

ROLL CALL

APPROVE REQUESTS FOR NEW OPERATING AND CAPITAL APPROPRIATIONS FISCAL YEAR 2016

Action: Approve Requests for New Operating and Capital Appropriations Fiscal Year 2016

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, 2015, are presented for action by the Board of Trustees. Following Board action, these requests will be submitted to the Illinois Board of Higher Education and State agencies for review. The accompanying tables summarize the major elements of each request, and the document, Fiscal Year 2016 Budget Request for Operating and Capital Funds provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2016 Operating Budget Request is outlined in Table 1. The University seeks \$40.3 million in new funds, an increase of 2.3 percent above the current year's state appropriation plus income fund base budget. The FY 2016 request focuses primarily upon needs for salary competitiveness for faculty and staff. The FY 2016 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 ten projects in the FY 2016 Capital Budget Request in priority order. Together, these projects represent an investment of \$452.1 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, high-lighting the need to adequately fund multiple aspects of the facility plant assets. Due to the unique characteristic of health care, funding for Additional Medicaid Patient Activity at UI Health System will continue to 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 Audit, Budget, Finance, and Facilities Committee in July 2014.

The University's operating and capital requests for FY 2016 have been prepared by the Vice President for Academic Affairs based upon advice from the University Policy Council.

The Vice President for Academic Affairs and the Vice President/Chief Financial Officer recommend approval.

The President of the University concurs.

Table 1
FY 2016 Operating Budget Request
(Dollars in Thousands)

I. Strengthen Academic Quality	\$ 22,633.5
<i>% of FY 2015 Base</i>	<i>1.3%</i>
Competitive Compensation	
II. Address Facility Operations Needs	\$ 16,067.5
O & M New Areas, Facility Maintenance Support, Utility Maintenance Support	
III. Meet Inflationary and Other Cost Increases	\$ 1,550.0
Payroll Cost Increases	
Total Request	\$ 40,251.0
<i>% of FY 2015 Base</i>	<i>2.3%</i>
IV. Medicaid Funding - UI Health System	\$25,000.0
<i>FY 2015 Base:</i>	<i>\$1,765,444.1</i>
<i>Base = GRF + Tuition</i>	

Table 2
FY 2016 Capital Budget Request
(Dollars in Thousands)

<u>Priority</u>	<u>Project</u>	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
1	Repair and Renovation	\$ 33,600	\$ 24,000	\$ 2,400	\$ 60,000
2	Natural History Building	15,000			15,000
3	Pharmacy Renovation & Addition		89,000		89,000
4	Altgeld/Illini Hall Renovation	40,000			40,000
5	Main/Undergrad Library Redevelopment	50,000		56,700	106,700
6	Medical Sciences Building Modernization Ph. 1		27,000		27,000
7	Stevenson Hall Classroom Building Modernization		23,000		23,000
8	Utility and Mechanical System Upgrades		24,000		24,000
9	Cultural Center Building	15,000			15,000
10	Disability Research, Res. & Educ. Svc. Bldg.	52,400			52,400
		<u>\$ 206,000</u>	<u>\$ 187,000</u>	<u>\$ 59,100</u>	<u>\$ 452,100</u>