FY 2019 Operations Budget Summary

Prepared for presentation to the Board of Trustees
September 27, 2018
SYSTEM-WIDE OPERATING BUDGET:

$6.83 billion
+$298.3M (+4.6%) from 2018

Growing, Diversified Revenue Sources

Benefit Payments Made by State
BUDGET COMPRIS ES THREE COMPONENTS

Payments on Behalf
$1,768 M
+4.6%

Restricted Funds
$2,798 M
+5.1%

Unrestricted Funds
$2,263 M
+3.9%

Total FY19 Budget: $6,829 M
KEY REVENUE CHANGES

- State Appropriation: +1.9%
- Tuition Income: +5.0%
- Gift Income: +22%
- Payments on Behalf: +4.6%
- Auxiliary Facilities: +8.1%
## Unrestricted Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$600.4 M</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$1,304.9 M</td>
</tr>
<tr>
<td>Cost Recovery</td>
<td>$253.0 M</td>
</tr>
<tr>
<td>Royalties</td>
<td>$35.2 M</td>
</tr>
<tr>
<td>Allowances</td>
<td>$69.6 M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,263.1 M</strong></td>
</tr>
</tbody>
</table>

Tuition Accounts for 58% of Unrestricted Funds

State Appropriation Provides 26% of Unrestricted Funds
### RESTRICTED FUNDS

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Projects</td>
<td>$734.8 M</td>
</tr>
<tr>
<td>Gift Income</td>
<td>$211.4 M</td>
</tr>
<tr>
<td>Patient Care</td>
<td>$993.4 M</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>$796.6 M</td>
</tr>
<tr>
<td>Other</td>
<td>$61.4 M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,797.6 M</strong></td>
</tr>
</tbody>
</table>

Patient Care Accounts for 36% of Unrestricted Funds
DIVERSIFIED REVENUE SOURCES

- **State**: 12%
- **Tuition**: 26%
- **Aux./Dept.**: 16%
- **Hospital/MSP**: 20%
- **Inst. Funds**: 7%
- **Grants**: 14%
- **Gifts/Endow Inc.**: 4%
- **Other**: 1%

Restricted + Unrestricted Total $5,061 M
Excludes Payments on Behalf

Institutional Fund includes cost recovery, royalties and allowances

University of Illinois System
$5.061 Billion
(excluding payments on behalf)

System Wide Programs, 2%
System Offices, 2%

48% for UIC
46% for University of Illinois System
$5.061 Billion
(excluding payments on behalf)

- System Wide Programs, 2%
- System Offices, 2%
- Hospital, 15%
- UIC, 33%
- UIS, 46%
SALARIES & BENEFITS BIGGEST COMPONENT OF EXPENSE

$2,585.9 M
51% OF TOTAL
+3.7% over FY18

Note: Total excludes payments on behalf
EXPENSE CATEGORY CHANGES

Salaries and Benefits  
+3.7%

Materials Supplies  
+11.8%

Student Aid  
6.5%

Contractual Services  
+5.2%

Utility Maintenance  
+7.8%
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$2,586 M</td>
<td>51%</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$737 M</td>
<td>15%</td>
</tr>
<tr>
<td>Debt/Capital Transfers</td>
<td>$426 M</td>
<td>8%</td>
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<tr>
<td>Scholarships</td>
<td>$335 M</td>
<td>7%</td>
</tr>
<tr>
<td>Utilities/Maintenance</td>
<td>$284 M</td>
<td>6%</td>
</tr>
<tr>
<td>Materials/Supply</td>
<td>$269 M</td>
<td>5%</td>
</tr>
</tbody>
</table>
KEY CHALLENGES

• Ensure Investments in Priorities
  • Faculty Hiring
  • Student Aid & Scholarships
  • Physical Infrastructure

• Key Parameters
  • Stable State Funding
  • Enrollment Growth
  • Maintain Fund Raising Momentum
  • Expense Control