FINANCIAL REPORT

UNIVERSITY OF ILLINOIS

URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

BOARD OF TRUSTEES
January 21, 2016
Since November BOT Meeting

- State budget remains at impasse with no FY 2016 University operating, capital or Monetary Award Program appropriations – budget timing and amounts remain uncertain
- FY 2016 unbilled State reimbursement vouchers now exceed $500 million
- State had $7 billion in unpaid vouchers at January 1, 2016; no payments to State pension funds in November and December
- State payments for managed care Medicaid claims have slowed, enhanced Medicaid payments and future deposits to the Medicaid Trust Fund are in question
- Institute of Government & Public Affairs reported the State’s economic growth slowed considerably at end of calendar 2015
- Fire Training Institute received special revenue funding from the State
- FY 2015 Financial Audit to be released by the Illinois Auditor General with clean (unmodified) opinion – report to Board in March
- Standard & Poor’s affirmed A rating with stable outlook for the medical center
- Ratings for the AFS financing expected to be affirmed by Moody’s Investors Service (Aa3 rating with negative outlook) and Standard & Poor’s (AA- rating with negative outlook)
State Appropriation Revenue
Billings and Collections through January 19, 2016

Dollars in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriation</th>
<th>Billed</th>
<th>Collected</th>
<th>Receivable</th>
<th>Mid Year Reduction</th>
<th>Current/Unbilled Subject to Approp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$689</td>
<td>$571</td>
<td>$241</td>
<td>$62</td>
<td>$330</td>
<td>$223</td>
</tr>
<tr>
<td>2013</td>
<td>$662</td>
<td>$564</td>
<td>$330</td>
<td>$62</td>
<td>$230</td>
<td>$223</td>
</tr>
<tr>
<td>2014</td>
<td>$663</td>
<td>$609</td>
<td>$386</td>
<td>$230</td>
<td>$379</td>
<td>$223</td>
</tr>
<tr>
<td>2015</td>
<td>$662</td>
<td>$644</td>
<td>$386</td>
<td>$230</td>
<td>$379</td>
<td>$223</td>
</tr>
<tr>
<td>2016</td>
<td>$671</td>
<td>$640</td>
<td>$379</td>
<td>$230</td>
<td>$379</td>
<td>$223</td>
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</tbody>
</table>

FY16 appropriation has not been enacted and no billings have been submitted.
State and Tuition FY 2000 – FY 2016

- Total Enrollment FY 2000 over 67,000
- Total Enrollment FY 2016 over 80,200

Sources: Budget Summary for Operations. State include GRF and all other state fund appropriations. State for FY02 – FY16 exclude $24.9 million for Health Insurance. State Surveys are included in State beginning in FY09. Assumes 2.0% inflation in FY2016.
FY 2015 MAP Awards

- Private Non-Profit: $148.2 Million
- Public 2-Year: $39.8 Million
- Other Public 4-Year: $94.1 Million
- Proprietary & Hospital: $15.9 Million
- U of I: $59.2 Million

Total: $357.2 Million
State of Illinois
Unfunded Pension Liability
As of June 30, 2015
(Dollars in Billions)

- TRS, $61.71
- SERS, $25.48
- SURS, $22.09
- JRS, $1.48
- GARS, $0.27

$0
$20
$40
$60
$80
$100
$120

$111.0 Billion
Asset/Liability Ratio 41.9%

Using Actuarial Accrued Liability at Market Value.
Academic Achievement/Student Demand

Undergraduate student academic achievement at all three campuses

- UIC had record enrollment in the current year and 6 year graduation rate improved over 20% over the last 10 years and nearly doubled in the last 25 years
- UIS undergraduate enrollment has increased over 62% since Fall 2000, leader in on-line programs
- UIUC had 6th consecutive year of record enrollment and 6 year graduation rate of 85%, Average ACT score over 29 for freshman class
- Over 4 applicants for each freshman slot
- The 3 campuses of the U of I received over 51,400 applications for First-Time Freshmen
- Graduation rates and other achievement indicators improving at all three campuses
- Student loan and default rates below national averages
Sources: Budget Summary for Operations, state payments on behalf, and RAMP. Waivers excluded. FY04 Payments on Behalf excludes one time proceeds from bond sale.

GRF for FY02 – FY15 exclude $24.9 million for Health Insurance, Payments on Behalf adjusted to include the $24.9 million.
Total R & D Expenditures FY 2014

(Dollars in Millions)

Source: NSF; All Fields.
* Have medical colleges.
In December, Congress passed an omnibus appropriation package that carries positive news for higher education and research. Below is a recap of some of the major outcomes.

<table>
<thead>
<tr>
<th>Federal Agency/Program</th>
<th>FY 2016 Omnibus</th>
<th>FY 2016 Omnibus vs. FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Science Foundation (NSF)</td>
<td>$7.46 billion</td>
<td>+1.6%</td>
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<tr>
<td>National Institutes of Health (NIH)</td>
<td>$32.1 billion</td>
<td>+6.6%</td>
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<tr>
<td>Department of Energy (DOE) Office of Science</td>
<td>$5.35 billion</td>
<td>+5.5%</td>
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<tr>
<td>United States Department of Agriculture (USDA)</td>
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<tr>
<td>National Institute of Food and Agriculture (NIFA)</td>
<td></td>
<td></td>
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<tr>
<td>Agriculture and Food Research Initiative (AFRI)</td>
<td>$350 million</td>
<td>+7.7%</td>
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