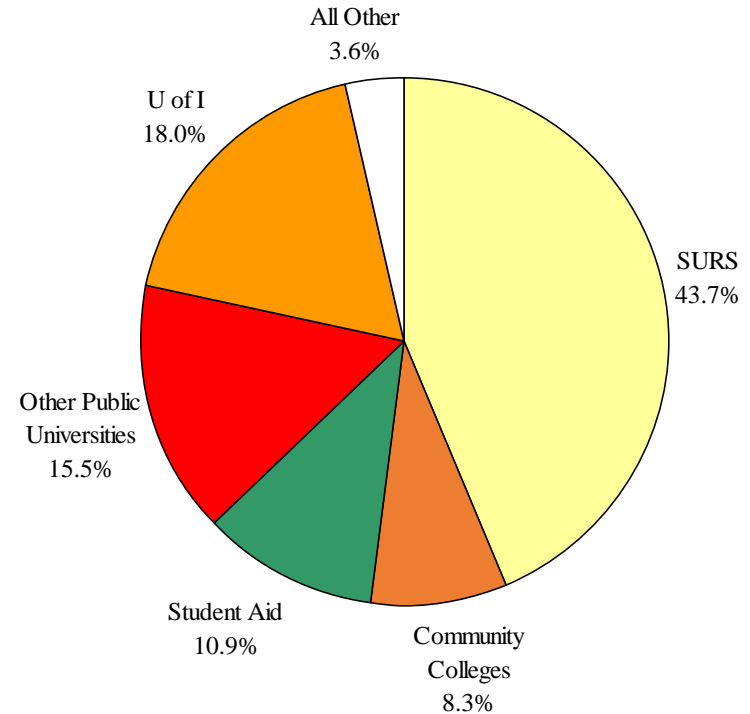
Higher Education General Fund Appropriations By Sector

FY 2005



\$2.4 Billion

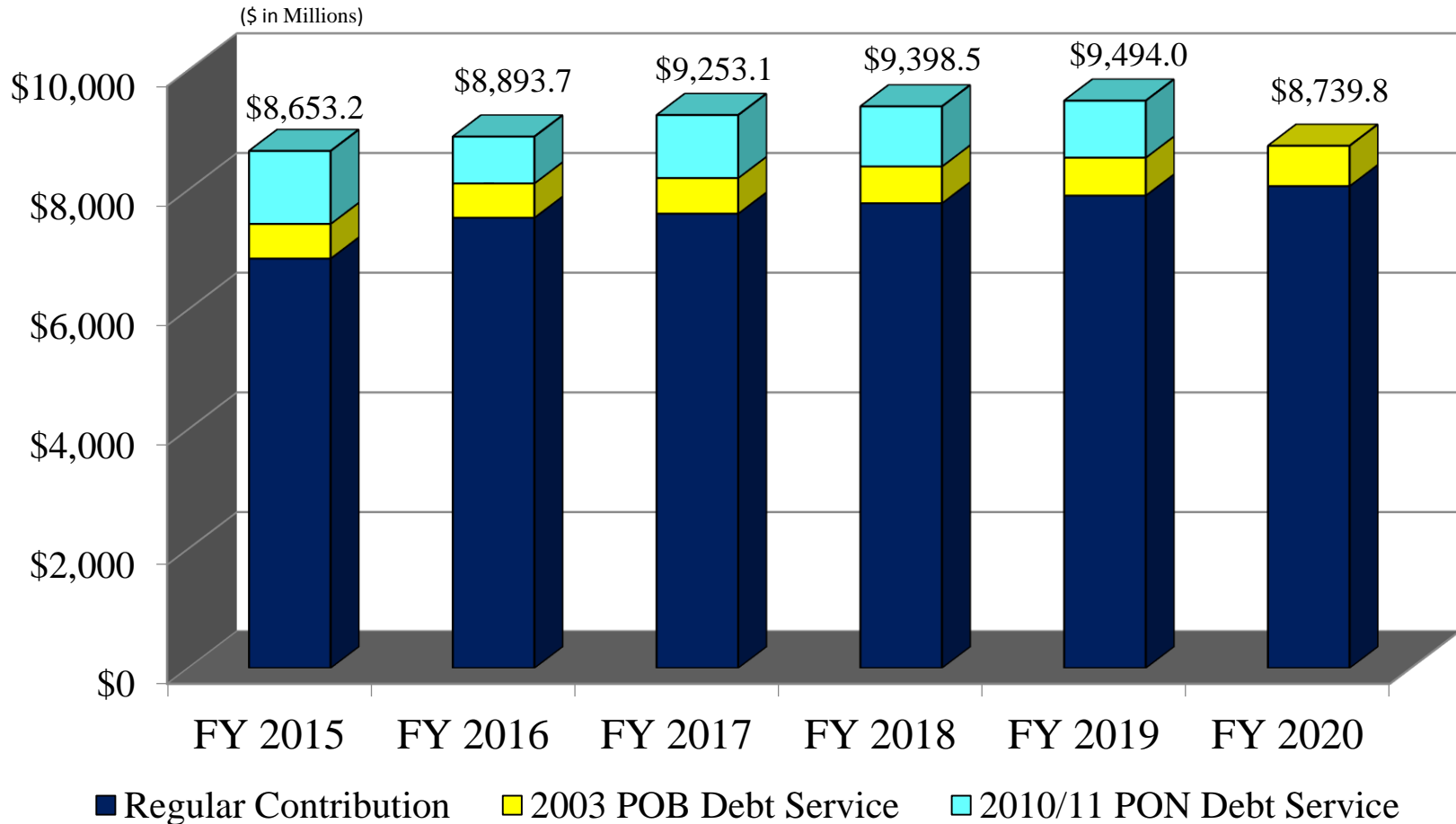
FY 2015



\$3.5 Billion

State Retirement Systems

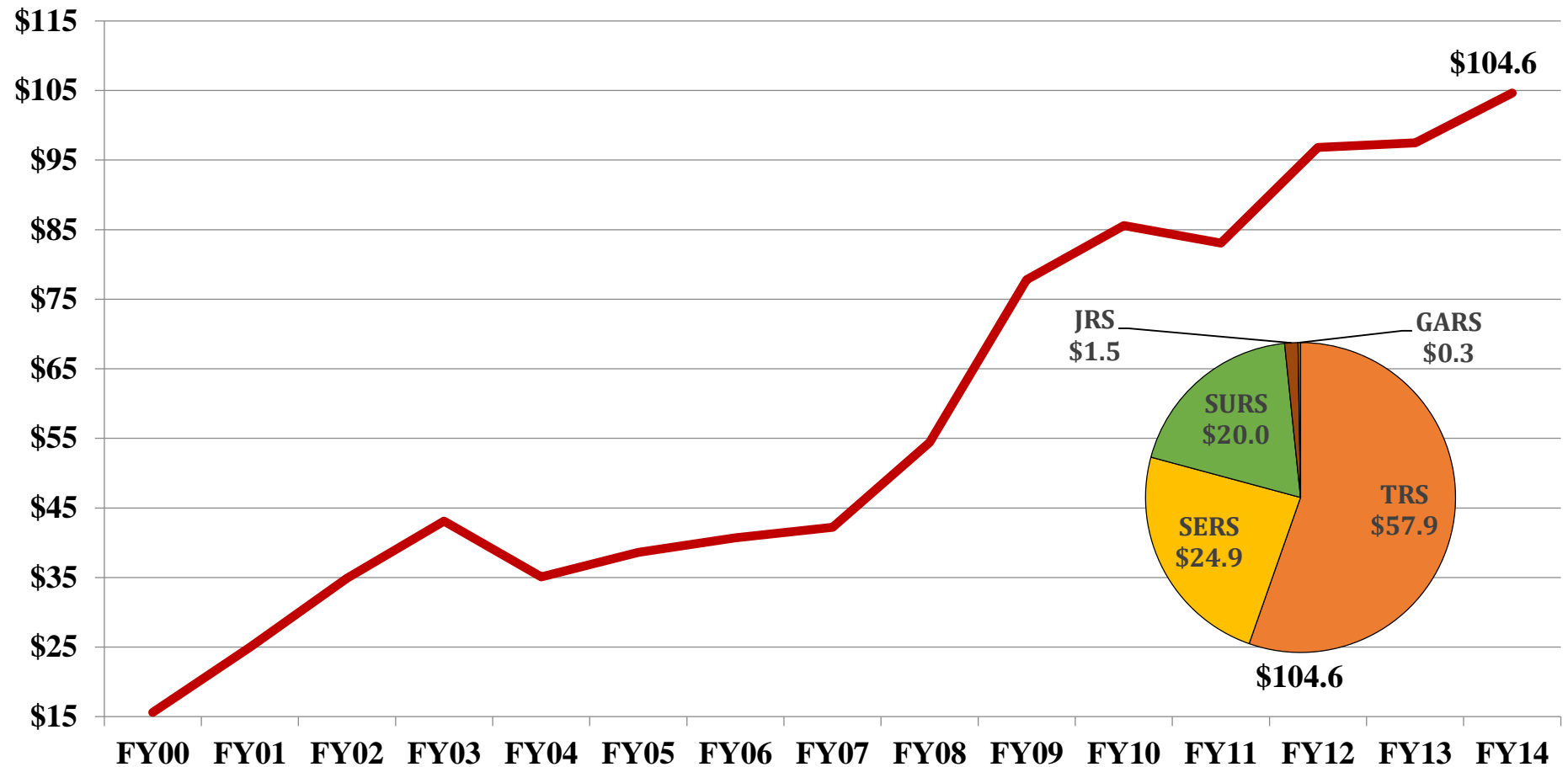
Projected Total State Pension Cost
Based on Public Act 98-0599
FY 2015 – FY 2020



Source: COGFA's IL State Retirement Systems Financial Condition Report, February 2015.

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

(Dollars in Billions)

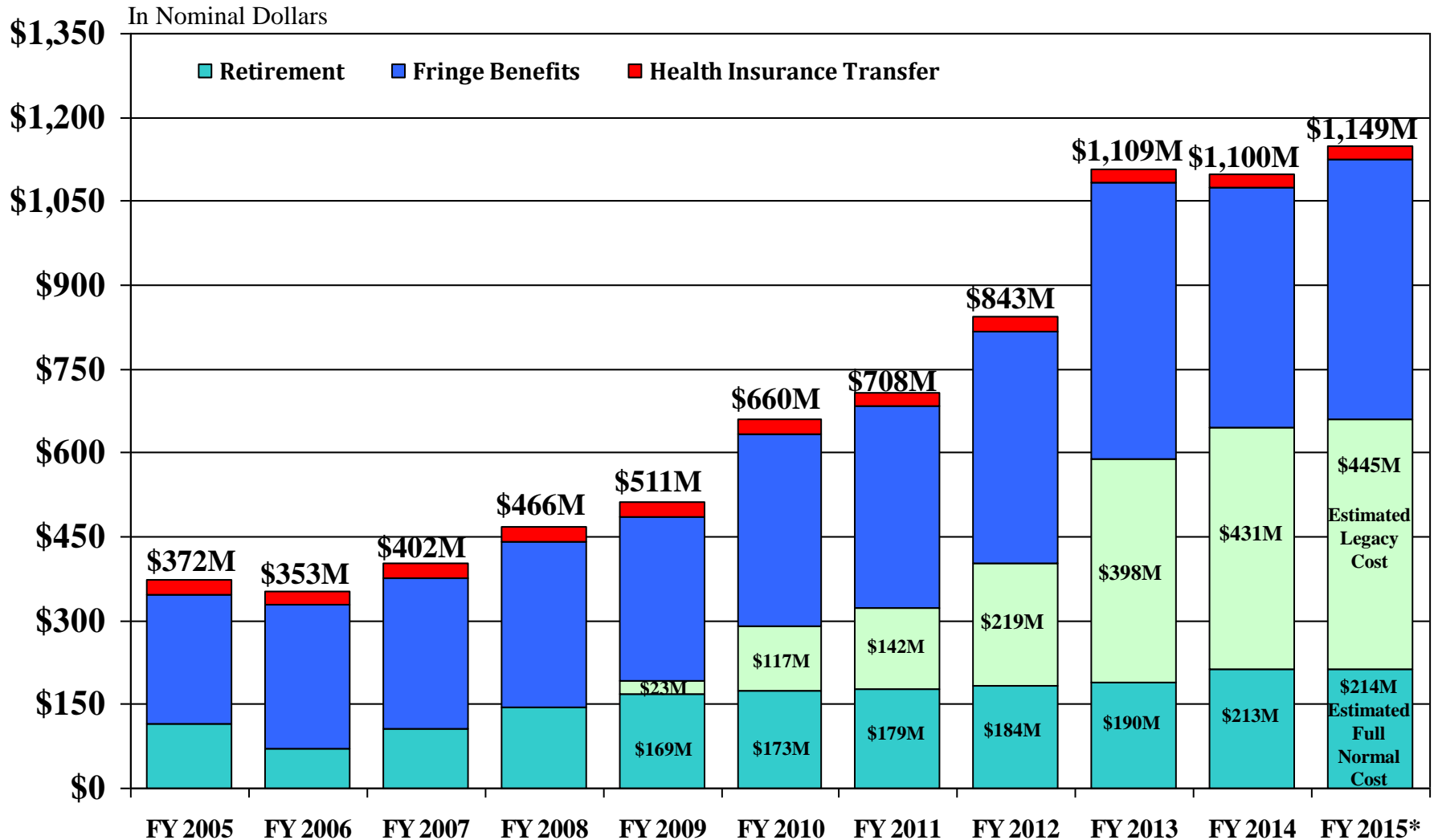


(At end of Fiscal Year, FY 2003-04 sale of Pension Bonds)
Using Actuarial Accrued Liability at Market Value without asset smoothing.

Payments on Behalf

FY 2005 – FY 2015

(Dollars in Millions)



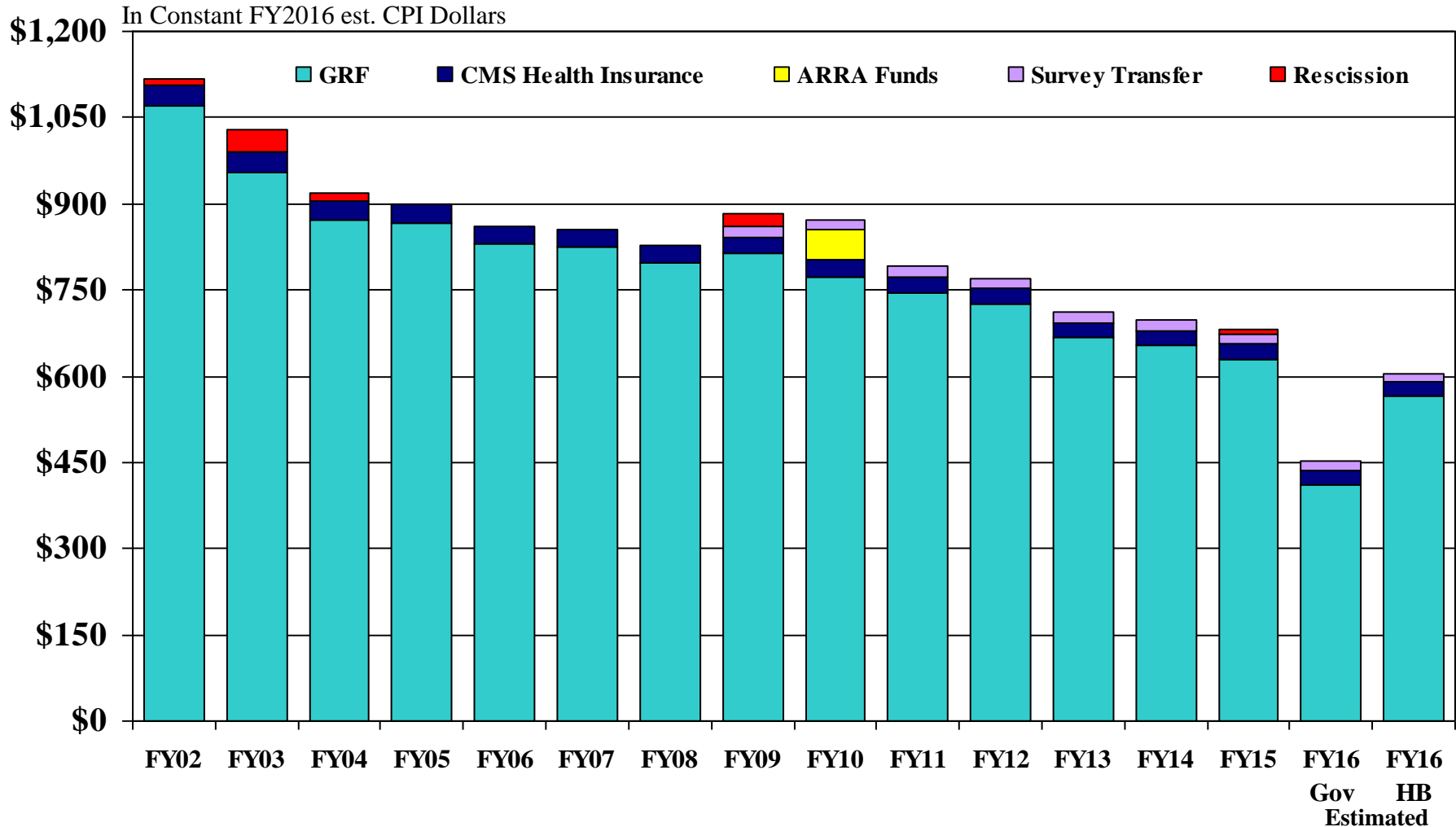
Estimated: Retirement based on estimated historical share of SURS funding and fringe benefits based on 5 year average increase.
 Normal cost and prior under-funding are estimated.

University of Illinois

GRF Appropriations for FY 2002 – FY 2016

(Dollars in Millions)

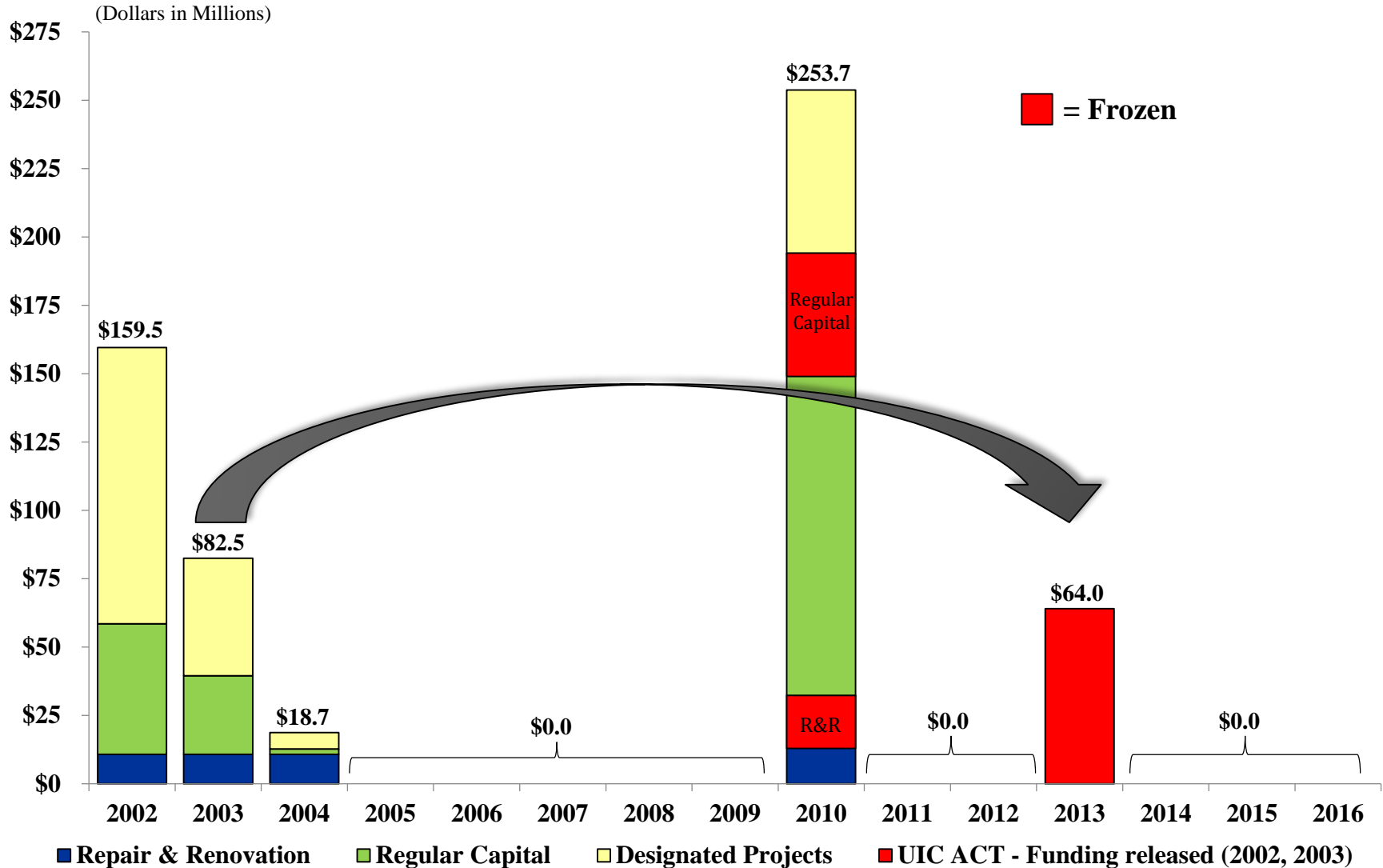
- **Total Enrollment Fall 2001 over 68,500**
- **Total Enrollment Fall 2014 over 78,500**



FY16 Governor's recommended budget and FY16 General Assembly budget in HB 4147

U of I Capital Appropriations

FY 2002 – FY 2016



FY 2010 State Capital Budget

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

Total: \$ 255.0M

¹ State match of non-state funds

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

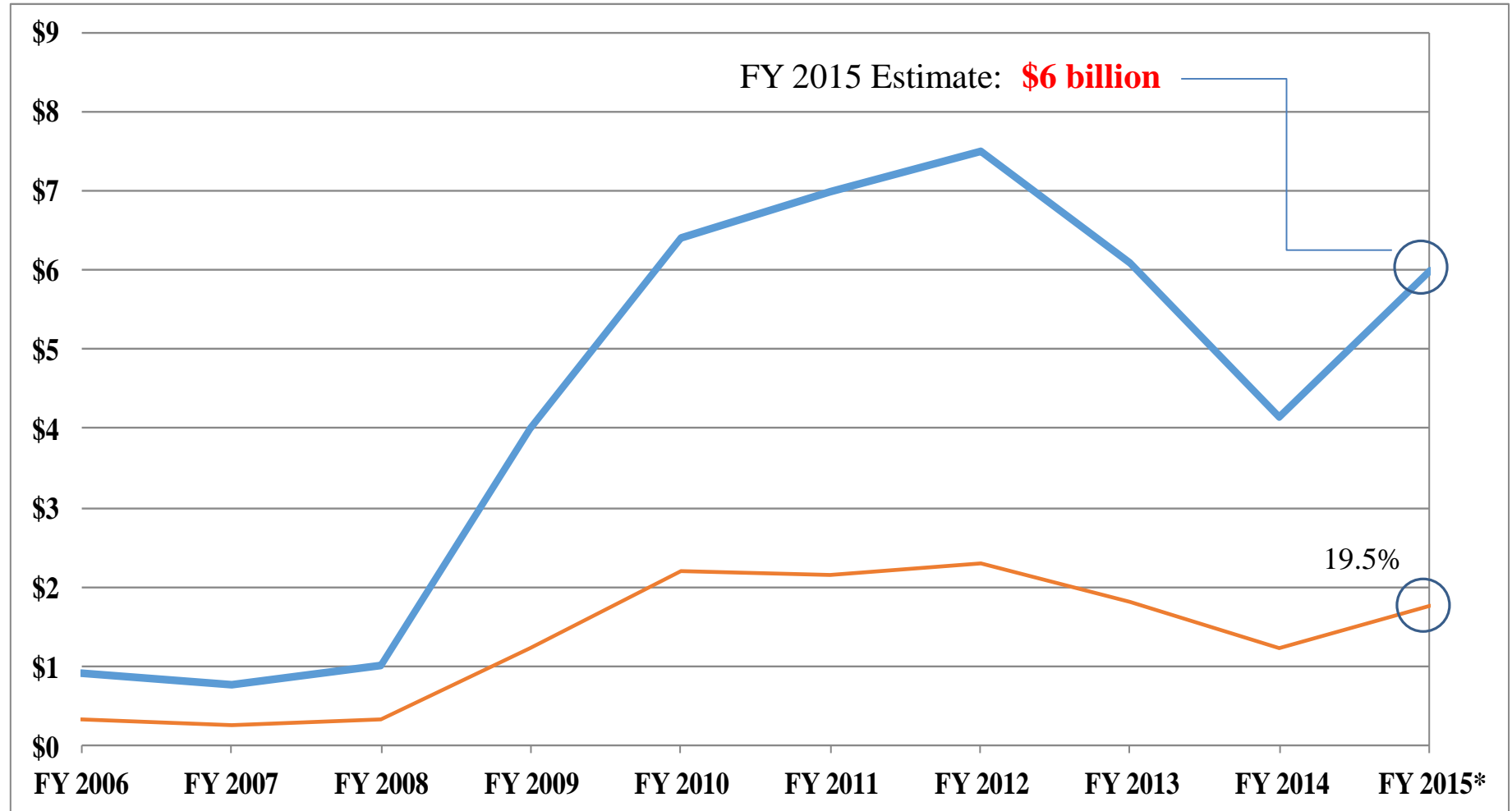
Wounded Veterans' Center (Urbana) — \$4.0 M (State Grant, Fall 2012)

State of Illinois – General Revenue Fund

Estimated Accumulated Unpaid Vouchers and % of Appropriation

TOTAL ACCOUNTS PAYABLE at FISCAL YEAR END

Dollars in Billions



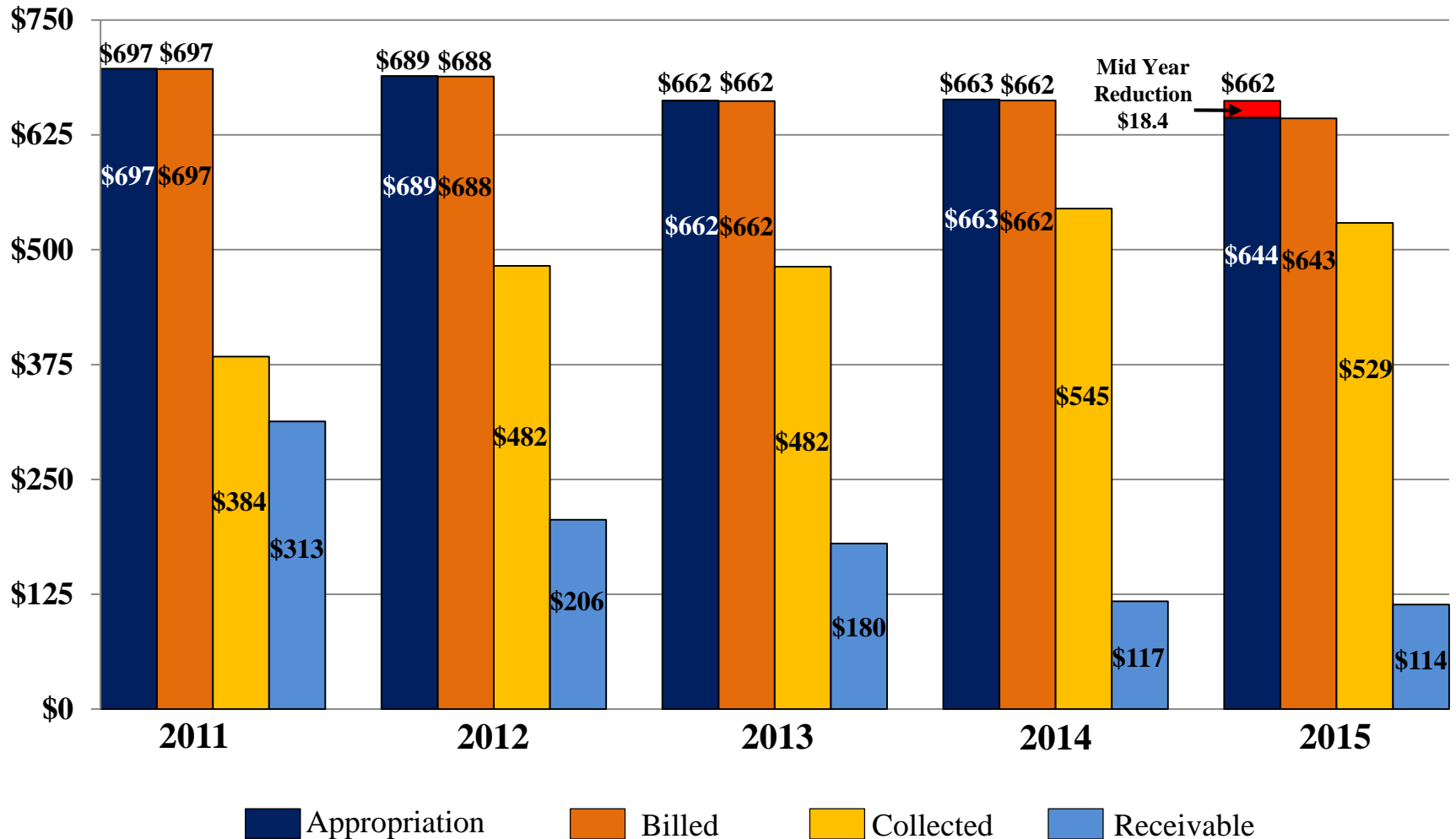
*Estimated.

Appropriations based on CGFA Budget Summaries.

State Appropriation Revenue

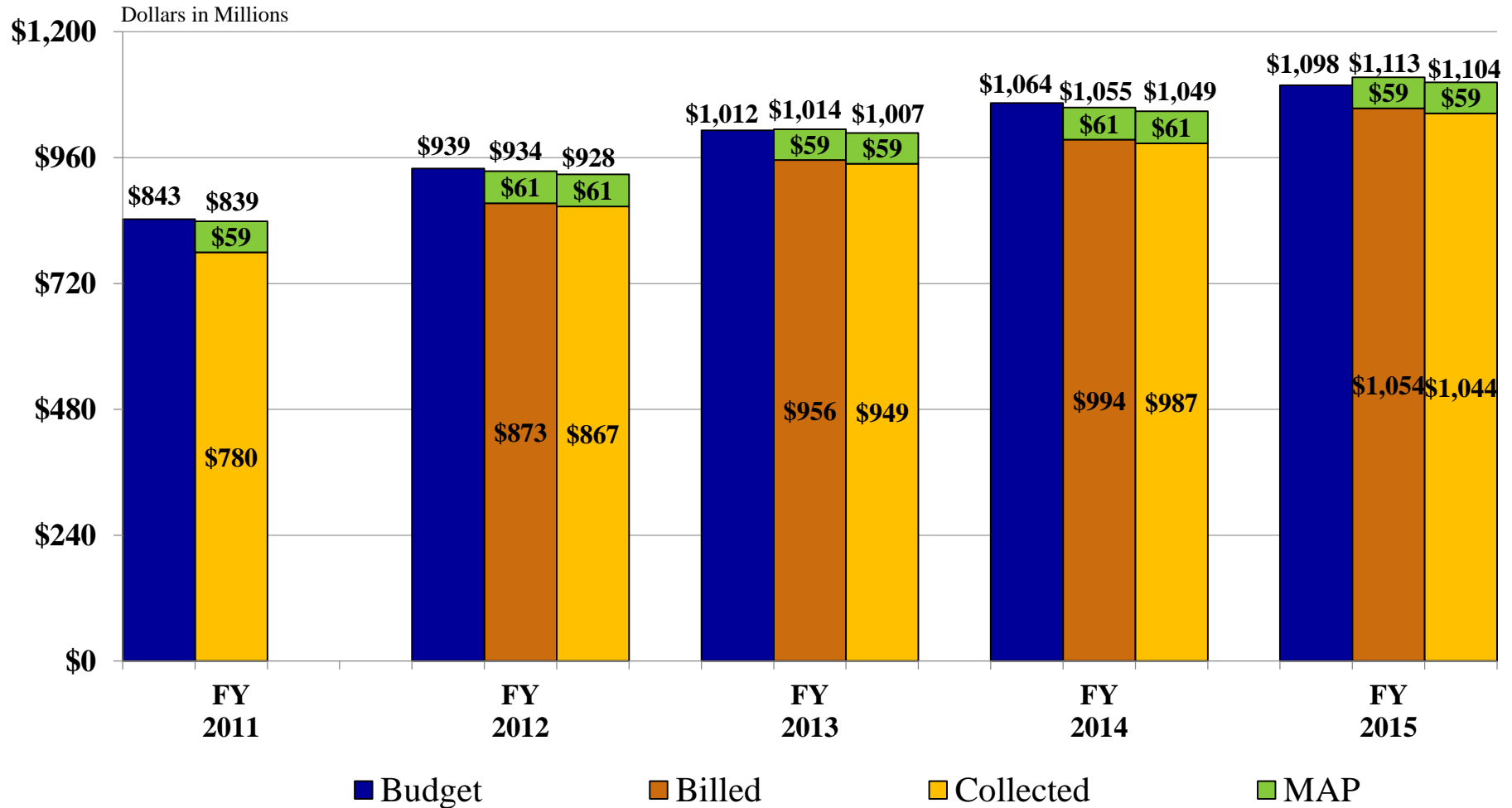
Billings and Collections through July 13, 2015

Dollars in Millions



Income Fund (Tuition) Revenue

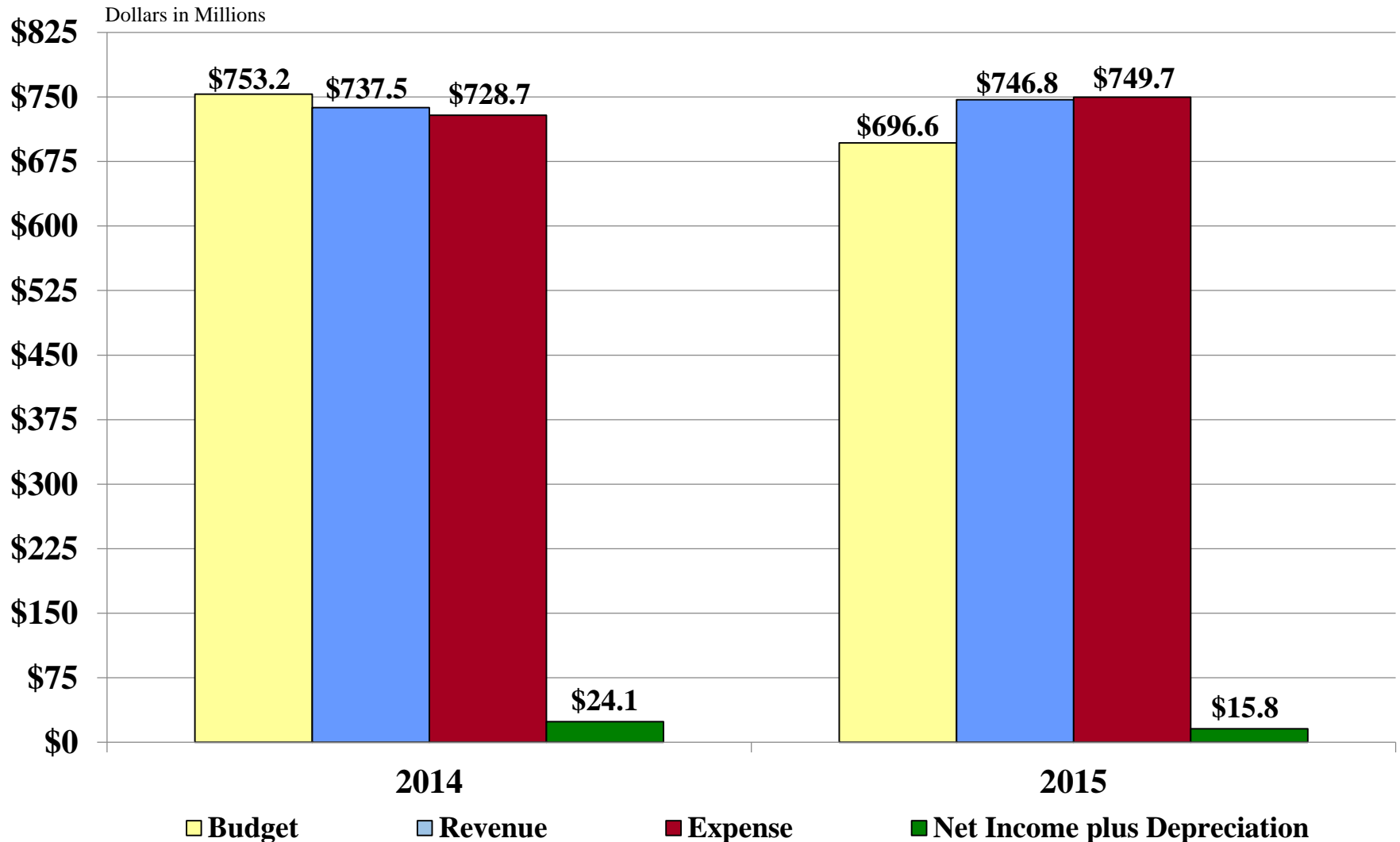
Fiscal Years 2011 – 2015
Collections and Billed through June 30th



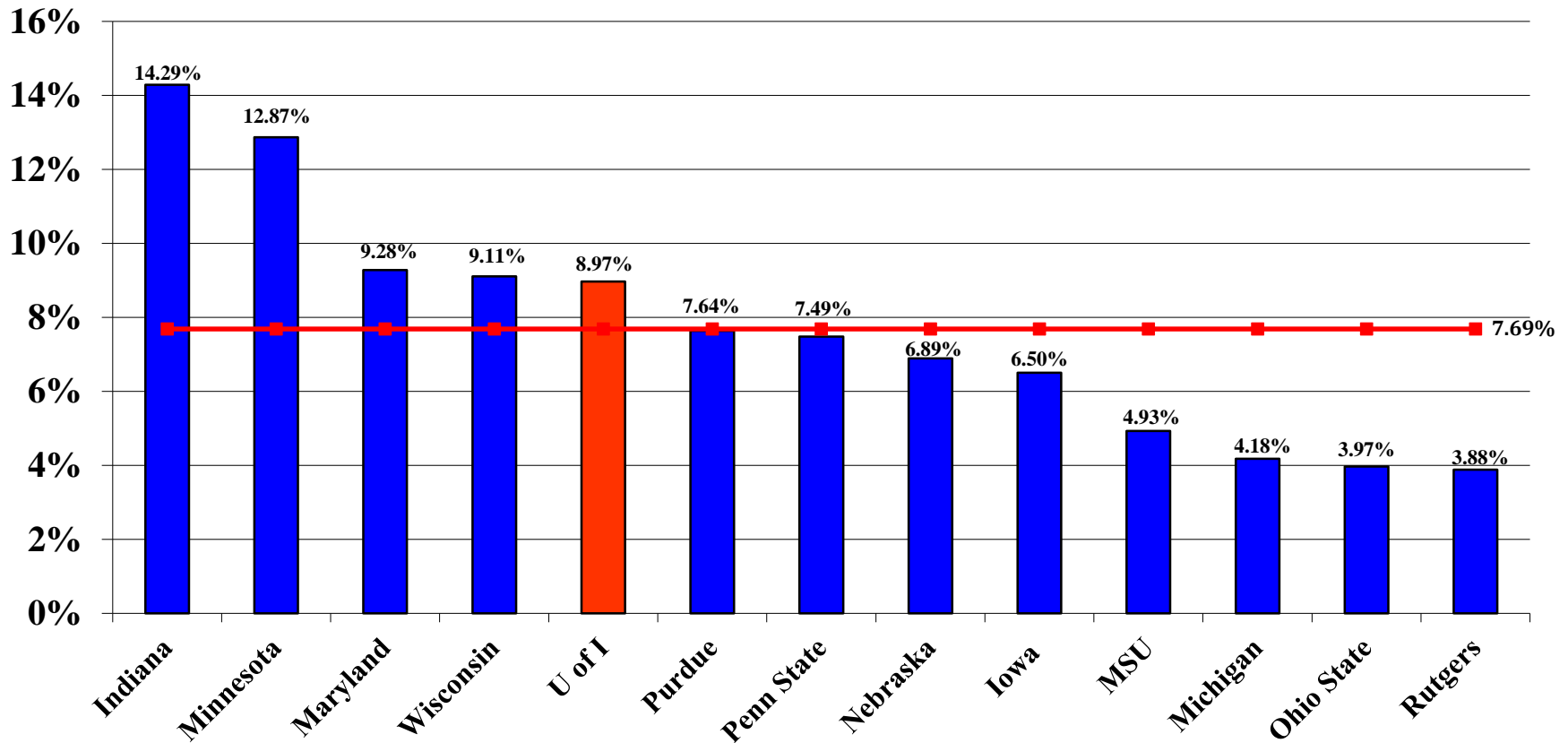
Exclude funds transferred for the State Surveys.

Hospital Revenue/Expense/Net Income

Fiscal Year 2014 vs. Fiscal Year 2015 through May 31st

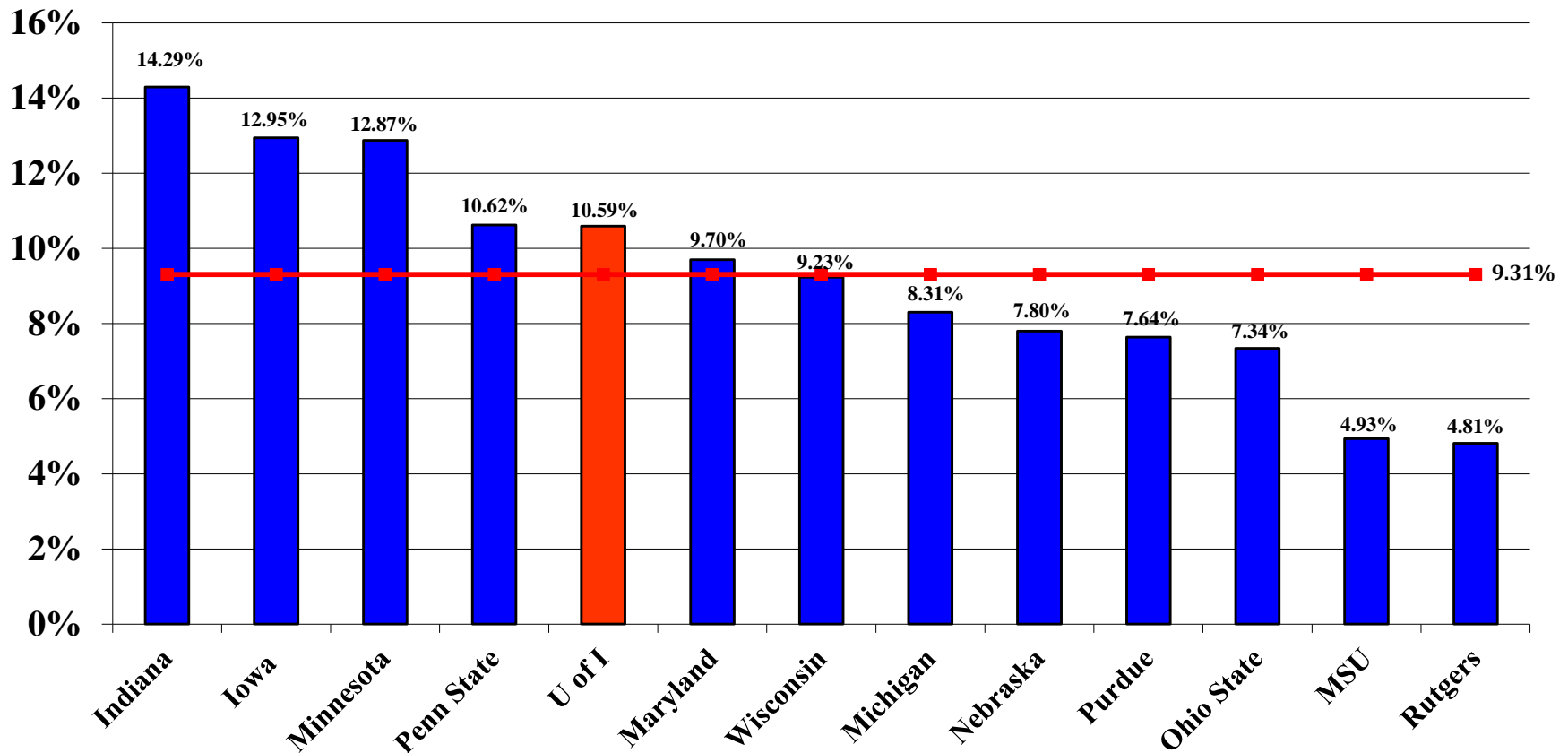


Big Ten Public Universities Total Systems Academic Support as a % of Total Expenditures FY 2014



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