

Board Meeting
November 14, 2019

ROLL CALL

APPROVE REQUESTS FOR OPERATING AND CAPITAL APPROPRIATIONS,
FISCAL YEAR 2021

Action: Approve Fiscal Year 2021 Operating and Capital Budget Requests

Funding: Incremental State Operating and Capital Appropriations

Requests for additional funding from the state for incremental operating funds and new capital appropriations for the University of Illinois System for the fiscal year commencing July 1, 2020, are presented for action by the Board of Trustees. Following Board approval, 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 2021 Budget Request for Operating and Capital Funds,” provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2021 Operating Budget Request is outlined in Table 1. The University seeks \$75.2 million in new funds, an increase of 12.1 percent in state appropriations. The additional funding will allow the University to maintain its academic competitiveness, continue to provide world-class education to Illinois students, prepare the next generation of leaders, and support the state’s economic development. The Fiscal Year 2021 request focuses on our need to increase the number of faculty to respond to growing enrollment demands, to provide additional scholarships to resident students, and to maintain salary competitiveness for faculty and staff. The request also continues prior efforts to secure resources to meet targeted operating cost increases. The request presents the most urgent funding needs confronting the University.

The Fiscal Year 2021 capital budget request, as displayed in Table 2, identifies the University's most crucial and strategic capital priorities. These priorities directly support the University's goals outlined in our Strategic Framework document and they focus on fostering innovation and workforce development. Together, these projects represent an investment of \$725.5 million, devoted to preserving and enhancing facilities already in place on the university campuses as well as supporting critically important new initiatives. Repair and renovation comprise forty-two percent of the total funds requested; this amount is in line with the Illinois Board of Higher Education's recommendation that universities should annually request an investment of three percent of the replacement cost of state-supported facilities for repair and renovation. Additionally, four individual projects, designated with the highest priority according to the new system-wide five-year capital plan, are requested. Each of these projects will enhance our innovation ecosystem at the universities as well as support workforce development related to STEM, healthcare, and multidisciplinary design thinking. Finally, funding is requested for renovation and expansion of existing libraries at Urbana-Champaign and Chicago. Overall, the capital request underscores the importance the University places on maintaining and extending the institution's physical infrastructure needed for academic programs.

Together, the operating and capital requests reflect the system's highest priority budget needs, focusing on our missions of education, research, public service, and economic development and are consistent with the priorities set forth in the University of Illinois System's Strategic Framework.

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

The President of the University concurs.

Table 1
FY 2021 Operating Budget Request
(Dollars in Thousands)

I. Maintaining Competitiveness and Quality			\$ 70,870.8
A. Recruiting and Growing Faculty to Meet Enrollment Demand		\$ 10,000.0	
B. Enhancing Undergraduate Scholarships for Illinois Residents		10,000.0	
C. Competitive Compensation		50,870.8	
1. Salary Improvements - 2.0%	\$ 23,939.2		
2. Compression, Market, Equity and Retention (CMER) - 2.25%	26,931.6		
II. Facility and Technology Infrastructure			\$ 4,373.7
A. Operation & Maintenance of New Areas		873.7	
B. Information Technology & Security Upgrades		3,500.0	
Total Request			\$ 75,244.5
<i>% increase in state appropriated funds</i>			<i>12.1%</i>

Table 2
FY 2021 Capital Budget Request
(Dollars in Thousands)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
I. Repair and Renovation				
A. Repair and Renovation	\$165,602	\$128,184	\$9,593	\$303,379
II. Innovation and Workforce Development				
A. School of Art & Design Thinking and Learning Addition	64,400			64,400
B. College of Business Administration Building		73,000		73,000
C. Disability Research, Resources, Education Services Bldg.	56,644			56,644
D. Information Sciences Building			47,045	47,045
III. Library Renovations & Upgrades				
A. Campus Library Upgrades	54,050	127,000		181,050
Total Request	\$340,697	\$328,184	\$56,638	\$725,518