

Board Meeting
September 14, 2012

ROLL CALL

APPROVE REQUESTS FOR NEW OPERATING AND CAPITAL APPROPRIATIONS, FISCAL YEAR 2014

Action: Approve Requests for New Operating and Capital Appropriations, Fiscal Year 2014

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, 2013, 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 2014 Budget Request for Operating and Capital Funds*, provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2014 Operating Budget Request is outlined in Table 1. The University seeks \$81.5 million in new funds, an increase of 4.9 percent above the current year's budget. The FY 2014 request focuses primarily upon needs for salary competitiveness for faculty and staff. The FY 2014 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 2014 Capital Budget Request in priority order. Together, these projects represent an investment of \$447.0 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 its unique characteristic, additional funding for the Healthy Returns-The Illinois Bill of Health proposals 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 2012.

The University's operating and capital requests for FY 2014 have been prepared by the Vice President/Chief Financial Officer and Comptroller based upon advice from the University Policy Council.

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

The President of the University concurs.

Table 1
FY 2014 Operating Budget Request
(Dollars in Thousands)

I.	Strengthen Academic Quality	\$ 52,479.5
	<i>% of FY 2013 Base</i>	<i>3.1%</i>
	Competitive Compensation	
II.	Address Facility Operations Needs	\$ 25,033.4
	O & M New Areas, Facility Maintenance Support, Utility Maintenance Support	
III.	Meet Inflationary and Other Cost Increases	\$ 3,945.5
	Payroll Cost Increases, Library Price Increase	
	Total Request	\$ 81,458.4
	<i>% of FY 2013 Base</i>	<i>4.9%</i>
IV.	Healthy Returns—The Illinois Bill Of Health	\$15,000.0
V.	Medical Professional Liability Insurance	\$10,000.0
<i>FY 2013 Base:</i>		\$1,679,507.4

Table 2
FY 2014 Capital Budget Request
(Dollars in Thousands)

Priority	Project	Urbana	Chicago	Springfield	Total
1	Repair and Renovation	\$ 33,600	\$ 24,000	\$ 2,400	\$ 60,000
2	Natural History Building	15,000			15,000
3	Pharmacy Renovation & Addition		86,000		86,000
4	Main/Undergrad Library Redevelopment	50,000		53,550	103,550
5	Hospital Modernization Phase I		43,000		43,000
6	Disability Research, Res. & Educ. Svc. Bldg.	52,400			52,400
7	Stevenson Hall Classroom Building Modernization		22,000		22,000
8	Burrill Hall Remodeling	25,000			25,000
9	Medical Sciences Building Modernization Ph. 1		25,000		25,000
10	Cultural Center Bulding	15,000			15,000
		<u>\$ 191,000</u>	<u>\$ 200,000</u>	<u>\$ 55,950</u>	<u>\$ 446,950</u>