

Board Meeting  
September 11, 2008

**Revised**

ROLL CALL

APPROVE REQUESTS FOR NEW OPERATING AND CAPITAL  
APPROPRIATIONS,  
FISCAL YEAR 2010

**Action:** Approve Fiscal Year 2010 Operating and Capital Budget Requests

**Funding:** Incremental State Operating and Capital Appropriations

Requests for incremental operating funds and for new capital appropriations for the University of Illinois for the fiscal year commencing July 1, 2009, are presented for action by the Board of Trustees. Following Board action, these requests will be submitted to the Illinois Board of Higher Education for review. The accompanying tables summarize the major elements of each request, and the document, *Fiscal Year 2010 Budget Request for Operating and Capital Funds* provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2010 Operating Budget Request is outlined in Table 1. The University seeks \$~~109.0~~113.0 million in new funds, an increase of ~~7.7~~8.0 percent above the current year's budget. The FY 2010 request focuses primarily upon needs for salary competitiveness for faculty and staff, statewide priorities, (e.g., teacher education,

energy research), and strategic initiatives. The FY 2010 request also continues prior efforts to secure facilities maintenance resources in the operating budget, as well as resources to meet critical operating cost increases. The request presents the most urgent funding needs confronting the University.

Table 2 identifies the twelve projects in the FY 2010 Capital Budget Request in priority order. Together, these projects represent an investment of \$454.2 million, devoted to preserving and extending facilities already in place at the campuses and to critically important new initiatives. Remodeling and renovation projects comprise a large part of the total funds requested with the highest priority given to repair and renovation projects at the three campuses. The request clearly emphasizes the importance the University places on maintenance and upkeep of existing facilities, highlighting the need to adequately fund multiple aspects of the facility plant assets. Due to their unique characteristics, funding for the Healthy Returns and Petascale Initiative projects will be pursued independently from this request.

The operating and capital requests summarized here reflect the University's highest priority budget needs, focusing on the University's mission of instruction, research, public service, and economic development. The priorities in both the operating and capital requests presented here are consistent with those in the preliminary requests presented to the Board in July 2008.

The University's operating and capital requests for FY 2010 have been prepared by the Vice President/Chief Financial Officer based upon advice from the University Policy Council.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*,

*The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Vice President/Chief Financial Officer recommends approval.

The President of the University concurs.

**Table 1**  
**FY 2010 Operating Budget Request**  
**(Dollars in Thousands)**

<b>I.</b>	<b>Strengthen Academic Quality</b>		<b>\$ 89,831.9</b>
	<i>% of FY 2009 Base<sup>1</sup></i>		<i>6.3%</i>
	A. Competitive Compensation		\$ 49,831.9
	1. Salary Improvements - 3.0%	\$ 30,554.6	
	2. Recruitment, Retention & Compression	19,277.3	
	B. Statewide Priorities		\$ 10,000.0
	1. Teacher Education		
	2. Energy Research		
	C. Strategic Initiatives		\$ 30,000.0
	1. UIUC	\$ 14,000.0	
	2. UIC	14,000.0	
	3. UIS	2,000.0	
<b>II.</b>	<b>Address Facility Operations Needs</b>		<b>\$ 5,862.6</b>
	A. O & M New Areas		\$ 862.6
	B. Facility Maintenance Support		\$ 5,000.0
<b>III.</b>	<b>Meet Inflationary and Other Cost Increases</b>		<b>\$ 17,352.4</b>
	A. Payroll Cost Increases		\$ 2,300.0
	1. Medicare	\$ 1,300.0	
	2. Workers' Compensation	500.0	
	3. Legal Liability/Insurance	500.0	
	B. Cost Increases		\$ 15,052.4
	1. Utilities Increases	12,753.0	
	2. Library Price Increases - 10%	2,299.4	
	<b>Total Request</b>		<b>\$ 113,046.9</b>
	<i>% of FY 2009 Base<sup>1</sup></i>		<i>8.0%</i>
<b>IV.</b>	<b>Statewide Economic Development</b>		\$ 1,000.0
<b>V.</b>	<b>Healthy Returns—The Illinois Bill Of Health</b>		\$ 15,500.0
<b>VI.</b>	<b>Medical Professional Liability Insurance</b>		\$ 10,000.0

<sup>1</sup> FY 2009 Base: \$1,419,352.6

**Table 2**  
**FY 2010 Capital Budget Request<sup>1</sup>**  
**(Dollars in Thousands)**

Priority	Project	Urbana	Chicago	Springfield	Total
1	Repair and Renovation	\$13,610.4	\$8,331.8	\$687.4	\$22,629.6
2	Lincoln Hall Remodeling	56,286.0			56,286.0
3	College of Medicine Rockford		14,250.0		14,250.0
4	Electrical and Computer Engineering Bldg.	42,000.0	<sup>2</sup>		42,000.0
5	Integrated Bioprocessing & Research Lab	20,034.0	<sup>3</sup>		20,034.0
6	Dentistry Modernization/Code Compliance		20,000.0		20,000.0
7	Pharmacy Renovation & Addition		120,000.0		120,000.0
8	Public Safety Building			4,000.0	4,000.0
9	Disability Research, Res. & Educ. Srv. Bldg.	50,000.0			50,000.0
10	Burrill Hall Remodeling	35,000.0			35,000.0
11	Science and Engineering Lab Renovation Phase I		35,000.0		35,000.0
12	Brookens Library Renovation			35,000.0	35,000.0
		\$216,930.4	\$197,581.8	\$39,687.4	\$454,199.6

<sup>1</sup> Capital Request for *Healthy Returns—The Illinois Bill of Health* and Petascale Computing are dealt with separately.

<sup>2</sup> This project was submitted in response to a request from the Governor for Economic Development projects. In the FY 2010 request, the total project budget for ECE has been increased from \$90M to \$95M with a phasing component added. Phase I will total \$75M; Phase II will total \$20M from other sources. CDB released \$3M for planning purposes in January 2006, the amount requested from the state was \$42M, now inflated to \$44.5M.

<sup>3</sup> The Bioprocessing Research Laboratory was submitted in response to a request from the Governor for Economic Development projects. In June 2006, CDB released \$1.9M for planning for the Bioprocessing Research Laboratory; construction funding of \$20M is needed for the Lab.