

Approved by the Board of Trustees,
September 9, 2004

Board Meeting
September 9, 2004

ROLL CALL

REQUESTS FOR NEW OPERATING AND CAPITAL APPROPRIATIONS, FISCAL YEAR 2006

Action: Approve FY 2006 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, 2005, are presented herewith 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 2006 Budget Request for Operating and Capital Funds*, provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2006 Operating Budget Request is outlined in Table 1. The University seeks \$87.8 million in new funds, an increase of 7.61 percent above the current year's budget. The FY 2006 request focuses primarily upon needs for salary competitiveness for faculty and staff, restoration of faculty strength, and a variety of academic program improvements including strengthening the academic base, recovering lost capacity in library materials in both print and electronic forms, and increased links to the State of Illinois. The FY 2006 request expands prior efforts to secure facilities

renovation resources in the operating budget. The request introduces major initiatives in Medical Education and Liability at UIC, General Education Expansion at UIS, and Research Infrastructure needs at UIUC. The request presents the most urgent funding needs confronting the University, recognizing the fiscal condition of the State of Illinois.

Table 2 identifies the ten projects in the FY 2006 Capital Budget Request in priority order. Together, these projects represent an investment of \$295.2 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. In addition, the next highest priority is the deferred maintenance request. Both requests clearly emphasize the importance the University places on maintenance and upkeep of facilities, highlighting the need to adequately fund multiple aspects of the facility plant assets.

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. Both the operating and capital requests presented here are consistent with the preliminary requests presented to the board in July.

The University's operating and capital requests for FY 2006 have been prepared by the Vice President for Academic Affairs based upon advice from the Academic Affairs Management Team and review by 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 for Academic Affairs recommends approval.

The President of the University concurs.

Table 1
FY 2006 Operating Budget Request

I.	Continuing Components		\$44,772.4
	<i>% of FY 2005 Base *</i>		<i>3.88%</i>
	A. Compensation Improvements	\$25,835.7	
	1. Salary Improvements - 3%	\$25,835.7	
	B. Other Payroll Costs		\$1,700.0
	1. Medicare	\$300.0	
	2. Workers' Compensation	900.0	
	3. Legal Liability	500.0	
	C. Price Increases		\$9,821.9
	1. General Price Increases - 2%	\$2,951.4	
	2. Utilities Price Increase - 7%	4,376.3	
	3. Library Price Increase - 10%	2,014.2	
	4. Technology Price Increases - 4%	480.0	
	D. O & M New Areas		\$7,414.8
	1. Chicago Project	\$3,834.6	
	2. Urbana-Champaign Projects	3,580.2	
II.	Statewide Initiatives in Higher Education		\$19,223.8
	A. Recruitment & Retention of Critical Faculty & Staff - 2%	\$17,223.8	
	B. Facilities Renovation Support	2,000.0	
III.	Academic Program Initiatives		\$21,130.0
	A. Strengthening the Academic Base	\$7,240.0	
	B. Investing in Instructional Technology	1,790.0	
	C. Increased Links to the State	1,100.0	
	D. Medical Professional Liability Insurance	2,000.0	
	E. Health Professional Education	3,000.0	
	F. Expansion of General Education Program	2,000.0	
	G. Research Infrastructure	4,000.0	
IV.	Academic Program Initiatives (University-wide)		\$2,650.0
	A. Online Instruction	\$250.0	
	B. IGPA	150.0	
	C. P-16 Programs	1,250.0	
	D. Economic Development	1,000.0	
	Total Request		\$87,776.2
	<i>% of FY 2005 Base *</i>		<i>7.61%</i>
V.	Statewide Programs (IFSI, IDAL)	\$853.9	
VI.	Statewide Economic Development	\$3,000.0	
VII.	Addenda (DSCC**)	\$2,000.0	

* FY 2005 Base: \$1,154,125.7

** See Addendum II for discussion of funding request for DSCC.

Table 2
FY 2006 CAPITAL BUDGET REQUEST
SUMMARY BY PRIORITY AND CAMPUS
(Dollars in Thousands)

<u>Priority</u>	<u>Project</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Urbana</u>	<u>Total</u>	<u>Cumulative</u>
1	Repair and Renovation	\$4,165.9	\$343.7	\$6,225.4	\$10,735.0	\$10,735.0
2	Deferred Maintenance	8,000.0	125.0	12,000.0	20,125.0	30,860.0
3	Lincoln Hall Remodeling			48,652.0	48,652.0	79,512.0
4	Infrastructure Program	23,500.0			23,500.0	103,012.0
5	Business Instructional Building (Match)			31,200.0	31,200.0	134,212.0
6	Electrical & Computer Engineering Bldg. (Match)			30,000.0	30,000.0	164,212.0
7	Advanced Pharmacy Research Pavilion	67,000.0			67,000.0	231,212.0
8	Rockford Building Addition	12,000.0			12,000.0	243,212.0
9	Rehab Metal Buildings/Library		4,000.0		4,000.0	247,212.0
10	South Campus Development			48,000.0	48,000.0	295,212.0
		<u>\$114,665.9</u>	<u>\$4,468.7</u>	<u>\$176,077.4</u>	<u>\$295,212.0</u>	<u>\$295,212.0</u>