

FINANCIAL REPORT



UNIVERSITY OF ILLINOIS

URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

BOARD OF TRUSTEES

November 12, 2015

Since September BOT Meeting

- State budget remains at impasse with no FY16 University appropriation or Monetary Assistance Program appropriation
- FY 2016 budget recommendation reduction ranges from \$57 million (legislative) to \$209 million (Governor)
- Received final FY 2015 appropriation, net rescission, at the end of September
- State payments of managed care Medicaid claims and deposits to the Medicaid Trust Fund are in jeopardy
- Payrolls made based on the University's continuing Board authority from other existing resources
- Finalized OIG NSF Analytics audit on \$435 million of grant expenditures with nominal disallowed costs
- Moody's Investors Service affirmed Aa3 rating with negative outlook
- Legislative staff data requests

University of Illinois

Moody's Investors Service

Rating Rationale: Aa3; outlook negative

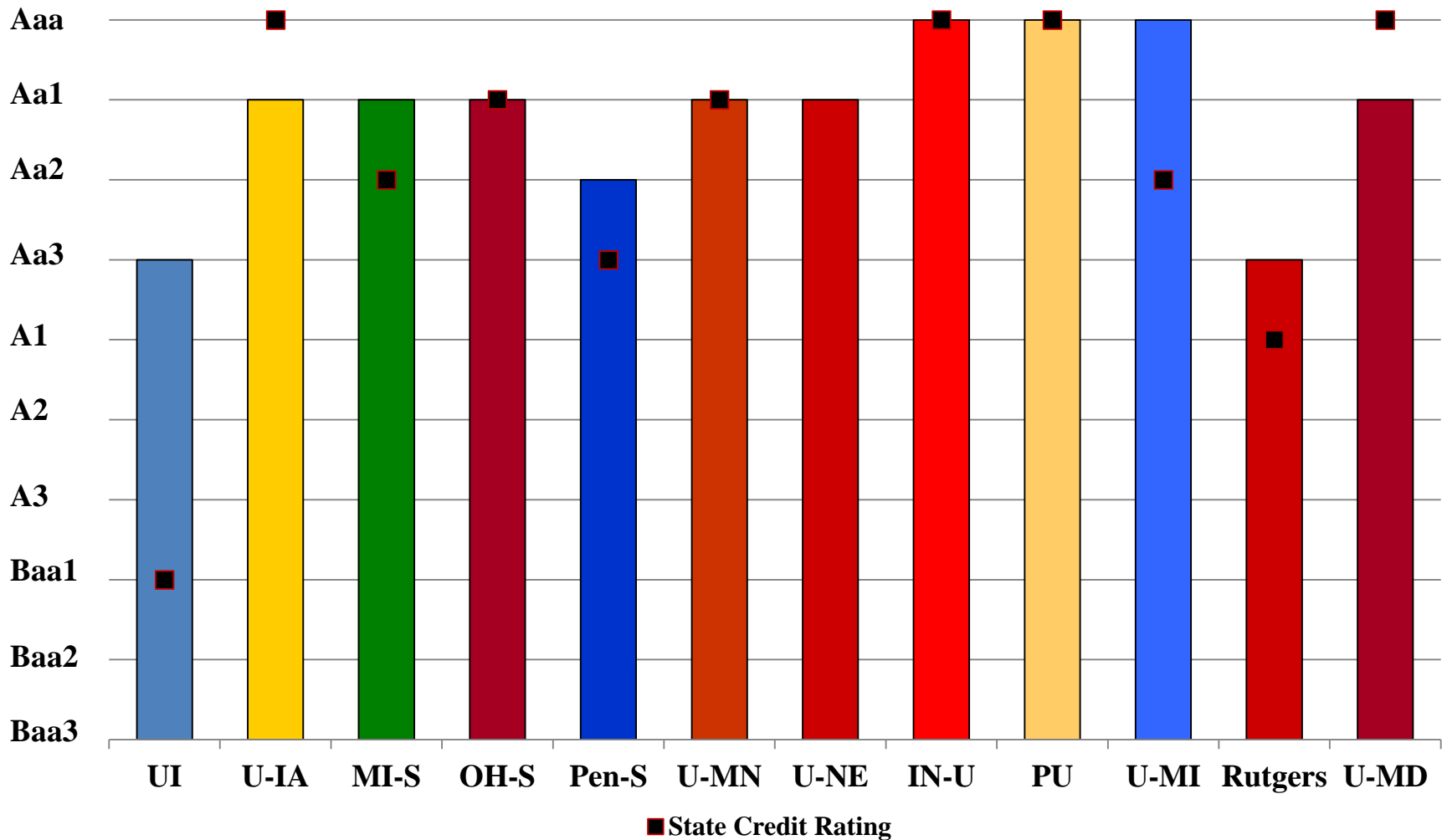
Strengths-

- “Flagship” with “strong student demand”
- “Good liquidity” and “favorable overall financial resources”
- “Revenues from diverse sources” with “nearly \$900 million in research expenditures”
- “Modest debt burden” and “notable fundraising”
- “Proactive fiscal management”

Challenges-

- “State operating support will remain pressured” with “growing on-behalf payments”
- “Successive years of delayed payment of State funding”
- “Growing capital needs” and “constrained capital investment relative to peers”

Big Ten University Credit Rating with Corresponding State Rating

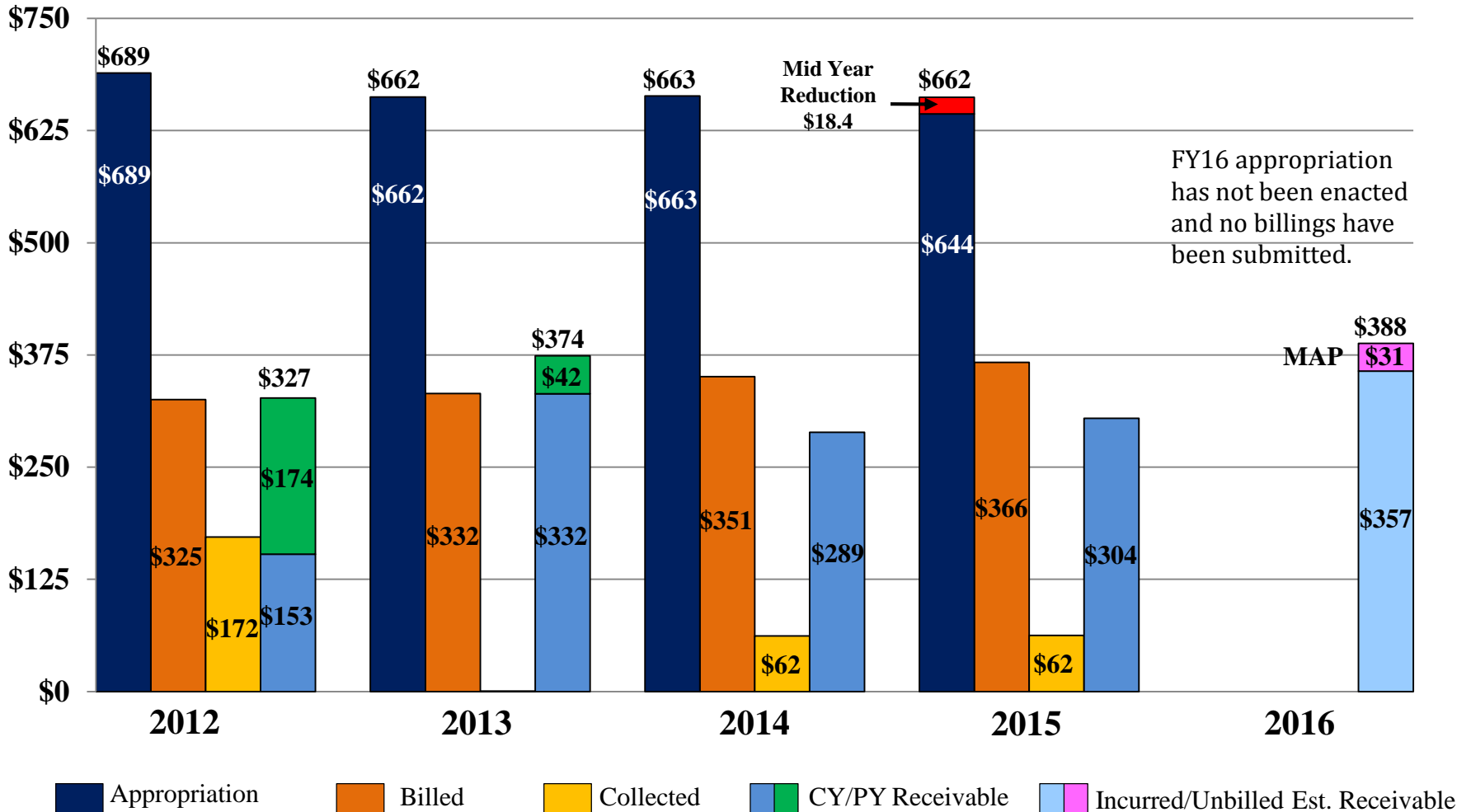


*Source: FY14 - Moody's Investor Service as of 4/27/15.

State Appropriation Revenue

Billings and Collections through November 9, 2015

Dollars in Millions

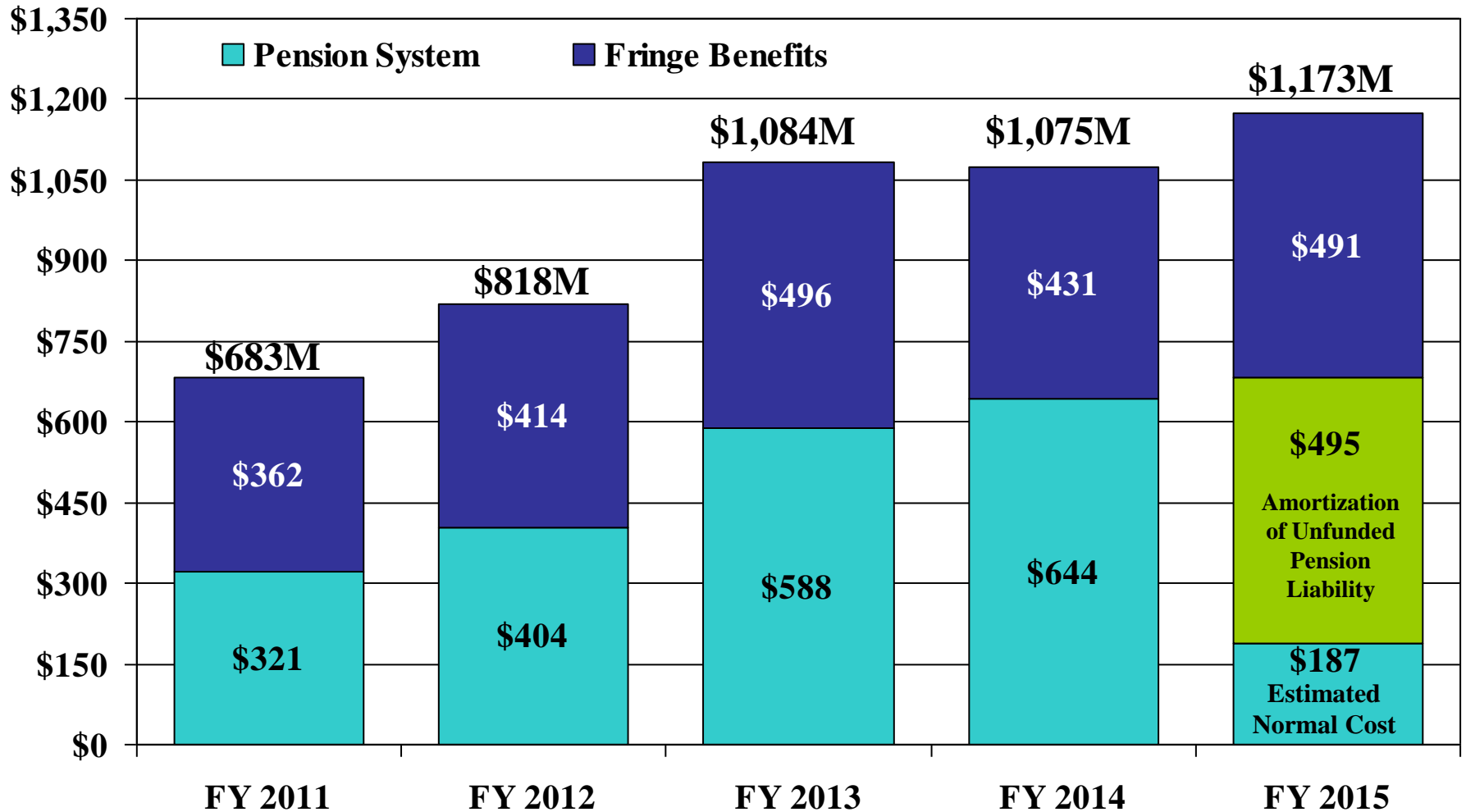


Payments on Behalf

FY 2011 – FY 2015

(Dollars in Millions)

In Nominal Dollars

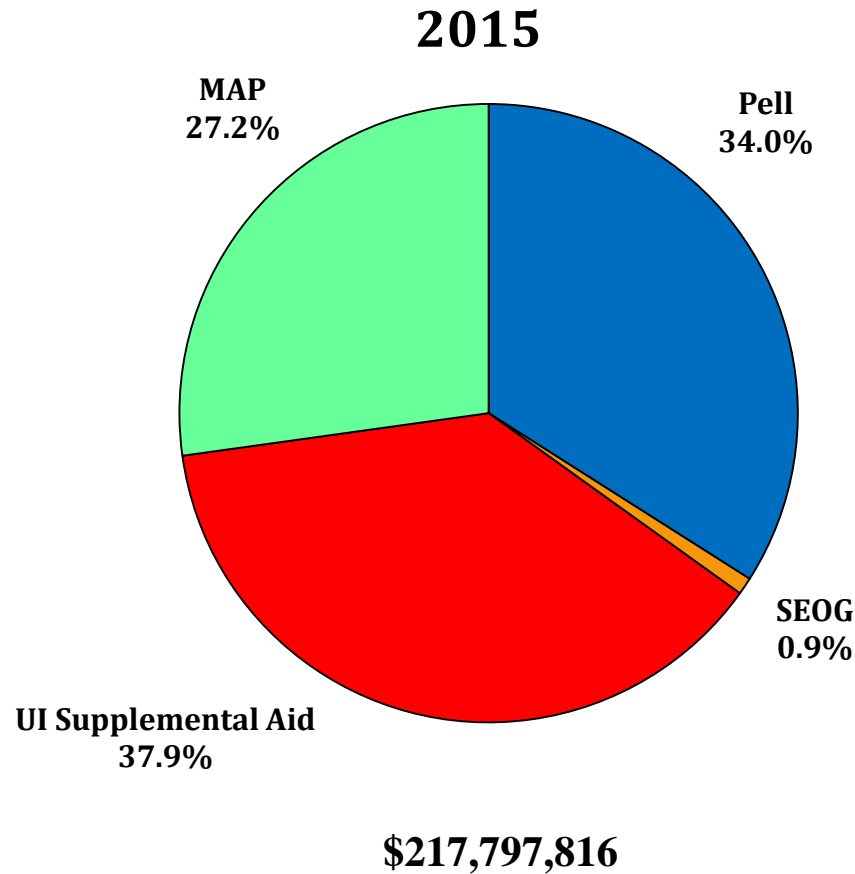


* Retirement based on estimated historical share of SURS funding and fringe benefits based on 5 year average increase.

University of Illinois

Undergraduate Need Based Financial Aid

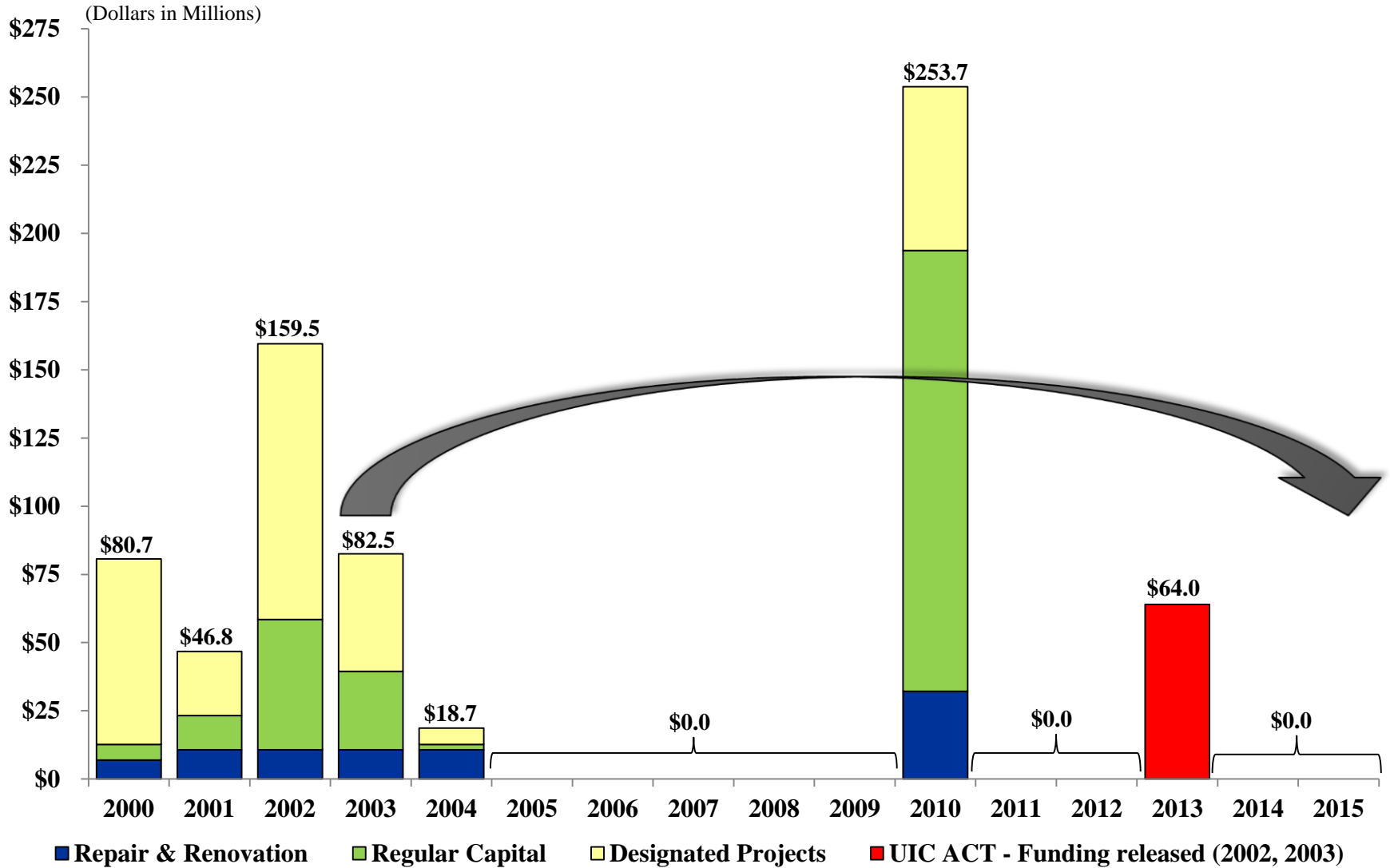
PELL, MAP, SEOG, and UI Supplemental Aid



Source: IBHE Financial Aid Survey. Preliminary.

U of I Capital Appropriations

FY 2000 – FY 2015

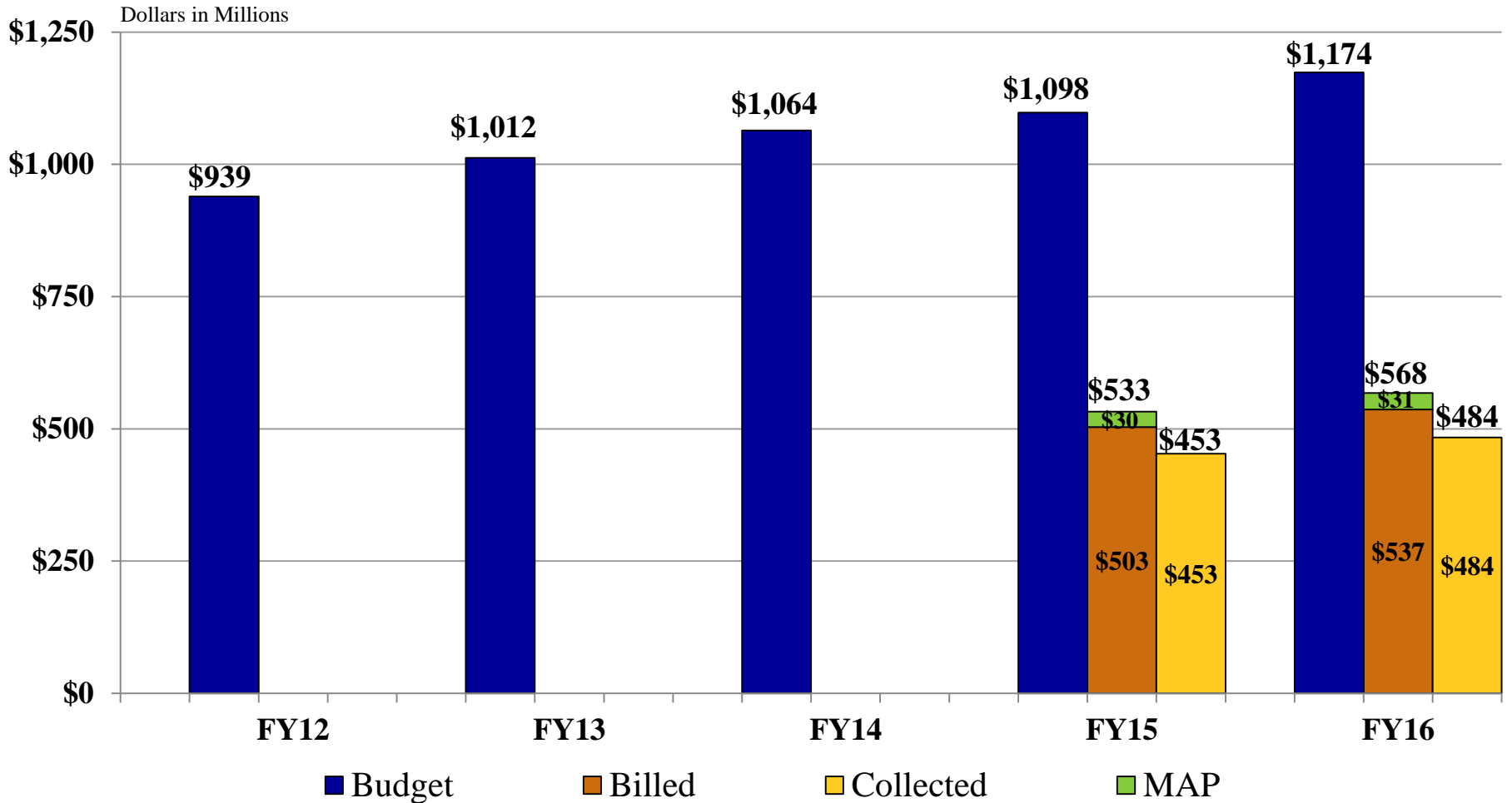


Income Fund (Tuition) Revenue

Unrestricted Funds

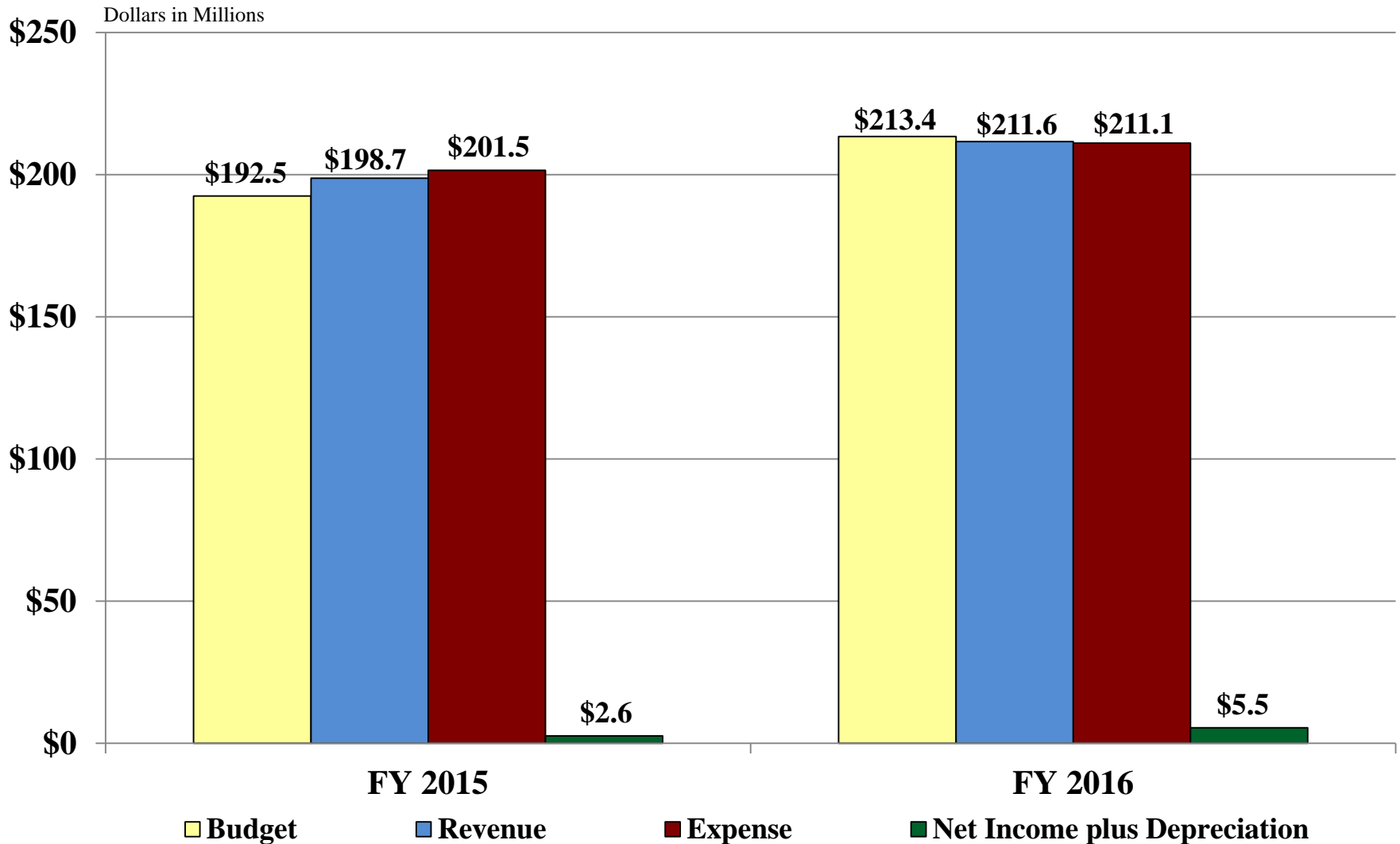
Fiscal Years 2012 – 2016

Collections and Billed through September 30th of Fiscal Years 2015 & 2016



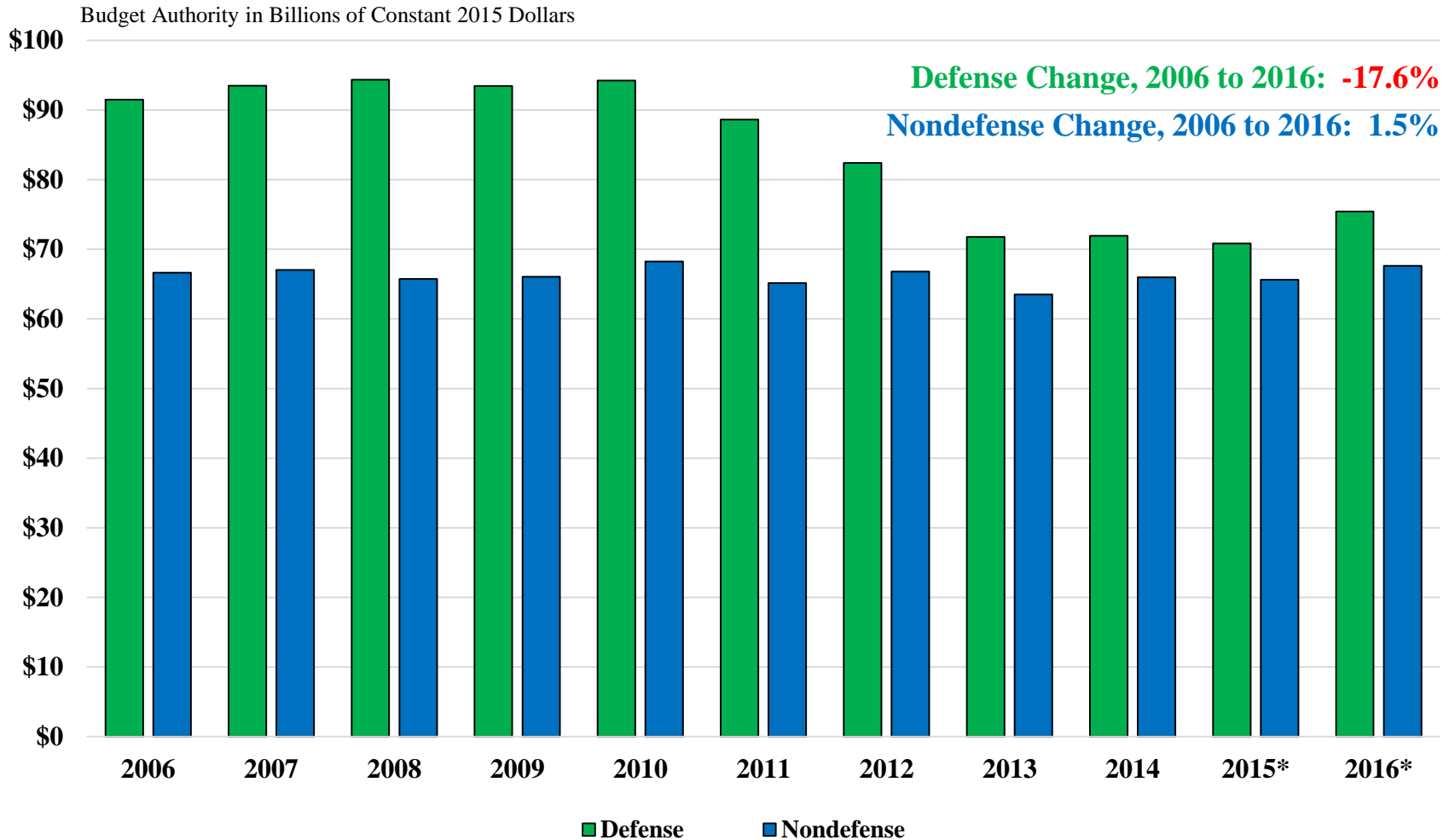
Hospital Revenue/Expense/Net Income

Fiscal Year 2015 and 2016 through September 30th



Defense, Nondefense and Total Research & Development

FY 2006 – FY 2016



Defense ARRA; Nondefense ARRA.

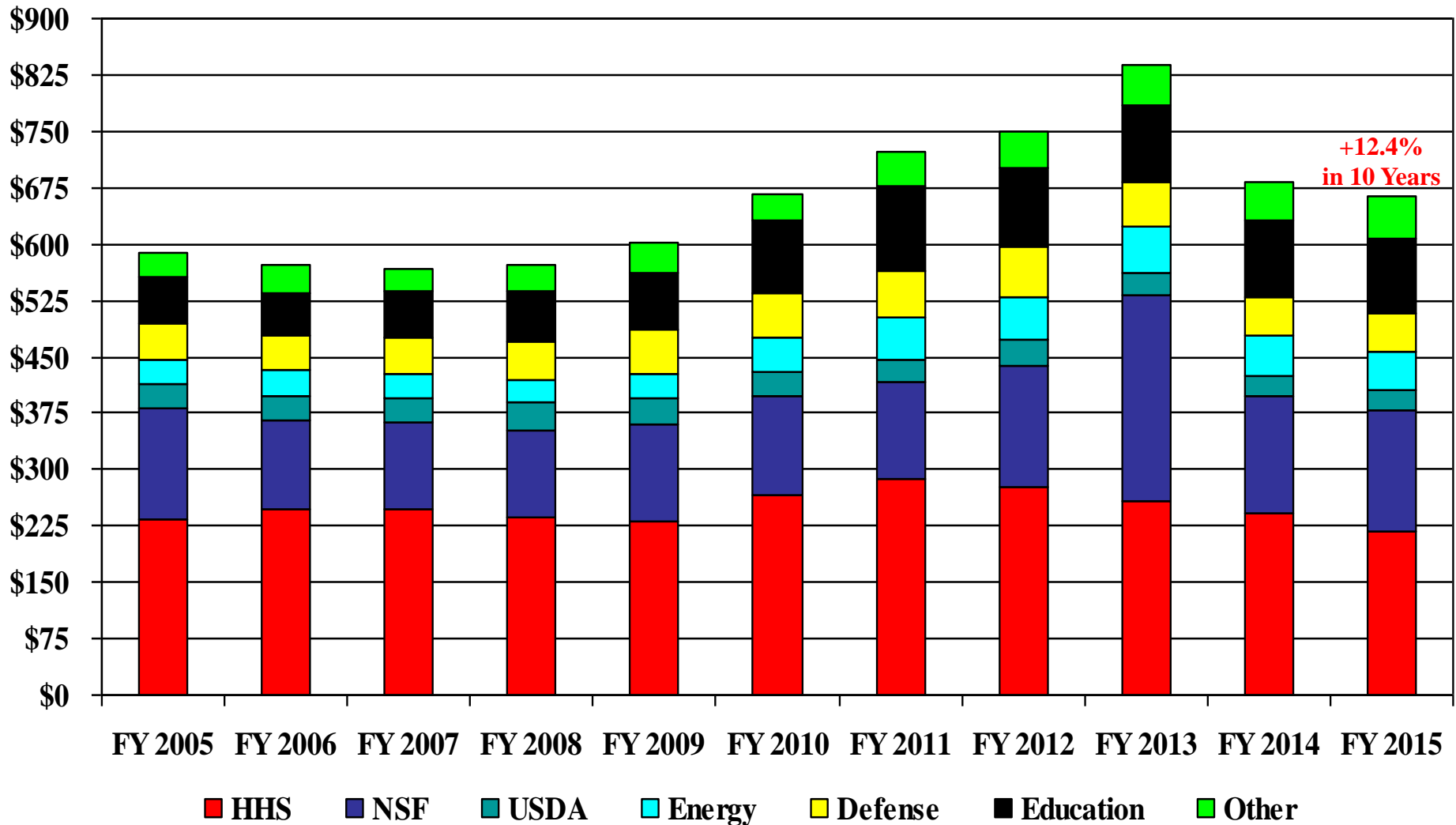
*Latest estimates. FY 2016 is the President's request.

Source: AAAS R & D report series, based on OMB and agency R & D budget data.

Federal Grants & Contracts Expenditures

All Functions – Total University

(Dollars in Millions)

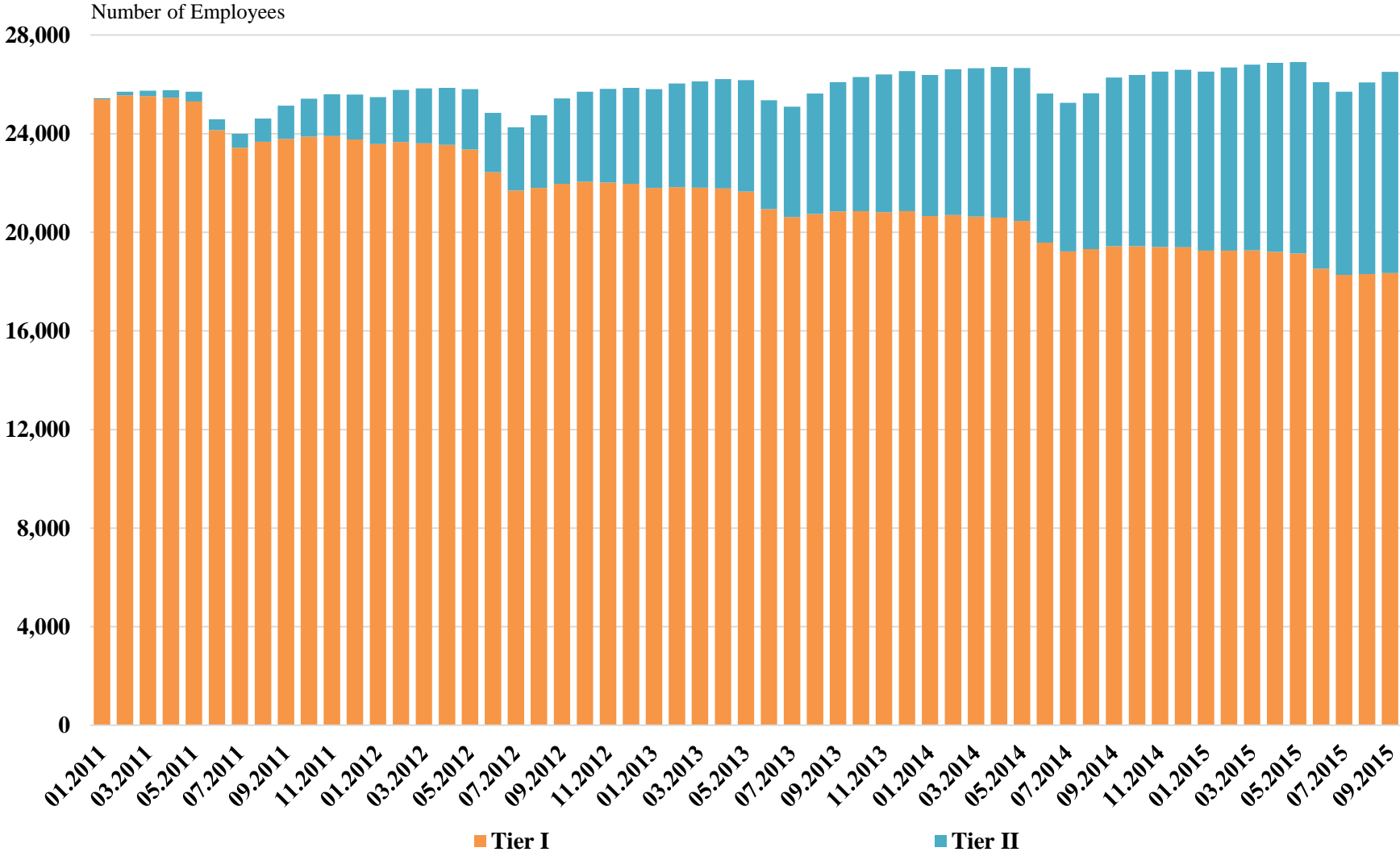


Does not include federal funds passed through to the University from non-federal entities.

University of Illinois, SURS-Eligible Tier I vs. Tier II Employees

All Employees, Total University by Headcount

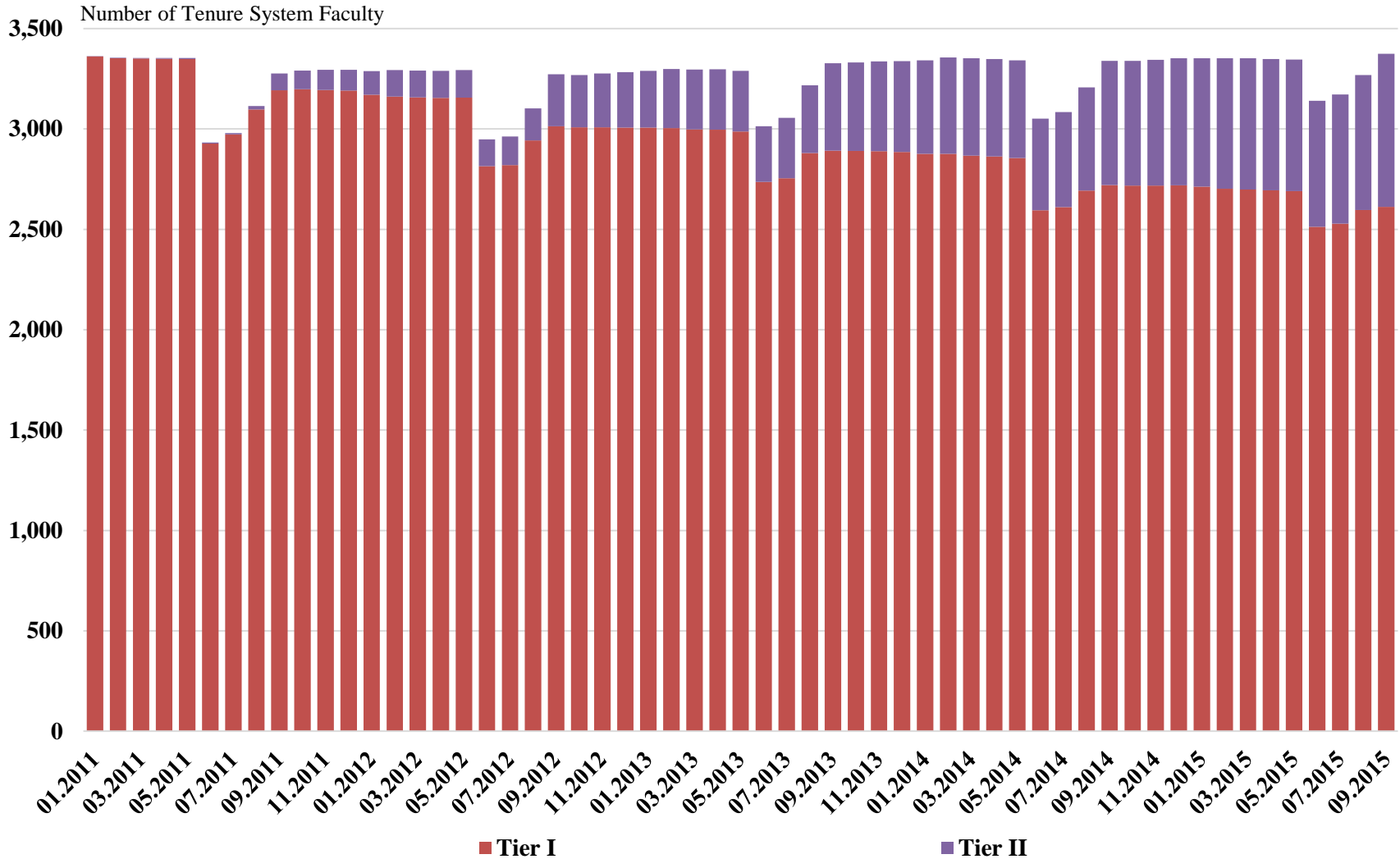
January 10, 2011 – September 10, 2015



Source: Enterprise Data Warehouse (HRPay).

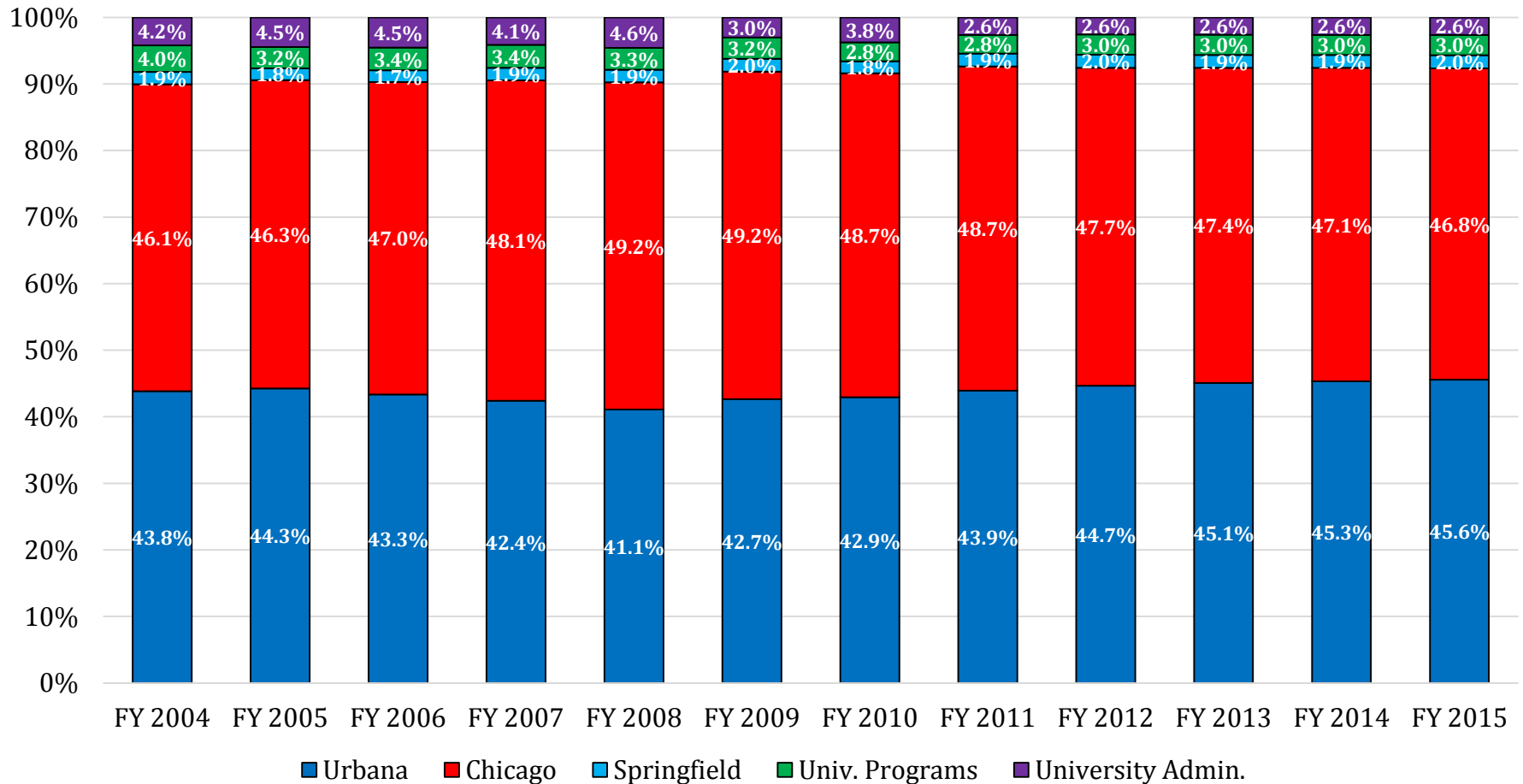
University of Illinois, SURS-Eligible Tier I vs. Tier II Tenure System Faculty, Total University by Headcount

January 10, 2011 – September 10, 2015



Source: Enterprise Data Warehouse (HRPay).

University of Illinois All Funds Budget by Campus



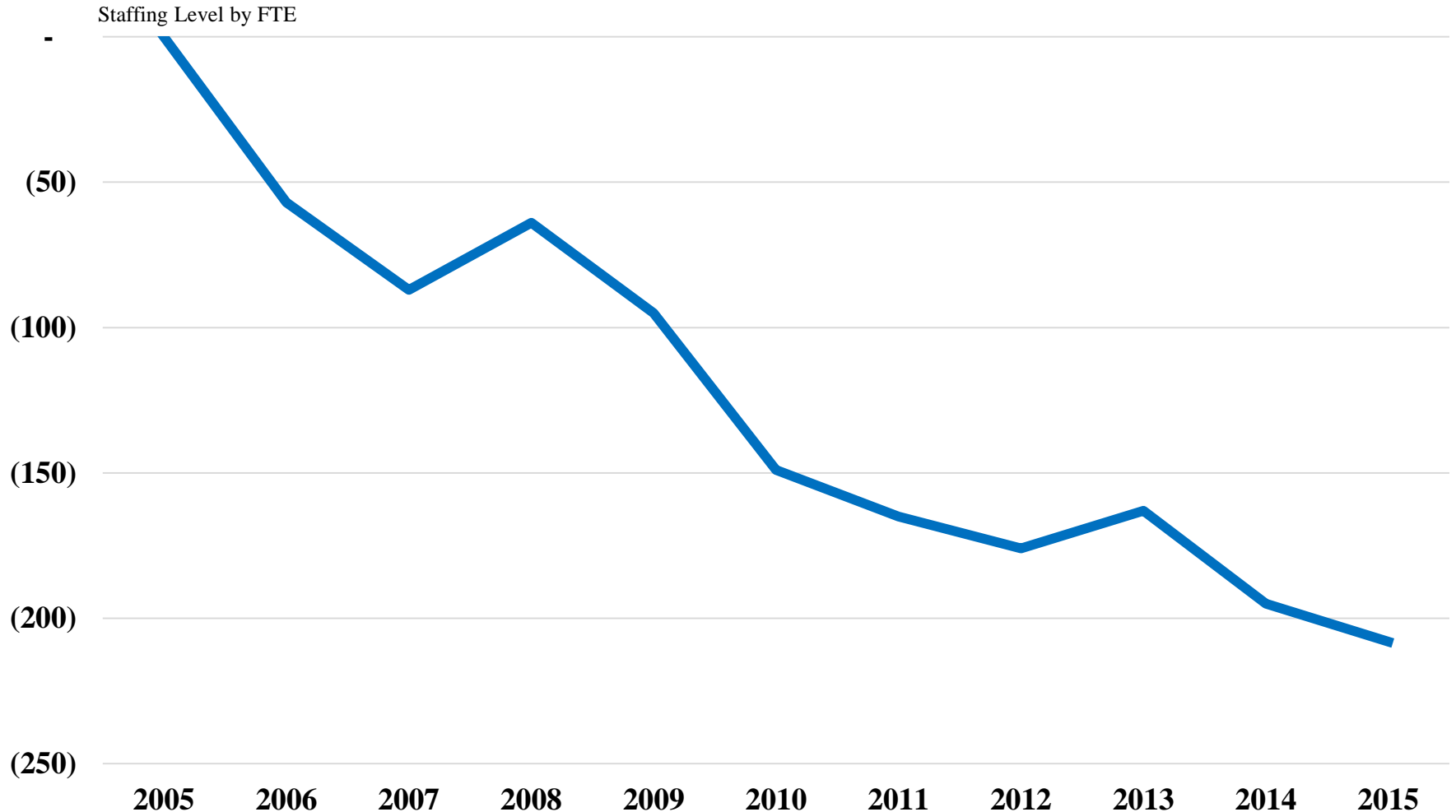
Does not include POB or AFMFA.

University of Illinois' FTE Staffing Trends

Change in University Administration FTEs

State Funds

October 2005 – October 2015



University of Illinois

Fiscal Year 2016 Fiscal Prognosis

- State's FY 2016 general operating funds budget may pass in January 2016
- Magnitude of budget reduction and timing of payments uncertain
- University's FY 2016 operating budget would be deferred to subsequent date
- University will continue operations with a continuing appropriation from FY 2015 with continuing focus on cost control
- FY 2016 Monetary Award Program (MAP) funding remains uncertain
- University will have approximately \$500 million in unprocessed FY2016 State billings by December 31, 2015
- Capital appropriations remain frozen; no new capital
- Significant unfunded pension liability
- Medicaid managed care payments and deposits to the Medicaid Trust fund are needed to keep the hospital and clinics viable
- AY16-17 tuition decision timing could be in limbo without a State budget