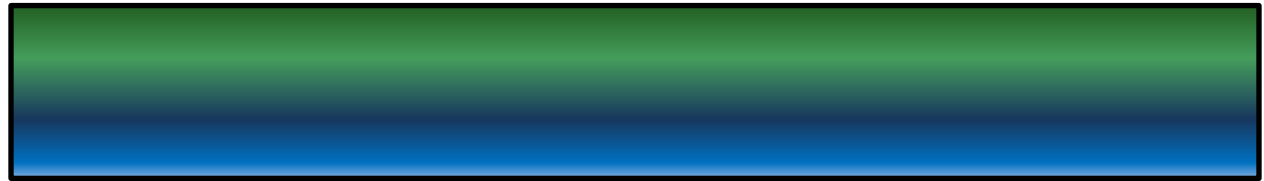


FY 2026 BUDGET REQUEST



**FOR
OPERATING
AND
CAPITAL FUNDS**

**PREPARED FOR THE
BOARD OF TRUSTEES
NOVEMBER 14, 2024**



FY 2026 BUDGET REQUEST

**FOR
OPERATING
AND
CAPITAL FUNDS**



**PREPARED FOR THE
BOARD OF TRUSTEES
NOVEMBER 14, 2024**

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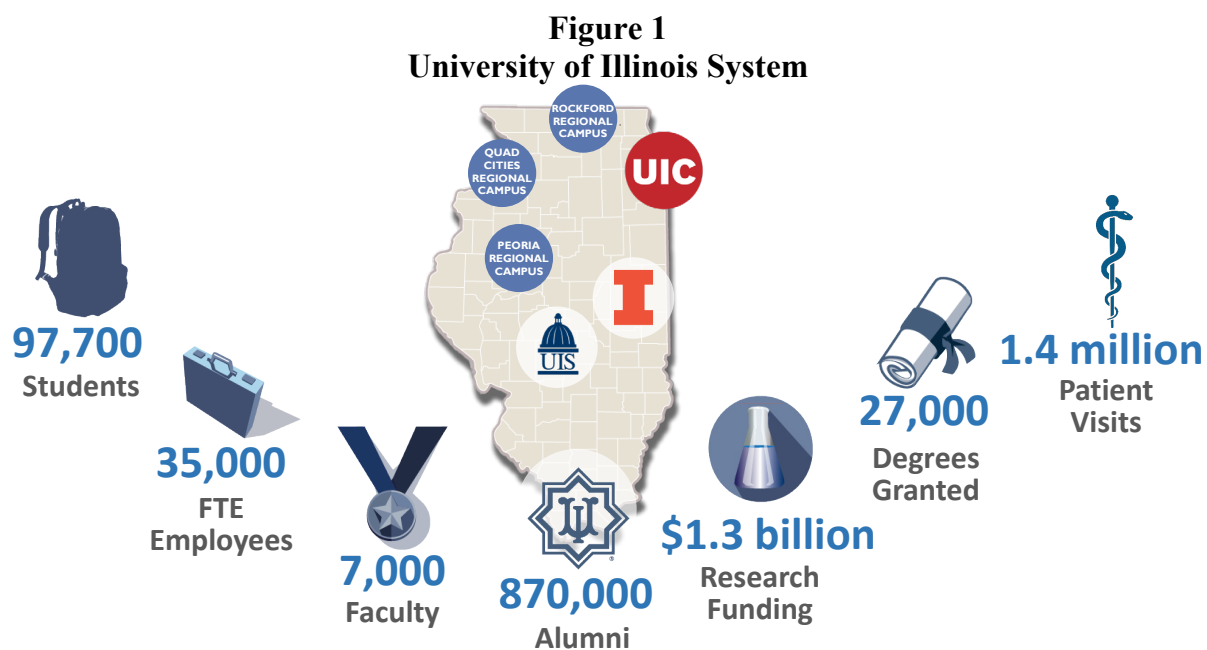
OPERATING BUDGET REQUEST FOR FY 2026



FY 2026 OPERATING BUDGET REQUEST

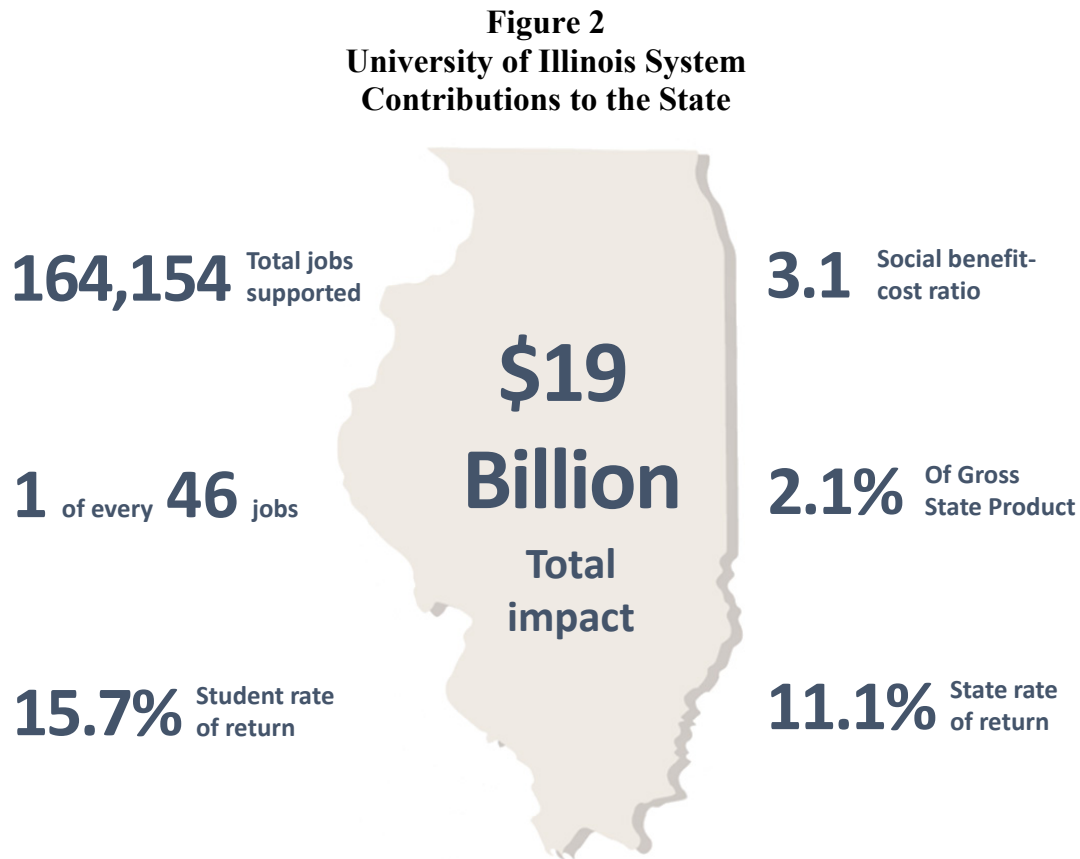
OVERVIEW

The University of Illinois System is one of the most important contributors to economic and workforce development in the State of Illinois. With three best-in-class universities, a robust healthcare enterprise, and a celebrated legacy, the U of I System transforms lives and enhances public good for tens of thousands of citizens in the state (see Figure 1).



The University of Illinois System now educates over 97,700 students and harnesses its technical expertise, medical resources, and research capabilities to positively impact the state of Illinois and beyond. Our talented faculty generate over one billion dollars in research funding annually. And our student enrollment comprises 53% of all students attending public universities in the state. Last year, our three universities together graduated over 27,000 students, over seventy percent of whom stayed in Illinois to become taxpayers and leaders in their communities. UI Health—the system’s health care enterprise—provides critical services to some of the most vulnerable populations in the State.

The University of Illinois System's economic impact is significant. A recent study conducted by Lightcast (formerly Emsi) documented that the University of Illinois System contributes \$19 billion to the state economy each year and supports over 164,000 jobs state-wide (see Figure 2).

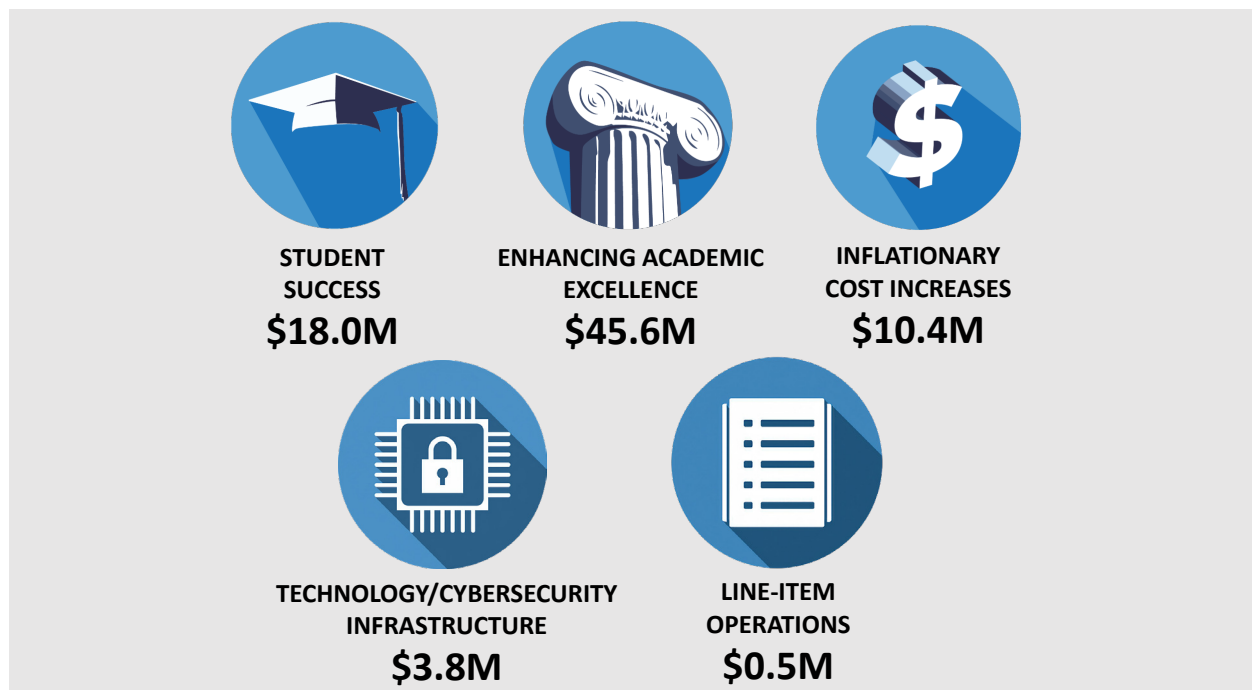


The contributions of the U of I System to the State of Illinois were clearly visible during the COVID-19 pandemic. Throughout this crisis, the U of I System has been an indispensable partner to state, city, and local governments and public health leaders. Our experts created predictive models of the spread of COVID-19 that provided governmental officials with critical information to manage the pandemic. U of I researchers also developed an accurate, easy to use, low-cost saliva-based test used throughout the state. UI Health provided frontline medical services to heal our communities and conduct clinical trials for life saving drugs and vaccines. The system truly fulfilled its service mission by harnessing all its intellectual expertise, medical resources, and research capabilities to help steer Illinois and the country through the pandemic.

It is with this backdrop that the University of Illinois System requests an appropriation of \$804.4 million in support of its operating budget for Fiscal Year 2026 (FY 2026). The FY 2026 operating appropriation request reflects an increase of \$93.8 million or 13.2 percent over the current year's (FY 2025) appropriations. These incremental funds will ensure that the system can continue to serve the state of Illinois and its citizens. The requested increment will be a small step in reversing the decades long erosion in operating appropriations for public universities. The appropriation of \$710.6 million in FY 2025, for example, was 6.4 percent below the level in FY 2010 in real dollar terms and 37 percent lower when adjusted for inflation.

Consistent with its Strategic Framework, adopted by the Board of Trustees, the University of Illinois System's FY 2026 operating budget request will provide the funding necessary to implement and enhance key strategic initiatives aimed at enhancing educational opportunities for Illinois students and supporting the state's economy. **The state of Illinois needs its flagship system now, more than ever.** We can help attract and retain talent to Illinois and grow the state's infrastructure and economy. To do this, we need the state to provide us with a healthy FY 2026 budget.

ACADEMIC OPERATING BUDGET REQUEST



On the academic side, the requested increase in funds will be used to support five main areas. First, funding to improve **student success** by expanding our bridge programs, enhancing mental health

programs for students, supplementing financial aid, and providing wraparound services to help close equity gaps. The pandemic has shown that all universities can do more to support students in these areas. Our request of \$18 million for this area will ensure continued improvement in outcomes for underrepresented students and expanded services to meet our growing enrollment. Second, we urgently need to **keep on the path of enhancing academic excellence**, which means recruiting and growing our faculty, especially in response to the significant growth in our enrollment, and to retain our current faculty by providing a competitive salary program. Talented faculty are the absolute foundation of the university's academic and research excellence. A portion of our request of \$45.6 million in state funding will go towards our continuing initiative aimed at hiring new faculty to keep pace with our record system-wide enrollment growth, with a particular focus on increasing faculty from underrepresented groups to serve the diversity of our student population. Funds also will be devoted to providing a modest salary program to retain our talented faculty and staff who are being courted on a regular basis by peer universities. Third, we are facing **unprecedented energy and other cost increases**, and we are requesting \$10.4 million to try to keep pace. Fourth, we are requesting \$3.8 million in funding for **pressing technology and cybersecurity infrastructure needs**. Ensuring that our technologies are up-to-date and state-of-the-art will help us recruit and support the best students, faculty, and staff.

Finally, we are requesting \$534,100 to **support our separate line-item operations**. These lines support operations across our universities and have rarely seen budget increases in past years, eroding our efforts to maintain these operations at the levels intended by the state. A modest 3% increase for the Illinois Heart Rescue, the Illinois Innocence Project, the Climate Jobs Institute, Dixon Springs Agricultural Center, the Public Policy Institute, the School of Labor and Employment Relations, and the College of Dentistry is requested, a total increase of \$284,100. The remainder of the request is an increase of \$250,000 for the Hispanic Center of Excellence at UIC to better fulfill its mission and enhance UIC's role as a Hispanic-Serving Institution (HSI) and Minority-Serving Institution (MSI).

ADDENDUM - OTHER STATE SUPPORTED OPERATIONS

In 2008, the legislature created the Prairie Research Institute (PRI) by the University of Illinois Scientific Surveys Act that brought together the five state scientific surveys under a single research environment at the University of Illinois. The Act includes core mandates calling on PRI to perform specific roles and tasks relating to the stewardship of natural and cultural resources. While PRI has been doing incredible work, it has not had an increase in 14 of the 16 years of its existence from 2008 until today. To continue

with the **critically important work done statewide by PRI**, we are requesting \$461,200 for operations for PRI.

Another important part of our state-supported operations is the University of Illinois Hospital (UIH), which is the only public hospital in Chicago. UIH has an obligation to serve patients in its community, many of whom face financial hardship and receive insurance through the State Medicaid Program. We are the only academic health center in Chicago which accepts all the State's managed Medicaid plans. Historically, most of the funds appropriated to UIH have been paid to the Illinois Department of Healthcare and Family Services (HFS) per an intergovernmental agreement (IGA) in which HFS uses these funds to secure incremental federal matching funds to help pay the costs of providing the Hospital's patient care services to its Medicaid patients. To provide sufficient funding to pay the Hospital's obligation under the IGA and to secure the full federal match funding for Medicaid, **UIH is requesting that the annual appropriation be increased by \$15 million to cover the projected shortfalls in state appropriations for FY2025 and FY2026.**

Our overall FY 2026 operating budget request is detailed below in Table 1.

Table 1
University of Illinois System
FY 2026 Operating Budget Request
(Dollars in Thousands)

FY 2025 General Funds Appropriation		\$ 710,613.3
<u>Requested Increase In Academic Operating Budget</u>		
I. Student Success	\$ 17,938.8	
II. Enhancing Academic Excellence	\$ 45,639.8	
III. Inflationary Cost Increases	\$ 10,415.9	
IV. Technology/Cyber Security Infrastructure	\$ 3,750.0	
V. GRF/EAF* Separate Line-Item Operations	\$ 534.1	
Subtotal Academic Operating Increase		\$ 78,323.6
% increase in state general funds appropriation		<i>11.0%</i>
<u>Addendum – Other State Supported Operations</u>		
I. Prairie Research Institute	\$ 461.2	
II. Hospital	\$ 15,000.0	
Total Increase Including Addendum		\$ 93,784.8
<u>FY 2026 General Funds Appropriation Request Including Addendum</u>		<u>\$ 804,398.1</u>
% increase in state general funds appropriation including addendum		<i>13.2%</i>

*General Revenue Fund (GRF) and Education Assistance Fund (EAF)

STUDENT SUCCESS

(\$17,983,800)

HEALTH & WELLNESS

There are many programs at each of our universities designed to assist students with their mental health. During the pandemic, the mental health needs of our students expanded dramatically, and the U of I System's three universities all added new mental health resources and programs. Even so, student surveys clearly demonstrate that the need for additional services is increasing every day. While the system is committed to supporting the mental health of their students, faculty, and staff, these programs are resource intensive.

CONTINUED FOCUS ON IMPROVING RETENTION AND GRADUATION RATES

University of Illinois Urbana-Champaign

Urbana offers the Illinois Commitment and the Illinois Promise programs. Illinois Commitment provides a combination of federal, state, and institutional grants to cover tuition and campus fees for Illinois residents whose family income is below \$67,100. Illinois Promise covers tuition, campus fees, room/board, and books/supplies through a combination of federal, state, and institutional grants and a \$2,500 Federal Work-Study award to Illinois residents whose family income is at or below the poverty level. Approximately 25% of Illinois residents attending the university receive funding through either Illinois Commitment or Illinois Promise. Urbana has also joined Hope Chicago in covering the full cost of attendance for students from each of the five Chicago Public School partner high schools. The investment includes academic and social support for the Hope Chicago scholars during their time on campus.

Bridge programs are also central to closing gaps for students who have come from under-resourced high schools and backgrounds. Urbana offers the Illinois Scholars program, a four-week summer residential program for students who are first in their families to attend college, from low-income families, underrepresented minorities, or from counties with low college-going rates. The program prepares students to transition academically and socially to college and provides co-curricular support throughout all four years of college.

The campus' Student Success @ Illinois work supports a variety of projects that are aimed at improving retention and graduation rates. Some examples of current key efforts include the annual Student Success Symposium, development of a campus-level early alert and outreach system, review and revision of academic policies with an equity lens, and professional development and resource coordination support for academic advisors.

Nationally, Urbana is part of the Power by Publics initiative of the Association of Public and Land Grant Universities (APLU), which brings together 125 institutions to scale student success efforts. Urbana is looking specifically at so-called "weed-out" courses, which have high rates of grades "D" or "F" or high levels of students withdrawing ("W"). This involvement has culminated in a project called the Inclusive Course Redesign Initiative (ICRI). Through ICRI, instructors partner with the university's Center for Innovation in Teaching and Learning with a goal of creating more equitable learning environments that support the success of all students.

In addition to efforts made at the central campus level, the decentralized nature of the institution fosters innovation and investments at the individual college level. For example, multiple colleges house student centers designed to nurture student success; most academic units host an embedded counselor to offer mental health services in close proximity to the student in need; several colleges offer independent bridge programs for incoming first-year students; and many colleges have implemented early alert systems to identify students in academic crisis and provide tutoring options to help students manage through their crises.

University of Illinois Chicago

The new UIC Aspire grant, starting in fall 2025, covers the cost of tuition and mandatory fees for new UIC undergraduate students who are Illinois residents and have a family income and assets of \$75,000 or less. Students are eligible to receive the UIC Aspire grant for a maximum of four academic years, and they are not required to live on campus to be eligible for the program. The DuSable Scholars Program at UIC promotes diversity in STEM fields and the Accelerate Your Success Program for scholarships helping students complete summer courses. In addition, the Flames Leadership Network provides coaching, support, and a monetary stipend to selected first-year students at higher risk of attrition; the President's Award Program Honors housing awards to attract high-caliber students, and the Summer Edge Program facilitates students retaking key courses in support of retention and graduation.

UIC also offers a robust, tuition-free summer program to support students' academic and social-emotional transition from high school to college. The UIC Summer College provides an opportunity for incoming students to meet other students, to interact with staff and instructors on campus, and to brush up on areas of study. The program for incoming freshmen allows students to spend three or six weeks on the UIC campus before the regular academic year starts. In addition to orienting students and introducing them to Success Centers, students participate in math, writing, chemistry, or music theory workshops to help them enter credit-bearing coursework, increase retention and completion.

Students who participate in Summer College identify better with campus, are not as overwhelmed, and are better prepared for the start of their college career. Of the students enrolled in Summer College, roughly 61 percent are Pell eligible, 61 percent are first-generation, and 61 percent are underrepresented minority students. Over the last 4 cohorts, on average there are 450 students per summer participating in UIC Summer College academic enrichment programs. Students who attend Summer College display higher metrics of success than those who are eligible but opt not to attend. Student Success Centers provide academic support to all students, including those in Summer College, and were created to address the needs and opportunities for each group of students. In addition to student support, Success Centers house undergraduate research and external fellowships.

UIC has several community partners that assist in removing barriers and ensuring student success. One of the most recent partnerships is with Hope Chicago, a nonprofit organization seeking to reduce economic and social inequity by funding postsecondary scholarships and non-tuition costs for Chicago Public Schools graduates and adult family members. UIC's Hope College students are supported through orientation, tutoring, advising, coaching, and targeted programmatic and academic support.

University of Illinois Springfield

UIS has a number of initiatives aimed at improving student success. Prairie Promise provides financial aid funding for full-time tuition and mandatory fees (using 15 credits/semester as the average). The Promise will backfill tuition and fee expenses for students after the MAP grant, AIM HIGH, and any UIS merit scholarships are applied. It guarantees that students from Illinois who are MAP grant recipients will have their tuition/fees covered with grant aid. The Promise is available to only new incoming first-year students and is renewable for up to four years for eligible students.

Like UIUC and UIC, UIS also partners with Hope Chicago to provide opportunities for high school students from Chicago to come into UIS as a freshman. These students receive special counseling from the university and support systems to help them succeed. UIS is starting the third year of the program and we have seen between three and five students each fall.

UIS offers a Smart Start program each summer for rising high school seniors. The program supports up to 40 underrepresented minority students with the ability to do well at the university but perhaps lack the understanding of how to get through the process of being admitted. Typically, classes are offered in math and another class of interest, such as Communications or English. UIS just completed the third year of the Smart Start program.

Students Transitioning for Academic Retention and Success (STARS) is a selective living-learning community offering Freshmen a variety of enhanced academic support services including peer mentoring, a shared first-year-seminar curriculum, and various social and educational programming opportunities tailored to support college success. STARS students benefit from a living-learning community, housed together where they can experience a strong sense of community with other STARS students and learn to maximize the resources available through the program.

The Summer Scholars Program is an eight-week long blended program that allows students to stay on campus for one week of in-person instruction and programming, followed by seven weeks of remote instruction in college success, writing, and math coursework. Students can earn up to six credit hours, and the program is offered at no cost to them. Students are not required to participate in a living-learning community to take advantage of this program. The university is looking for opportunities to increase the budget to include a stipend to cover lost wages for students due to their inability to work full-time during the summer.

With the support of a Title III grant, UIS has an expanded focus on increasing student participation in high-impact practices (such as internships, capstone courses, learning communities, etc.) and enhancing advising and other academic supports to increase retention and graduation rates among first-time, full-time undergraduate students. While the university undertakes this important work, a strong emphasis is being placed on reducing equity gaps across campus, in line with the university's 2024 Equity Plan. The university is exploring high-impact practices such as a Summer Undergraduate Research Program and Academic Success Coaching Services.

Community resources have been identified to help support student's basic needs, such as housing and food insecurity. A food pantry has been made available to assist students who experience food insecurity on campus. A broad range of mental health services include individual and group counseling to students, workshops and trainings, and an online peer support program and online mental health screenings. And finally, UIS offers a technology borrowing program, including laptops and Wi-Fi hotspots. These wrap-around services are just a few examples of the critical services offered to students attending UIS.

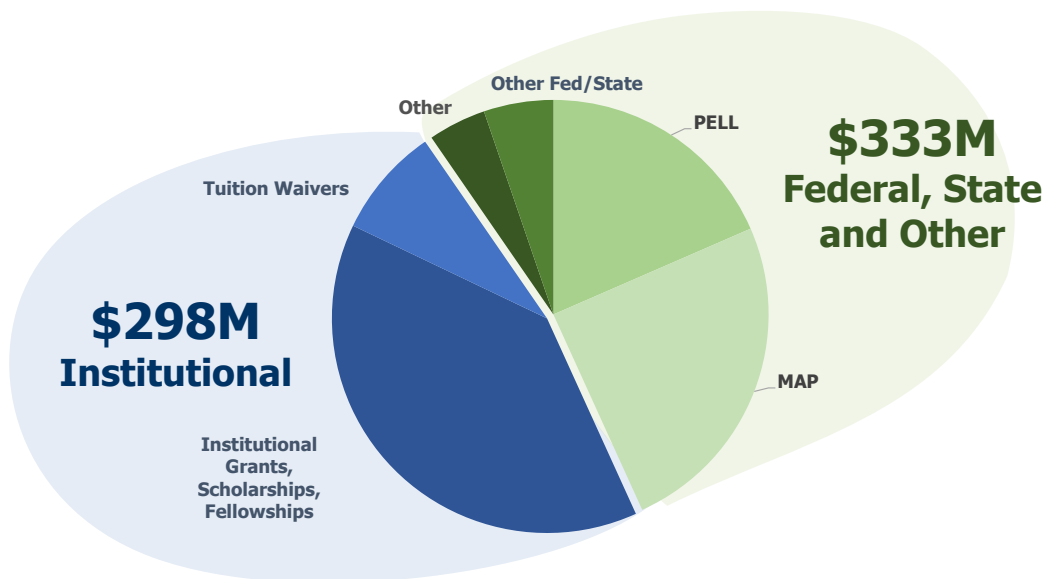
RESIDENT UNDERGRADUATE FINANCIAL ASSISTANCE

The University of Illinois System has a strong commitment to the citizens of Illinois whose taxes contribute to the support of this premier public institution. Our goal is to ensure access for all qualified Illinois students, regardless of their income level. Toward that end, the U of I System assists students with a wide range of financial aid programs including grants and loans from federal, state, and private sources; federal work study funds; and grants and loans from institutional resources. Nearly 30,000 Illinois resident undergraduates annually across our three universities (67%) receive some form of gift aid and in fact, approximately 40 percent pay no tuition at all.

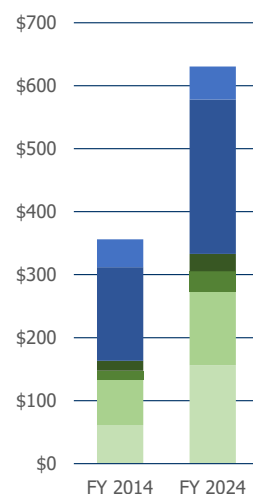
Often cited as one of the primary reasons students drop out of college, lack of financial resources may force qualified students to drop out of school, unable to continue their education. In some instances, a student may be within a few hundred dollars of being able to continue their education. Frequently, even modest amounts of financial assistance can affect positive changes in retention and graduation rates, boosting student success.

As shown in Figure 3 below, we have greatly expanded institutional financial aid, which increased 54% to \$298 million over the last decade. Institutional aid provides more aid than Pell and MAP combined.

Figure 3
University of Illinois System
Undergraduate Financial Aid FY 2024



54%
INCREASE IN U OF I
SYSTEM AID OVER
10 YEARS



ENHANCING ACADEMIC EXCELLENCE

(\$45,639,800)

FACULTY AND STAFF RECRUITMENT AND RETENTION

The University of Illinois System plays a central role in education, research, and economic development in the state of Illinois and beyond. As stated in the Strategic Framework, the system views itself as the *Public's University* with four overarching pillars to which its three universities are committed:

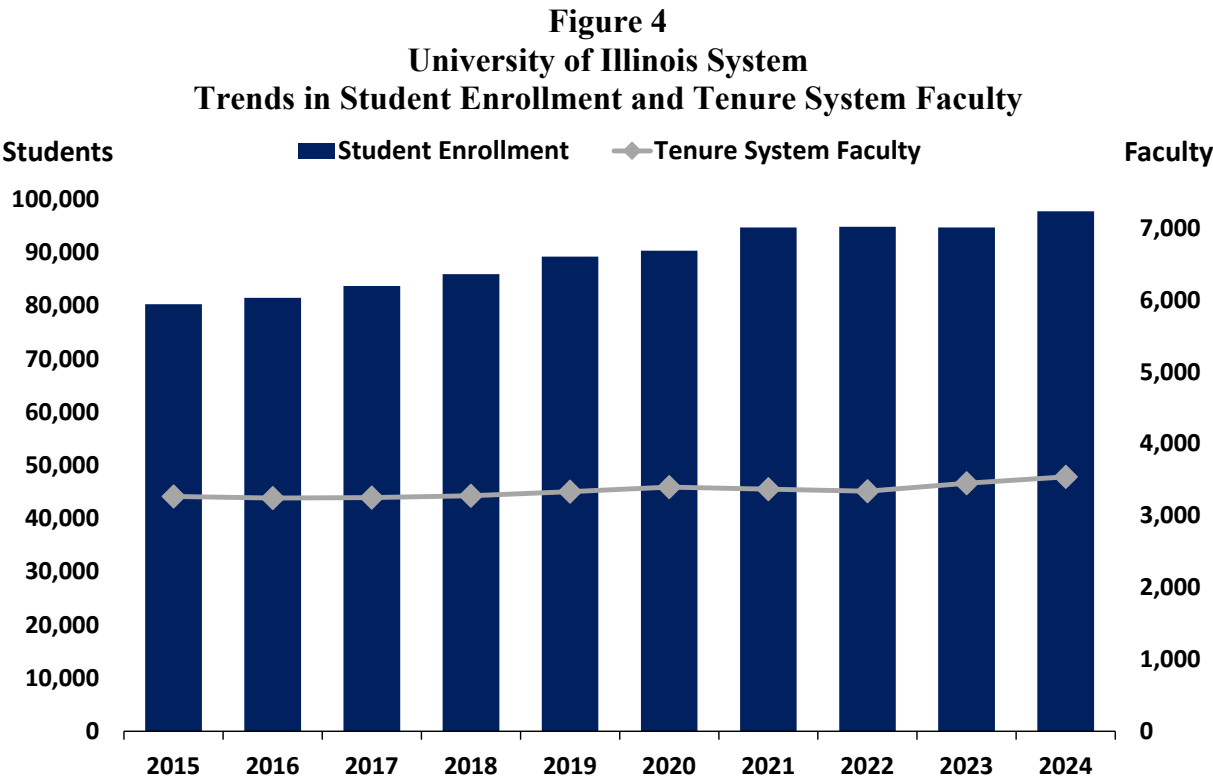
- An institution of and for our students.
- Research and scholarship with global impact.
- A healthy future for Illinois and the Midwest.
- Tomorrow's university today.

All four of these pillars rely on the recruitment and retention of **faculty of the highest caliber**.

Since fall 2015, the U of I System has **increased its enrollment by over 22 percent**, adding over 17,480 students to its campuses. To keep pace with this record system-wide enrollment growth, we need to recruit more faculty. Investment in additional faculty ensures continued excellence of our academic programs and timely graduation of students.

We are requesting support from the state of Illinois to help support our plan to rebuild our faculty numbers and to assist in our continuing efforts to recruit and retain distinguished faculty, especially those from underrepresented groups. These crucial initiatives will allow us to maintain excellence in teaching and research, meet current student demands and serve the diversity of our student population, and strategically invest for future enrollment growth.

As the following figure illustrates, our student enrollments have grown significantly over time, reflecting a multi-year commitment we have made to increase accessibility and provide more transformational opportunities for students, particularly Illinois residents. However, as the student body has grown, we have not been able to keep pace with faculty numbers due to budgetary constraints (see the gray line below).



Maintaining a healthy balance between student and faculty numbers is vital to academic quality. Otherwise, class sizes grow too large, courses may not be offered as often because of fewer faculty to teach, and students are faced with fewer opportunities to work one-on-one with talented faculty because of workload issues. This imbalance can negatively affect the overall student experience. Moreover, student-to-faculty ratios are among several key factors used in university rankings. High student-to-faculty ratios can also influence decisions of prospective students as well as faculty.

To ensure adequate faculty and reverse the trends at both Urbana and Chicago we need to grow our faculty numbers to meet demand. In the spring of 2022, Urbana and Chicago, in consultation with individual colleges and programs and other stakeholders, developed specific targets for new faculty hires. The university plans were based on careful analyses of student demand for specific programs, expanding the reach of our educational programs, and the level of investments required to achieve those targets. Although in the past year we have made some progress on hiring, the plan is to add 300 net new faculty positions system-wide, 200 at Urbana and 100 at Chicago, at a cost of roughly \$50 million annually, over the next three to five years. The plan also includes aggressive efforts by both universities to increase the number of faculty from underrepresented groups. Concurrently, the proposed hiring plans will enhance the research and innovation agenda, especially through collaborations with the Discovery Partners Institute (DPI) and the Illinois Innovation Network (IIN).

RECRUITING DISTINGUISHED FACULTY

The President's Distinguished Faculty Recruitment Program launched in 2017 to attract faculty talent and counter the perception of faculty migration. The program provides matching funds from the President's Office to attract highly distinguished faculty to our three universities. The funds are to be used for start-up costs such as: the purchase of new equipment, renovation of space, graduate student support, and/or other needs associated with supporting the research and teaching needs of prominent faculty.

Since 2017, the U of I System has successfully recruited 44 world-renowned experts from prestigious institutions such as Harvard, Duke, Northwestern, the University of Michigan, the University of Texas at Austin, and the University of Washington. For example, Steve Maren recently left Texas A&M to become the new Director of the Beckman Institute for Advanced Science and Technology. Maren has been continuously funded by the NIH since 1995 and brings over \$4.5M in current NIH funding to the U of I System. Maren's work has international reach, and he is among the most highly cited behavioral neuroscientists in the world.

Another recent hire under this program, Omolola Eniola-Adefeso, left the University of Michigan to become Dean of the UIC College of Engineering. An accomplished scholar, Professor Eniola-Adefeso has published more than 70 peer-reviewed publications and secured millions of dollars in federal research funding. Eniola-Adefeso's entrepreneurial successes have resulted in three patent filings, with one patent currently being licensed to a biotech company. She is currently president of the American Institute for Medical and Biological Engineering and director of the American Institute of Chemical Engineers.

Throughout her career, she has championed efforts to bring greater diversity to the field of engineering. This is demonstrated through her leadership of the multi-institutional NextProf engineering program, directed at increasing the number of PhD students and postdocs from traditionally underrepresented groups in engineering who are transitioning into academic careers. She also co-founded BME Women Faculty UNITE and helped plan and lead an inaugural summit of engineering deans from Historically Black Colleges and Universities and Big 10+ engineering institutions held in June 2024 entitled Forging Futures Together by Strengthening Collaborations.

Recently hired at UIS, Professor John Ferry left the University of South Carolina to join the UIS School of Integrated Sciences, Sustainability, and Public Health as a distinguished professor of chemistry and biochemistry. Professor Ferry's research areas include environmental chemistry, toxicology, microbial ecology and science outreach.

These scholars and the other transformational hires we have made will ensure that the quality of our academic programs continues to be strong into the future. This year, we are again requesting state support to help foster this program and ensure this type of hiring initiative can continue.

COMPETITIVE COMPENSATION

The University of Illinois System is a recognized leader among the nation's top public institutions of higher education. Our three best-in-class universities provide transformational education for students as well as intellectually vibrant environments for faculty who are experts in their respective fields. As national leaders, our three universities face a continuous challenge: to sustain excellence in a highly competitive environment, we must attract and retain top-quality faculty, staff, and students. And yet national prominence marks our universities as prime targets for other institutions seeking to enhance their own quality through recruitment of top faculty. Our two large Research I institutions, Urbana and Chicago, are especially vulnerable to losing talent. That risk only increases during budget challenges. When other universities perceive vulnerability because of funding issues, they target talent in those places. The University of Illinois System must remain aggressive in the highly competitive market for top-quality faculty or risk falling behind. Competitive compensation and annual salary programs are critical in attracting and retaining talent at all levels.

Without an increase in state support our ability to compete for and retain talent will be significantly compromised. We are requesting additional funds to be used for a modest faculty/staff salary program as

well as to help recover slippage in particular disciplines and ranks of faculty (compression, market, equity, and retention). These funds will allow us to retain world-class faculty who are targeted by other universities and to ensure our salaries are competitive up, down, and across the ranks as well as by particular demographics such as gender and race/ethnicity.

Analyses of faculty salaries in comparison to those of peer institutions clearly demonstrate the need for a robust compensation program to improve salary competitiveness. Faculty salaries at the three U of I universities were compared with a specific set of public university peers identified for each based on specific criteria and adopted by the Board of Trustees for the purpose of performance measurement. Although Urbana is among the nation's most academically competitive institutions, salaries for faculty at Urbana are in the middle of the pack among its peer group.

A look over time is also illuminating. In FY 2015, salaries for Urbana full time instructional faculty were on average only \$2,600 lower than those of their peers. During the State of Illinois budget impasse from FY 2016-2018, the salary gap at Urbana ballooned to over \$10,000. In FY 2018, the salary gap held steady, but then it started growing again. Then in FY 2020, the COVID pandemic came along, and the inflationary pressures that followed caused the salary gap to grow even more. As of FY 2024, the salary gap stands at over \$11,000. A modest salary program will not eliminate these gaps but will allow us to begin narrowing them.

INFLATIONARY COST INCREASES

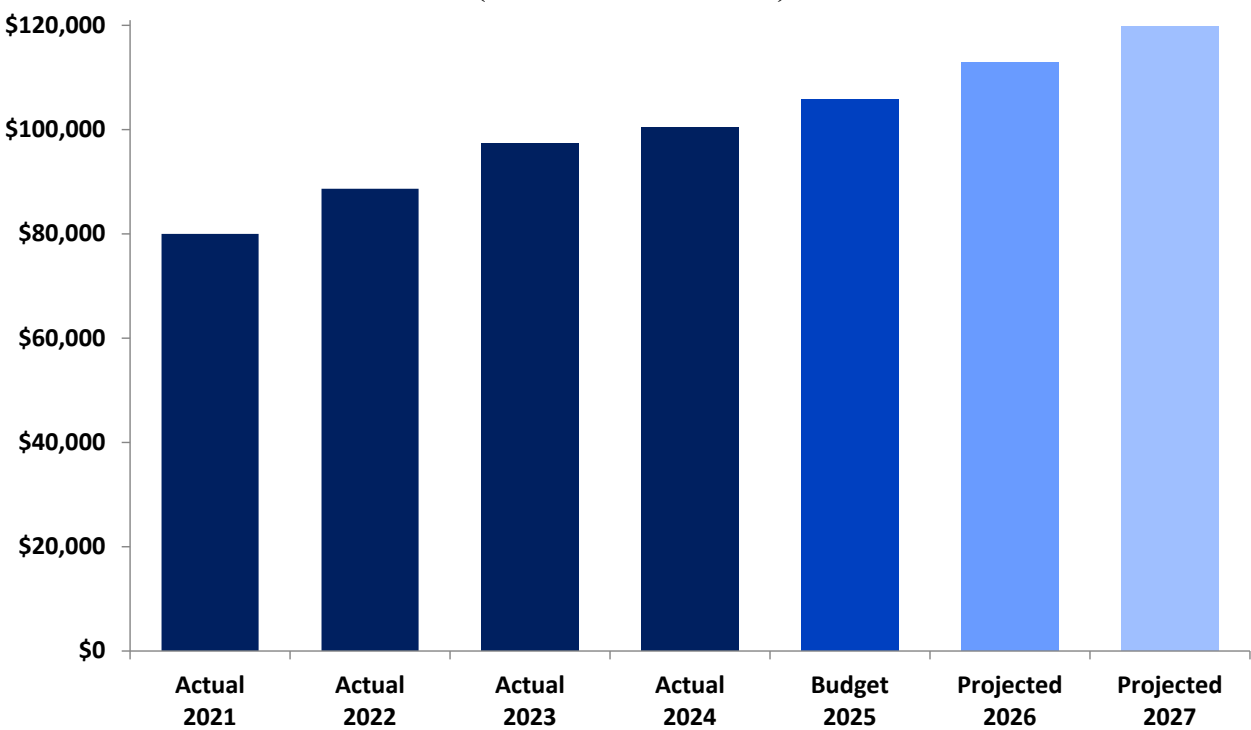
(\$10,415,900)

UTILITY COST INCREASES

The recent rise in the cost of energy due to inflation and supply chain issues has significantly added to the University of Illinois System’s operating costs. The system has had to allocate increasing resources to provide the necessary basic needs to heat, cool, power, light and serve the water and sanitary needs on all three campuses. Utility costs for Colleges and Universities in the United States, as tracked by Commonfund Institute’s Higher Education Price Index (HEPI), increased a whopping 43% in FY 2022.

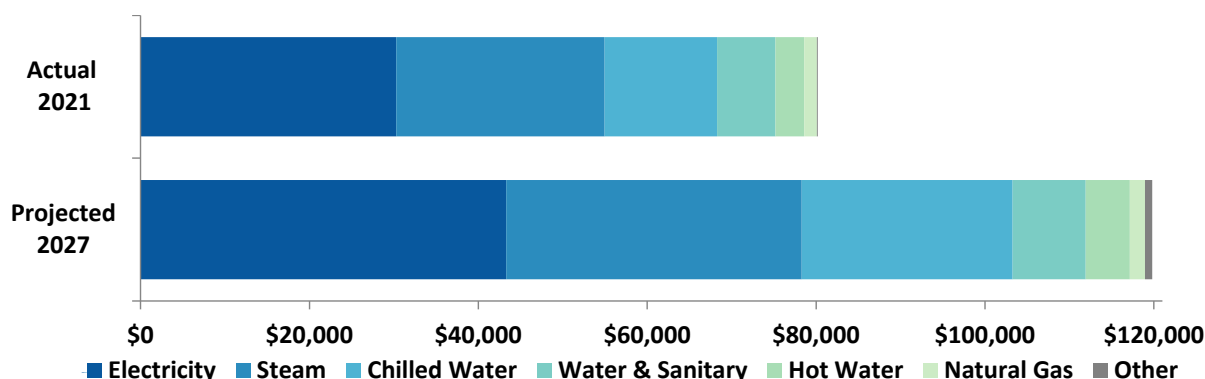
The U of I System recently conducted a thorough analysis of state and tuition funded utility costs for academic enterprise system-wide, showing recent rises in costs but also large projected increases. Overall costs are projected to increase dramatically by FY 2027.

Figure 5
State & Tuition Funded Utilities for Academic Enterprise
(Dollars in Thousands)



Breaking the totals down by costs shows electricity, steam, and chilled water making up the bulk of the costs, with a projected \$40 million increase in those combined areas from FY 2021 to FY 2027.

Figure 6
State & Tuition Funded Utilities for Academic Enterprise
Costs Breakdown
(Dollars in Thousands)



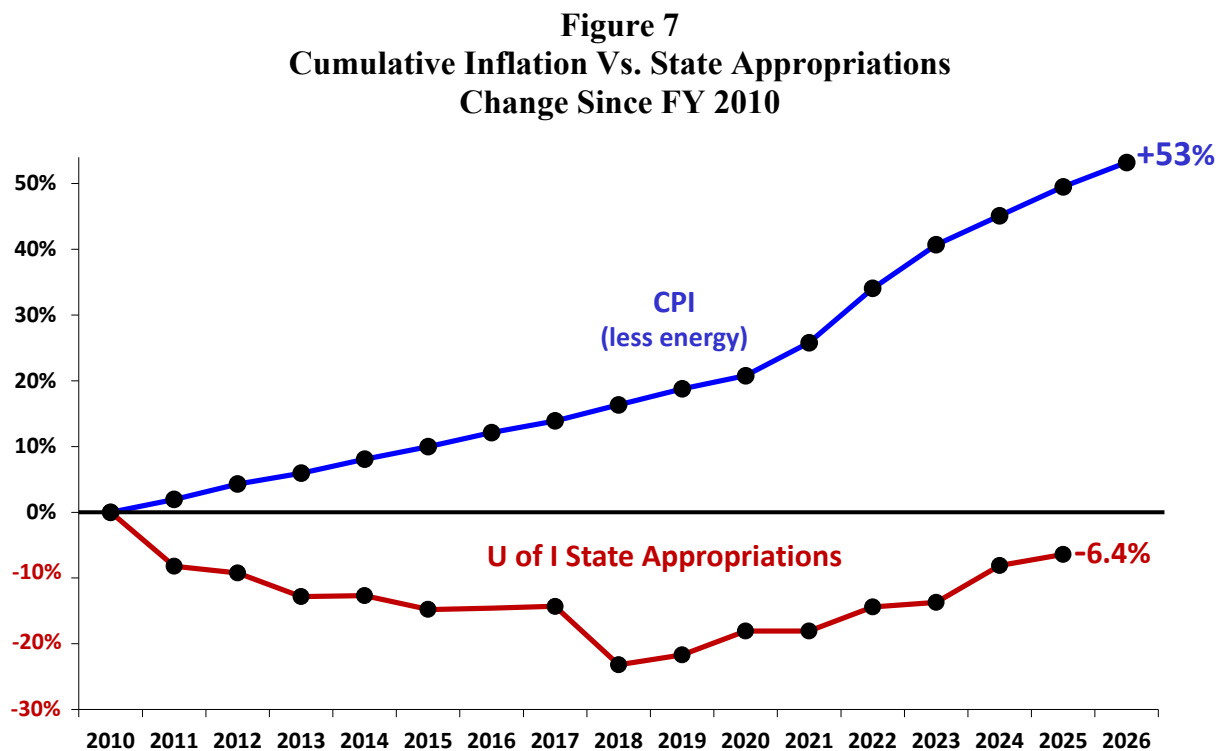
Additional costs facing the U of I System on the utility front are state and federal requirements to make use of renewable energy and to decrease the University's carbon footprint. Under the Illinois Climate Action Plan (iCAP), Urbana hopes to achieve net zero carbon emissions by 2050. As part of iCAP, Urbana recently built two solar farms, which along with other sustainable energy projects has raised the campus' clean energy production to 12% of total campus usage. The Energy Resources Center at UIC is also part of the project, collaborating with Urbana on making the solar panels as productive as possible.

Despite continued attention to energy and fuel procurement trends in the marketplace and cost-saving technologies to limit expenditure growth, costs continue to rise. The U of I System requests additional funds to help cover utility cost increases both now and into the near future.

GENERAL PRICE INCREASES

The diversity of University of Illinois System activities suggests a “market basket” approach is necessary to adequately predict the effect of price increases on the U of I System as a whole. The Consumer Price Index (CPI) is a "market basket" indicator, as it measures the change in actual prices paid by urban households for items such as food, housing, and transportation. For this analysis, we will exclude energy costs since a separate utility cost increase request was defined in the previous section.

Figure 7 illustrates the wide disparity between appropriation increases to the U of I System and inflation levels estimated by the CPI for FY 2010 through FY 2026, with FY 2016 omitted from the chart due to the state budget impasse at that time.



As the graph makes clear, U of I System appropriations since FY 2010 have declined while inflation continues to grow. Even with a slight upward move in FY 2022 through FY 2025, **the U of I System is 6.4% below its FY 2010 appropriation amount, while the CPI is projected to be 53% above the FY 2010 amount by FY 2026.** To stem further erosion of funding, additional state funds are needed.

TECHNOLOGY/CYBERSECURITY INFRASTRUCTURE

(\$3,750,000)

Technology is embedded in every one of the core missions of the University of Illinois System. Our classrooms are infused with computers, projectors, internet connectivity, and clickers. Our students each bring an average of five portable devices (e.g., smartphones, iPads, laptops) to campus each year, which they use ubiquitously in their daily lives to support their education whether on campus, at home, or traveling. Our world-class researchers need cutting-edge information technology capabilities to support their work solving intractable societal problems. Indeed, the University of Illinois System is known across the state and the world as a technology-rich, innovation hub, mandating that we stay up to date in information technology. And this effort is expensive but valuable as we experienced during the pandemic when we rapidly expanded online course offerings and shifted many employees to remote work environments. Many of those situations persist today and will continue going forward. We continuously look for ways to operate more efficiently through shared services and technological innovations that save time and money. Yet there are still many unavoidable costs. Some of these costs are related to the following:

- **Cybersecurity risks** to information technology are significant and increasing. Our IT experts have documented that across the U of I System, we receive approximately *60 million security events a day* (i.e., scans, probes and connections that are blocked by our IT firewalls). Because of both accidental and purposeful efforts to penetrate systems, vendors publish frequent security patches as well as software updates. We must remain on current, supported hardware and software platforms to accept and implement these updates. We must have the appropriate staffing levels to implement and manage tools and safeguards to continually mitigate cybersecurity threats.
- As **more processes become automated**, a greater number of individuals require access to and increased usage of systems to streamline work. This increasing reliance upon electronic systems and related data stores means we need to spend money on process automation, identity and access management, training, security, and staffing to ensure that work can be accomplished.
- The U of I System's **increasing focus on business continuity and disaster recovery** provides stability and resilience for university IT services. The universities' business systems provide the services to support the business processes of the System. There is increasing demand for contemporary systems that provide the best user experience for our students, faculty, and staff and support their success. A disruption of these services would have significant impact on university operations.

- Having up-to-date hardware and software is a necessity due to the **increasing number and complexity of business rules** that must be supported. Many of these rules change frequently, such as in the areas of financial aid and Human Resources where multiple regulatory upgrades are required throughout the year. The systems that run these applications are complex, with many hardware and software interdependencies between the hundreds of applications across the U of I System, and they must stay current. Independent of budget levels, software and hardware vendor support and maintenance costs increase annually and have escalated more than normal with recent and current inflationary levels.
- The U of I System's **enterprise resource planning software** runs a majority of financial, Human Resources, and student administrative services. This software is now 20 years old and in the next several years will be moving to the cloud from on-premise. This will be a very large multi-year project, and the university has begun planning and preparatory work to create a path forward. These activities are incremental over our normal operations and will include additional costs.

Of urgent concern is the current proliferation of ransomware attacks against institutions of higher education across the world. The COVID-19 crisis reinforced the dependence and importance of information systems to support our mission activities from operating the business of the university to providing academic, research, and communication tools to our entire stakeholder community. In this environment, the potential negative impact of an extended outage of university systems cannot be overstated. Proper funding of our cybersecurity infrastructure and staff allows us to be as prepared as possible to protect the institution from inevitable cyberattacks.

In the past, we have tried to manage technology costs in incremental ways or by waiting until we could manage a major technology initiative, such as the UI-Integrate project. It is clear that this approach is not sustainable. In many ways, the information technology issue is similar to the deferred maintenance being accrued because of our aging infrastructure. We need a special, dedicated pool of funds to ensure that our universities stay competitive in information technologies as well as maintain a highly reliable ecosystem of IT services supporting our faculty, staff, and students.

The requested increment is not large enough to cover all our anticipated incremental expenses, especially big-ticket overhauls or replacements. However, it would help with a growing list of more moderate upgrades that are crucial to our students, faculty, and staff. Without allocating additional recurring funds, the U of I System would face a number of problematic risks to IT management such as:

- Dropping maintenance on some components. This puts the U of I System at risk of: a) security breaches due to unavailability of critical software patches in unsupported environments, b) possible system failures resulting in loss of service, and c) diversion of limited, existing technology staff to resolving failures, thereby increasing the time to correct problems and raising the cost of new projects.

- Use of out-of-date, unsupported hardware. This puts the U of I System at risk of being unable to run current software versions and being susceptible to hardware failures resulting in loss of services.
- Reducing capacity of services or potentially rationing services as components fail.

Clearly, our 97,700 students need the best technology to support their learning. And our talented researchers need top-of-the-line technologies to support complex data analytics, data storage, and data modeling across the sciences, healthcare, and social sciences. By establishing funding that will cover a significant portion of the anticipated needs, we can maintain up-to-date, well-functioning technology systems at the U of I System. This approach is vital to ensuring that our three best-in-class universities can continue to serve our missions of providing exceptional education, scholarship, public service, and economic development for the state of Illinois.

GRF/EMF SEPARATE LINE-ITEM OPERATIONS

(\$534,100)

The U of I system provides critical services to the state that are often overlooked when allocating additional state funding. We have separate appropriation lines that are a part of our general operations, such as the School of Labor and Employment Relations operating funds at Urbana; the College of Dentistry operations at Chicago; Dixon Springs Agricultural Center operating funds that provides outreach to Illinois farmers, and conducts research on many fronts, including but not limited to cattle, forest ecology, soil health, and invasive species control; the Public Policy Institute operating funds in Chicago that serves multiple audiences (students, citizens, civic and community leaders, and faculty) by conducting research and providing programming on civic engagement and leadership development; and additional lines that support efforts like the Illinois Heart Rescue, the Illinois Innocence Project, and the University's Climate Jobs Institute. All of these separate lines are part of our operations serving the state of Illinois and it is critical that support of these operations be continued and incremented annually along with our base appropriation. These operations face the same cost increases and should not be treated differently when the state increases appropriations. We are requesting an inflationary increase of 3% for each of the above mentioned lines which totals \$284,100.

The Hispanic Center of Excellence (HCOE) at the UIC College of Medicine, also a separate line-item, is dedicated to improving the health and wellness of Latinx communities across Illinois, to diversifying the pipeline of health care providers in our state, and to ensuring that all health care providers have the cultural skills required to serve Latino community members well. HCOE provides comprehensive programs that support Latino students throughout their academic journey, from medical school admissions to professional development. These programs focus on promoting linguistic and cultural competence among future healthcare practitioners, ensuring they can deliver culturally responsive care to underserved Latinx communities. Key goals include boosting the number of competitive Latino medical school applicants, enhancing academic success for Latino students, and increasing Latino representation in faculty positions. Additionally, HCOE facilitates research opportunities focused on Latino health issues and works to improve resources and education on Latinx health needs. Additional funding of \$250,000 is requested for the Hispanic Center for Excellence which will allow it to better fulfill its mission and enhance UIC's role as a Hispanic-Serving Institution (HSI) and Minority-Serving Institution (MSI).

Table 2
GRF/EAF Line Item Requested Increases
(In Dollars)

	FY 2025	Requested Increase	FY 2026
Illinois Heart Rescue	\$ 500,000	\$ 15,000	\$ 515,000
Dixon Springs Agricultural Center	283,500	8,500	292,000
Public Policy Institute	1,079,000	32,400	1,111,400
Labor and Employment Relations			
Degree Programs	804,000	24,100	828,100
Certificate Programs	1,500,000	45,000	1,545,000
College of Dentistry	302,200	9,100	311,300
Illinois Innocence Project	3,000,000	90,000	3,090,000
Climate Jobs Institute	2,000,000	60,000	2,060,000
Hispanic Center of Excellence	750,000	250,000	1,000,000
Total	\$ 10,218,700	\$ 534,100	\$ 10,752,800

ADDENDUM – OTHER STATE SUPPORTED OPERATIONS



PRAIRIE RESEARCH INSTITUTE

(\$461,200)

PRI satisfies state mandates from over 60 statutes by performing research, service, and engagement for the state of Illinois. However, their mission to conduct transformative science goes back to 1851 when the first of the State Surveys, the Illinois State Geologic Survey, was created. Subsequently, the Illinois Natural History Survey was created in 1858 and the Illinois State Water Survey in 1895. They supported the state's economic development through a much-needed scientific foundation, providing the discovery and mapping of natural resources, and protecting agriculture from pests and human health from waterborne diseases. These advances have supported society as a whole and the state of Illinois in a period of transition of agricultural expansion and urbanization. We are still a society in transition, but with a crucial difference. Present-day transitions have global drivers such as climate change and energy markets. The research we are doing at PRI has implications for the challenges we face statewide, nationwide, and worldwide.

PRI has not had an increase in the GRF line item for 14 of the 16 years since transferring to the University of Illinois. With nominal increases of 2.5% in FY 2024 and 1.3% in FY 2025, PRI's funding is still below the nominal level of funding received in FY 2009. PRI's flat funding over such a prolonged period has resulted in about 37 percent loss of purchasing power. This has reduced our capacity to replace, recruit, and retain high-caliber scientists and staff who conduct critical research to support our communities and the state. Further, PRI competitively brings in significant federal investments to the state of Illinois by using the GRF as a required matching fund. This ability has been steadily declining, and it is particularly acute at present given the opportunities associated with the Inflation Reduction Act. We have reached a critical point where resources are limiting our competitiveness with federal grants and contracts. Any loss in PRI's competitive ability is also a lost opportunity for the state, not just financially, but also risks our capacity to continue making scientific and technological advances that have a profound positive impact on the people of Illinois, especially in underserved communities. We know that communities of color, indigenous communities, and low-income communities are the ones who often bear the brunt of the harm caused by environmental injustice and pollution, preventing future generations from reaching their full potential. Therefore, **PRI is requesting an inflationary increment in the amount of \$461,200** to ensure that we are competitive in advancing the science that is needed for the participation, protection, and equity for all Illinoisans, but especially for communities that are disproportionately burdened.

HOSPITAL

(\$15,000,000)

The Board of Trustees of the University of Illinois currently receives a specific line-item appropriation from the GRF of \$40,380,600 "for operating costs and expenses related to or in support of the University of Illinois Hospital." The amount of this appropriation has remained constant since fiscal year 2020. The University of Illinois Hospital has an obligation to serve patients in its community, many of whom face financial hardship and receive insurance through the State Medicaid Program. We are the only academic health center in Chicago which accepts all of the State's managed Medicaid plans.

Historically, most of the funds appropriated to UIH have been paid to the Illinois Department of Healthcare and Family Services (HFS) per an intergovernmental agreement (IGA) in which HFS uses these funds to secure incremental federal matching funds to help pay the costs of providing the Hospital's patient care services to its Medicaid patients.

In FY2024, the \$40.4 million appropriation proved insufficient to cover the Hospital's IGA obligation, and an additional \$5 million was paid to HFS out of the Hospital's operating revenue. Moreover, the new structural deficit created by the shortfall of state appropriations required to offset the requisite cost of matching funds for the federal program will erode our underlying financial position and prevent us from fulfilling our mission as the State's only public academic medical center delivering tertiary and quaternary care to Illinois residents.

While the hospital does retain some cash reserves, maintaining these reserves is required to allow the health system to:

- 1) Maintain suitable liquidity, which proved critically important, for example, during the COVID-19 pandemic;
- 2) Maintain a suitable credit/bond rating. We note that our days cash on hand (142) is well below the industry standard (S&P A- rated hospitals) of 260;
- 3) Make already planned (i.e., dollars are already committed) capital investments in the health system required to provide Illinois residents access to the world-class healthcare that they deserve.

To provide sufficient funding to pay the Hospital's obligation under the IGA and to secure the full federal match funding for Medicaid, **UIH is requesting that the annual appropriation be increased by \$15 million to cover the projected shortfalls in state appropriations for FY2025 and FY2026.**

CAPITAL BUDGET REQUEST FOR FY 2026



CAPITAL EXECUTIVE SUMMARY

The first priority for the FY 2026 capital request is the recognition that current capital appropriations made in FY 2020 face immense budgetary pressure resulting from global pandemic issues since those projects were initially appropriated and released. The U of I System is grateful for the release of cost escalation funding in the last fiscal year, but the release of these funds from our existing capital renewal budget left little to no funding for other critical capital renewal projects. We are requesting that \$68 million of funding from the FY 2025 \$450 million capital appropriation for public universities be allocated specifically to the University of Illinois to replace the capital renewal funds used to cover these cost escalations.

To begin consideration of the University of Illinois System budget request for new capital, it is important to recall that an institution of this size, scope, and complexity faces a recurring array of facility related needs **every year**. Indeed, the capital facilities make up the University's largest asset and provide one of the foundations to attract and retain top quality faculty, staff, and students. As shown in Figure 1, the fiscal year 2026 capital budget request focuses on supporting the mission of the University of Illinois System and its impact on the state.

Figure 1
University of Illinois System
FY 2026 Request for New Capital Themes



The first theme related to new capital continues our longstanding request for funds for **Repair and Renovation** projects at the three universities. To date, the University of Illinois System has a backlog of roughly \$2 billion in deferred maintenance. As buildings age through their normal life cycles, it is crucial to address repair and renovation needs as they occur. Failure to do so accelerates deterioration and leads

to costly major remodeling requirements more quickly than would be necessary if prudent attention to annual repair and renovation were possible. Changing programmatic emphases in academic units also creates the need for relatively small remodeling projects, which can be addressed quickly to make existing space more useful for emerging academic priorities. This year's request totals \$266.6 million to combat the remodeling and rehabilitation projects at each university. Much of this money will be used to remedy deferred maintenance in classrooms, labs, studios, and faculty-student collaborative spaces.

The second theme—**Innovation and Workforce Development**—represents funds to keep the U of I System on the forefront of invention as well as developing the workforce of the future to support a vibrant economy in the state of Illinois. Included here are key initiatives such as a renovation and building addition for Fine and Applied Arts in Urbana-Champaign and a phased renovation of two buildings housing centrally managed classrooms and the Honors College and Black Cultural Center at UIC.

The third focus of the capital budget is on **Hospital & Health Sciences**. UI Health continues to play a critical role in the health of people throughout the state of Illinois, and the need for medical professionals far outweighs the supply. This year's request is for a replacement Applied Health Sciences building on UIC's west campus. A replacement building will significantly improve the student learning experience and the impact of the programs offered by the College of Applied Health Sciences and eliminate \$88M of deferred maintenance. Graduates of the college serve the health care needs of constituents in Chicago and the state of Illinois.

The fourth focus of the capital budget seeks **Library Renovations and Upgrades** to the libraries in Urbana-Champaign and at UIC to meet the changing educational and research needs of diverse users. Gone are the days when libraries simply held books and journals and offered quiet study spaces for students. The libraries now play a vital role as digital learning centers, supporting students, faculty, and staff. Our university stakeholders are calling for collaborative spaces that provide access to a multitude of documents and online materials, and that allow for interactive exploration and innovation. Our libraries also provide resources and information services to the citizens of the state. In fact, our libraries collectively are the largest contributor to the statewide library network, containing 55% of the unique titles available and providing 23% of the statewide library loans through the network.

The allocations by university are shown in Figure 2 and Figure 3 on the next page.

Figure 2
University of Illinois System
FY 2026 Request for New Capital by University

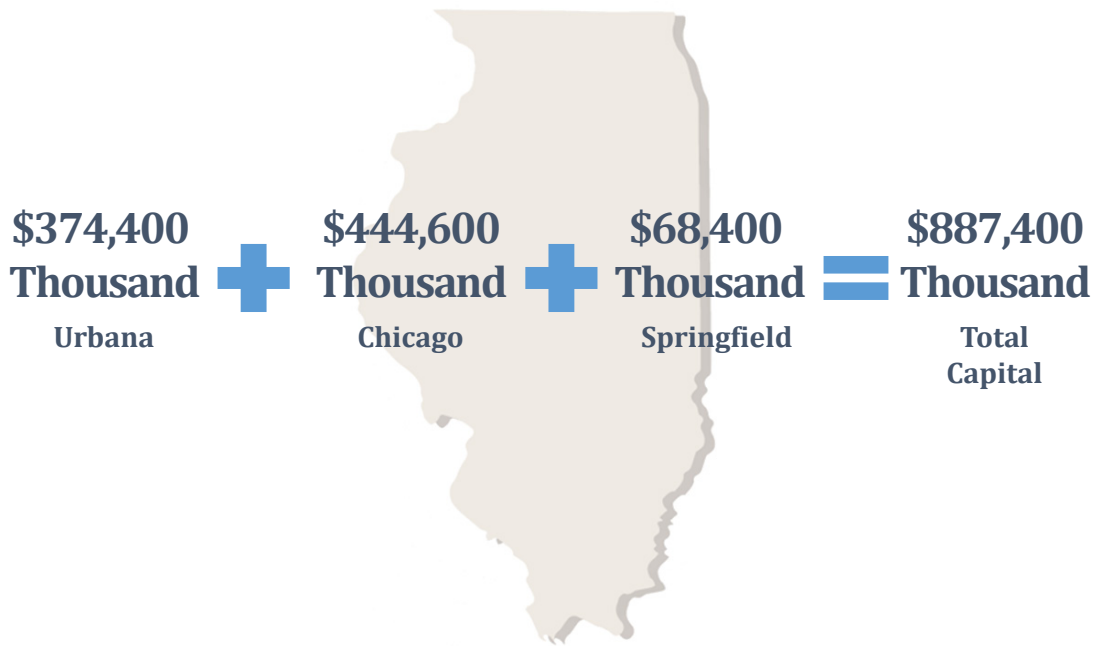
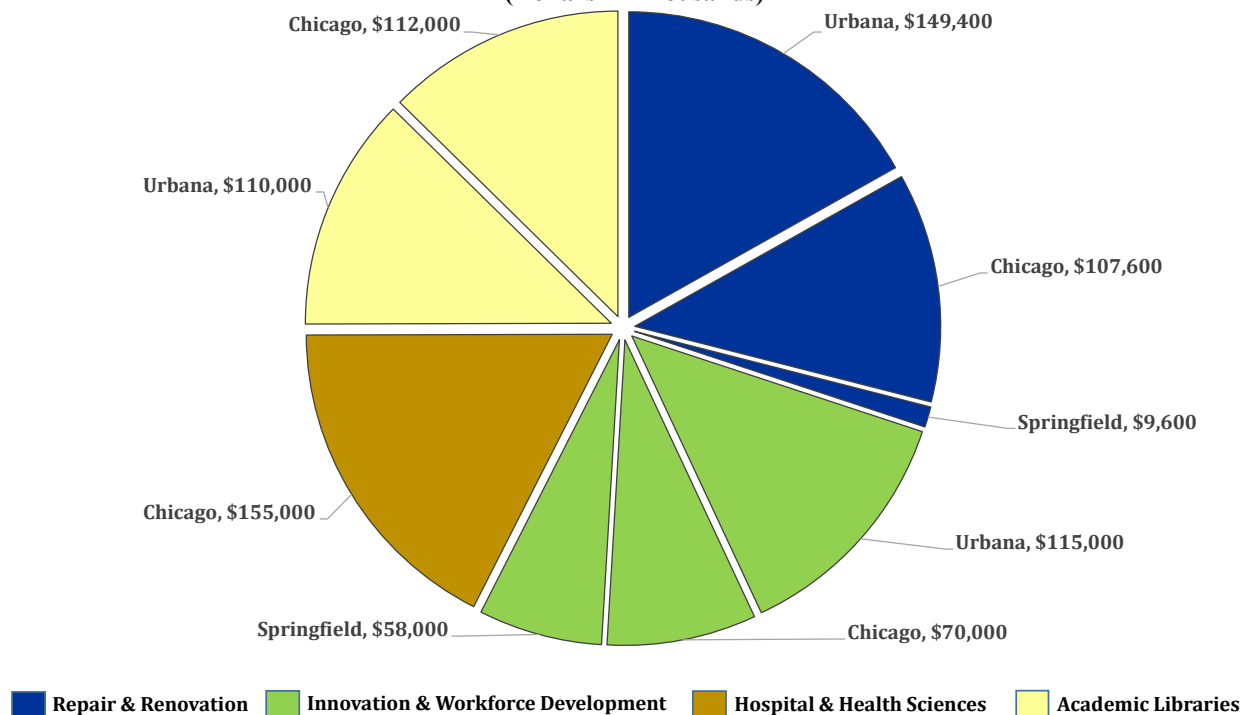
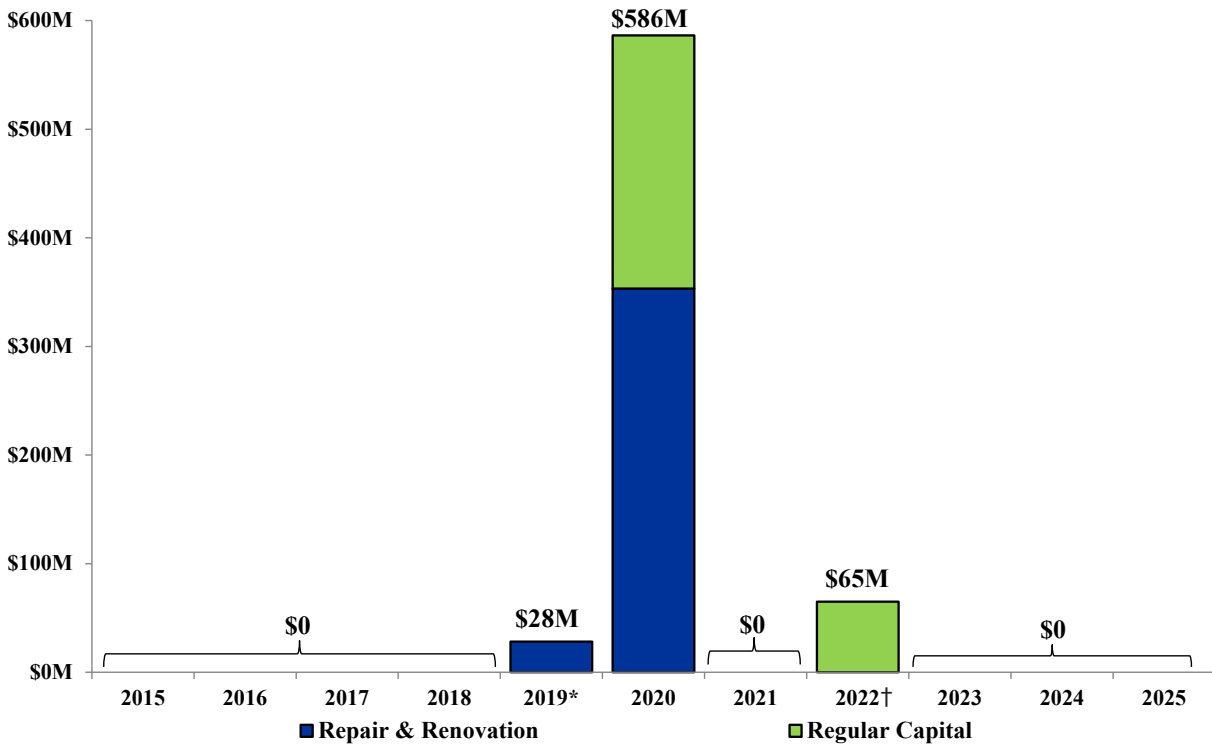


Figure 3
University of Illinois System
FY 2026 Capital Budget Request by University Detail
 (Dollars in Thousands)



As Figure 4 shows, the U of I System has received new capital appropriations only three times in the last decade.

Figure 4
University of Illinois System
Capital Appropriations FY 2015 – FY 2025



*Does not include \$500M appropriated to DCEO for Discovery Partners Institute.
†Does not include \$100M appropriated for a quantum research center in partnership with the Chicago Quantum Exchange.

The FY 2020 capital appropriation, after a long hiatus, was greatly welcomed by public universities across the state. The appropriation included \$353 million for repair and renovation projects for the U of I System, along with \$233 million for new building projects, one for each university. Additionally, \$500 million in capital funds were reappropriated for the Discovery Partners Institute, which will aid the U of I System in its state-wide research and innovation agenda. In the past year, a few of these projects have seen release of funds for planning and/or construction including the Altgeld and Illini Hall Project and the Discovery Partners Institute. In FY 2022, the capital appropriation included a single U of I project, the Clinical Decision Unit at UIC. There were no new appropriations in the FY 2023, FY 2024, or FY 2025 budget. While progress was made on the aforementioned projects from FY 2020, there is an increasing strain on those project budgets as labor and material cost have continued to rise post pandemic.

Consistent and steady state funding, including the release of funds, is critically important to maintain the physical plant. There is no doubt that costs rise and safety is at risk when we do not attend to maintenance of our facilities on an annual basis. When that is not possible, a backlog of unfunded projects grows quickly and accelerates the cycle of deterioration in facilities. The result is a deterioration in the physical environment that compromises the ability to attract talented faculty and students. With the recent release of some of the FY 2020 appropriations and reappropriation of prior fiscal years, we hope this is the start of a new pattern of steady funding for the valuable plant infrastructure at our universities. Perhaps it is obvious yet worth stating that academic facilities exist for one purpose: to support academic and research programs. The capital facilities make up the U of I System's largest asset and provide a crucial foundation for attracting and retaining exceptional faculty, staff, and students.

For FY 2026, the University of Illinois System requests new capital of \$887,400,000. A detailed project list is provided in Table 1 below.

Table 1
University of Illinois System
FY 2026 Capital Budget Request
(Dollars in Thousands)

Request for New Capital	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
I. Repair and Renovation				
A. Repair and Renovation	\$149,400	\$107,600	\$9,600	\$266,600
II. Innovation and Workforce Development				
A. Art & Design Renovation/Addition	115,000			115,000
B. Addams Hall and Burnham Hall Renovation		70,000		70,000
C. Brookens Building Remodel			58,800	58,800
III. Hospital and Health Sciences				
A. Applied Health Sciences Building		155,000		155,000
IV. Library Renovations and Upgrades				
A. Library, Information, and Learning Services	110,000	112,000		222,000
Total New Capital	<u>\$374,400</u>	<u>\$444,600</u>	<u>\$68,400</u>	<u>\$887,400</u>

PRIORITIES

(\$887,400,000)

OVERVIEW

The University of Illinois System's FY 2026 capital budget request includes a request to replace capital renewal funds used for cost escalations, repair and renovation, and new capital for six projects reflecting four themes. The total cost is \$887,400,000 as detailed below.

COST ESCALATION FOR FY 2020 PROJECTS

FY 2020 was a welcome appropriation year seeing the funding for a number of capital projects across our universities. Events since the FY 2020 appropriation have led to significant cost increases on construction projects. According to CBRE, the national cost escalation for 2021 and 2022 was 11.5% and 14.1%, respectively. Both labor and material costs have been impacted, the latter due in part to supply chain issues caused by the global COVID-19 pandemic. The Chicago construction market, specifically, experienced cost increases of nearly 30 percent between 2020 and 2023 although downstate is not immune from national trends. In fact, the University of Illinois at Urbana-Champaign and CDB recently received bids that were 50% higher than estimates, much higher than the escalation rate reported by CBRE. Capital projects that were initiated pre-pandemic have seen cost estimates rise accordingly in the time since, requiring the University to reduce project scopes. These reductions impact the ability for the University to meet rising programmatic needs resulting from increased enrollments.

Current market outlooks indicate that the rate of cost increases for both labor and materials is starting to slow, but there is little chance of a return to pre-pandemic cost levels. The U of I System is grateful for the release of cost escalation funding in the last fiscal year. However, the release of these funds have been taken from the System's FY 2020 capital renewal appropriation, leaving little to no funding for other critical capital renewal projects. In FY 2025, \$450 million in capital appropriations was allocated for public universities to address deferred maintenance, emergencies, remobilization, cost escalations, etc., and we are requesting that \$68 million of these funds be allocated specifically to the University of Illinois to replace the capital renewal funds used for cost escalations.

REPAIR AND RENOVATION – \$266,600,000

- *Urbana (\$149,400,000)*
- *Chicago (\$107,600,000)*
- *Springfield (\$9,600,000)*

The \$266,600,000 Repair and Renovation request is comprised of projects in Urbana, Chicago, and Springfield. These projects, while not large enough to compete with major remodeling requests, represent a significant, real funding need. A high priority on renovation and renewal must be maintained by institutions that have facilities with the size, scope, and age of those within the University of Illinois System. Years of insufficient funding coupled with an aging physical plant serve to create rising levels of deferred maintenance that have reached the critical stage on our campuses. The Repair and Renovation request is vital for the continued renewal of existing facilities across our three universities; those facilities are at the core of how we provide excellence in instruction and research, and how we deliver on the promise of transforming the lives of tens of thousands of students across the U of I System. Indeed, providing up-to-date support for academic programs and innovation is tantamount to protecting the state's investment in our future.

INNOVATION AND WORKFORCE DEVELOPMENT – \$252,500,000

- *Urbana (\$115,000,000)*
- *Chicago (\$70,000,000)*
- *Springfield (\$58,800,000)*

School of Art and Design Thinking and Learning Addition (\$115,000,000) – Urbana-Champaign

Built in the late 1950s, the Art and Design Building has undergone only minor repairs and upgrades. The current condition of the building reflects the wear and tear of 60 plus years of continuous use as an administrative, teaching and research facility. It suffers from general fatigue and deterioration of comfort and visual quality. Over time, the requirements of the School's disciplines have changed dramatically, creating entirely new functional demands which were unimagined when the building was conceived. New program and equipment needs have rendered the original space configuration outmoded, inefficient, and ill-suited to their intended purposes. This project will renovate and upgrade the existing facility and provide an addition to consolidate all functions, activities, and programs into one facility.

This renovation will allow for a symbiotic relationship with the new Siebel Design Center which is a facility used by students from every discipline and background. These facilities will serve both as a physical and intellectual hub, layering across the undergraduate experience a range of informal and formal opportunities and offerings to engage students in multi-and trans-disciplinary collaborations. This project will meet Illinois' vision for multi-disciplinary design and doing, while fostering a culture of student-led problem solving. The building will be an incubator of talent where students master skills by tackling real and pressing problems that lend themselves to design-based solutions. Total project budget is \$129,000,000 with \$115,000,000 being requested from the state.

Addams Hall and Burnham Hall Phased Renovation (\$70,000,000) – UIC

This project involves the complete gutting and phased renovation of Addams Hall and Burnham Hall, which together represent over 52,000 square feet of interior space and currently contain 15 centrally managed classrooms that are critical to the university's academic and instructional operation. The renovation will provide a much-needed overhaul of the centrally-scheduled general classrooms, the UIC Honors College, and the Black Cultural Center in these facilities, providing contemporary, functional learning spaces that support active learning and are flexible for hybrid learning. Additionally, the buildings and the pedestrian bridge that connects the two will be renovated to be fully accessible and sustainable through the replacement of building systems including exterior cladding, mechanical, electrical, plumbing, fire protection and interior finishes. The phased renovation will enable UIC to optimize two original campus buildings in a way that enhances student learning experiences while removing the deferred maintenance backlog associated with the two facilities, aligning with the system-wide goals on capital renewal. \$70,000,000 in capital funds are requested from the state for this project.

Brookens Building Remodel (\$58,800,000) – UIS

With recent funding appropriated to build a new Library, Learning, and Student Success Center, it will be necessary to renovate and reinvent the 194,994 square feet of interior space in the existing Brookens Library Building. Constructed in 1975, the repurposing of the Brookens Building centralizes several critical student, faculty, and staff resources. These resources include the Online, Professional, and Engaged Learning (OPEL) program, which promotes learning through initiatives in four departments: the Center for Online Learning, Research, and Service (COLRS), the Office of Engaged Learning (OEL), the Continuing and Professional Education (CAPE) program, and the Faculty Development Resource Office (FDRO). Several key student services will be moved and centralized in the building, including Health Services, Counseling Services, the Office of Disability Services, Food Pantry, Diversity Center, Gender and Sexuality Student Services, the Office of International Student Services, and the Intercultural Center.

In addition, the university's Human Resources office, several departments of the Office of Business and Financial Services, and an expansion of the Center for Lincoln Studies, will reside in the building. Other improvements include the ability to provide better temperature control to all spaces in the facility and improve wayfinding in the facility. Renovation of the HVAC and mechanical systems will allow the university to dramatically improve the energy efficiency of the facility in addition to providing optimal humidity and climate controls that are required.

This project aspires to achieve U.S. Green Building Council LEED Gold certification with HVAC, plumbing, lighting, fire suppression, electrical, and building envelope modernizations. This project also enables the demolition of temporary facilities that were constructed in the early 1970's when the university was established. The \$58,800,000 renovation of the Brookens Building will rehabilitate the building into a state-of-the-art learning center, extending the life of the facility and enhancing the building's presence on the UIS quadrangle.

HOSPITAL AND HEALTH SCIENCES – \$155,000,000

Replacement Applied Health Sciences Building (\$155,000,000) – UIC

The Applied Health Sciences Building currently houses the core teaching, research and administrative space for the College of Applied Health Sciences in addition to some of the college's clinics and nutrition garden. The eight-story building constructed in 1949, which was acquired by the University of Illinois in 1975, has a significant backlog of critical deferred maintenance that is impacting the college's ability to sustain its teaching, research and administrative operation. Despite annual, multimillion-dollar investment from UIC capital renewal funding, the backlog of repairs and the replacement value of the building justify the replacement of the facility. A replacement building will significantly improve the student learning experience and the impact of the programs offered by the College of Applied Health Sciences and eliminate \$88M of deferred maintenance. Graduates of the college serve the health care needs of constituents in Chicago and the State of Illinois. \$155,000,000 in state funding is requested.

LIBRARY RENOVATIONS AND UPGRADES – \$222,000,000

Main/Undergraduate Library Redevelopment (\$110,000,000) – Urbana-Champaign

The University Library at Urbana-Champaign has recently completed the Main Library Stack Removal Feasibility Study and is now moving forward with the Main/Undergraduate Library Redevelopment Project. This multifaceted project is designed to prioritize service to patrons, with the initial phase already in the planning stages and plans to fund internally. The first major focus is the transformation of the Undergraduate Library into an Archives & Special Collections Library. This new facility will provide a secure, climate-controlled environment for the preservation of materials from University Archives, the Rare Book and Manuscript Library, the Student Life and Culture Archives, and the Illinois History and Lincoln Collection.

Another key component of the project addresses the Main Library stacks. This phase will involve the demolition of five of the six existing stacks, most of which are over 65 years old. The sixth stack, which has been modernized to provide a better environment for older printed materials, will be retained. In place of the demolished stacks, a new infill addition will be constructed. This addition will include interdisciplinary collaborative research and learning spaces, high-capacity shelving, and a loading dock.

The new structure will feature a lower level plus four floors, aligning with the existing basement and floors 1-4 of the 1925, 1927, and 1929 sections of the eastern half of the library. Encompassing approximately 100,000 square feet, the five-story addition will serve as an interdisciplinary hub for the arts, humanities, and social sciences, including fields such as psychology, sociology, and economics. It will provide spaces for collaborative research, departmental libraries, interactive learning environments, and presentation areas equipped with large-format visual walls to enhance the educational experience.

The Main Library will continue to house over 3 million volumes, primarily focused on the humanities and social sciences. The total cost for this phase of the redevelopment is \$172,150,000, with \$110,000,000 requested from the state.

Daley Library Addition (\$112,000,000) – UIC

An addition of roughly 120,000 square feet to the Richard J. Daley Library will supplement student academic life through the inclusion of a new information commons, an auditorium, a large café, a winter garden, and a temporary exhibit space. A central atrium will allow natural light deep into the building and provide a visual connection to the upper floors. A new 200-seat auditorium will provide a public meeting venue to offer programs, lectures, performances, readings, and other events related to library and campus interests. To promote 24/7 campus life, a larger café with food prep areas and seating will be central to the ground floor. To create spaces that promote research, learning, and collaboration, the third floor will include a double height reading room, large group meeting spaces, and small group meeting rooms. \$112,000,000 is requested from the state for this project.

REPAIR AND RENOVATION

SYSTEM-WIDE — \$266,580,000



Requested Funds: State \$266.6M
Multiple projects at each university
Over 70% of space is 40+ years old

Stated most simply, physical facilities are a critically important component of the academic support structure necessary to conduct instructional, research, and service activities in any institution of higher education. Academic facilities constructed and operated with state funds for the University of Illinois System have a replacement cost of over \$8.3 billion. Most of these facilities were built to “institutional standards” in construction materials and techniques, meaning that with proper maintenance and regular renovation of components which have exceeded their useful lives, the facility can have a nearly infinite life. A variety of programs are today housed satisfactorily in buildings more than 100 years old and that experience can continue if adequate facilities funds are available. The U of I System faces an array of facility related needs each year but a major component in that capital portfolio is repair and renovation to existing facilities. Buildings and the infrastructure systems that support them have finite useful lives; masonry decays, roofs deteriorate, heating and cooling systems wear out. As buildings age through their normal life cycle it is crucial to address repair and renovation needs that normally arise. Failure to do so accelerates deterioration and leads to more costly repairs more quickly than would be necessary if prudent annual attention to annual repair and renovation were possible.

Three factors contribute to the need for annual attention to the configuration and quality of the physical facilities supporting any academic program:

Replacement Needs – Normal use inevitably causes wear and tear on building systems and components to the point at which their useful lives are exceeded, and they must be replaced. This process is frequently described as depreciation and is universally recognized. If proper annual maintenance is not available for building systems, their useful lives are shortened. If replacement of worn-out building systems is not completed on a timely basis, significant backlogs of deferred maintenance needs arise, eventually resulting in larger and more costly major remodeling requirements.

Realignment Needs – The needs of academic programs vary over time. As enrollments shift among fields of study, space needs to change with them. As the state-of-the-art within fields of study changes, so too do the facilities needed to support new activities. In some cases, the entire functional use of space must shift to accommodate changes within or among academic programs.

Renewal Needs – Technological advances can render both facilities and equipment obsolete, sometimes at rates far exceeding their physically useful lives. The application of computing to every discipline within a university and the dizzying pace at which computing power, speed, and applications continue to evolve is the most obvious example of such a change.

INNOVATION AND WORKFORCE DEVELOPMENT

SCHOOL OF ART & DESIGN THINKING AND LEARNING ADDITION — \$115,000,000 — URBANA-CHAMPAIGN



Requested Funds: State \$115M, Other \$14M
Consolidation of multiple facilities

Academic Impact of Art and Design:

- **21% undergrad enrollment increase over last decade**
- **39% increase in undergrad degrees over last decade**
- **College of Fine and Applied Arts generated over \$1.5M in Federal Grants & Contracts in FY 2024**

Built in the late 1950s, the Art and Design Building has undergone only minor repairs and upgrades since it was constructed. The current condition of the building reflects the wear and tear of 60 plus years of continuous use as an administrative, teaching, and research facility. It suffers from general fatigue and deterioration of comfort and visual quality. It is worth stressing, however, that the basic building structure appears to be sound, and its functional qualities, while needing upgrading, serve its purposes well. This project will update worn and outdated facilities and improve accessibility.

The School of Art + Design occupies 141,000 square feet of space across 13 buildings. Of this space, 57,000 square feet are contained in the current Art and Design Building. Seven prefabricated industrial type metal buildings collectively known as the South Studio contain 30,000 square feet in an area adjacent to the Research Park. Flagg and Noble Halls combined have 42,000 square feet of space assigned to

Art + Design. The School is the sole occupant/user of the seven studio buildings and of Flagg Hall. Currently, students, faculty, and staff are in 13 separate and scattered locations. Many of the occupied spaces were considered temporary and therefore are not adequate for the needs or of the size to best support the programs. Many of the spaces do not allow for growth, meet accessibility codes, or have adequate transportation services for student needs. For the first time in the history of the School, 12 discrete programs will be brought together in one building creating a strong identity for the visual arts on campus. This action will serve to promote the arts as a viable academic partner for collaborative research and intellectual interaction.

Undergraduate and Graduate students will be able to interact easily, build community, exchange ideas among programs, and more easily connect with the faculty and the rest of campus. The alterations and additions to the existing building will provide a unified location that will encourage interaction, improve efficiency of operation, and support more cross-discipline cooperation and collaborative courses. Consolidation of space within the existing Art and Design Building plus an addition to the building would allow the School to totally vacate space in nine buildings, including Flagg Hall, which would help clear the way for the Ikenberry Commons expansion.

INNOVATION AND WORKFORCE DEVELOPMENT

ADDAMS HALL AND BURNHAM HALL PHASED RENOVATION — \$70,000,000 — UIC



Requested Funds: State \$70M **Renovation of 52,000 square feet**

This project involves the complete gutting and phased renovation of Addams Hall and Burnham Hall, which together represent over 52,000 square feet of interior space and currently contain 15 centrally managed classrooms that are critical to the university's academic and instructional operation. The renovation will provide a much-needed overhaul of the centrally-scheduled general classrooms, the UIC Honors College, and the Black Cultural Center in these facilities, providing contemporary, functional learning spaces that support active learning and are flexible for hybrid learning. Additionally, the buildings and the pedestrian bridge that connects the two will be renovated to be fully accessible and sustainable through the replacement of building systems including exterior cladding, mechanical, electrical, plumbing, fire protection and interior finishes.

The phased renovation will enable UIC to optimize two original campus buildings in a way that enhances student learning experiences while removing the deferred maintenance backlog associated with the two facilities, aligning with the system-wide goals on capital renewal. \$70,000,000 in capital funds are requested from the state for this project.

INNOVATION AND WORKFORCE DEVELOPMENT

BROOKENS BUILDING REMODEL — \$58,800,000 — UIS



Requested Funds: State \$58.8M Renovation of 194,994 square feet

With funding appropriated in the last capital bill to build a new Library, Learning, and Student Success Center, it will be necessary to renovate and reinvent the 194,994 square feet of interior space in the existing Brookens Library Building. The Brookens Building was constructed in 1975 as the first major permanent building on campus. The building's deficits include a confusing physical layout; an inefficient window system that creates uncomfortable cold and hot spaces; poor lighting system; severe acoustic problems; worn and outdated finishes and furnishings; and inaccessible spaces. A large portion of deferred maintenance will be addressed with this remodel.

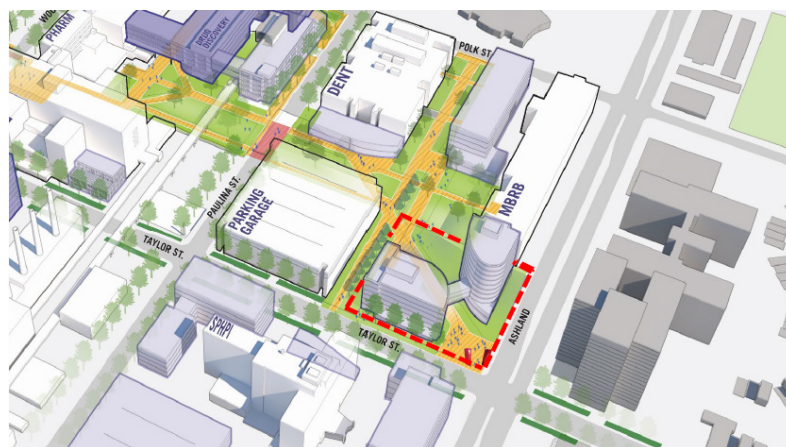
The repurposing of the Brookens Building centralizes several critical student, faculty, and staff resources. These resources include the Online, Professional, and Engaged Learning (OPEL) program, which promotes learning through initiatives in four departments: the Center for Online Learning, Research, and Service (COLRS), the Office of Engaged Learning (OEL), the Continuing and Professional Education (CAPE) program, and the Faculty Development Resource Office (FRDO). Several key student services will be

moved and centralized in the building, including: Health Services, Counseling Services, the Office of Disability Services, the Office of International Student Services, and the Intercultural Center. In addition, the university's Human Resources office, several departments of the Office of Business and Financial Services, and an expansion of the Center for Lincoln Studies, will reside in the building. Other improvements include the ability to provide better temperature control to all spaces in the facility and improve wayfinding in the facility. Renovation of the HVAC and mechanical systems will allow the university to dramatically improve the energy efficiency of the facility in addition to providing optimal humidity and climate controls that are required.

This project aspires to achieve U.S. Green Building Council LEED Gold certification with HVAC, plumbing, lighting, fire suppression, electrical, and building envelope modernizations. This project also enables the demolition of temporary facilities that were constructed in the early 1970's when the university was established. The \$58,800,000 renovation of the Brookens Building will rehabilitate the building into a state-of-the-art learning center, extending the life of the facility and enhancing the building's presence on the UIS quadrangle.

HOSPITAL AND HEALTH SCIENCES

REPLACEMENT APPLIED HEALTH SCIENCES BUILDING — \$155,000,000 — UIC



Requested Funds: State \$155M

New Construction of 110,000 square feet

- **18% undergrad enrollment increase over last decade**
- **32% increase in undergrad degrees over last decade**
- **College of Applied Health Sciences generated \$13.8M in Federal Grants & Contracts in FY 2024**

In compliance with the 2018 UIC Master Plan Update, a replacement Applied Health Sciences Building would be sited at a critical gateway on UIC's west campus. The 110,000 square foot facility will accommodate the College of Applied Health Sciences programs and administrative functions that are largely housed in the existing Applied Health Sciences Building in addition to several smaller footprints in other west campus buildings. The replacement building will include teaching, research and office space to support the critical functions of the college and enable the college to attract and train future health science professional students.

The Applied Health Sciences Building currently houses the core teaching, research and administrative space for the College of Applied

Health Sciences in addition to some of the college's clinics and nutrition garden. The eight-story building constructed in 1949, which was acquired by the University of Illinois in 1975, has a significant backlog of critical deferred maintenance that is impacting the college's ability to sustain its teaching, research and administrative operation. Despite annual, multimillion-dollar investment from UIC capital renewal funding, the backlog of repairs and the replacement value of the building justify the replacement of the facility.

A replacement building will significantly improve the student learning experience and the impact of the programs offered by the College of Applied Health Sciences and eliminate \$88M of deferred maintenance. Graduates of the college serve the health care needs of constituents in Chicago and the State of Illinois. \$155,000,000 in state funding is requested.

LIBRARY RENOVATIONS AND UPGRADES

LIBRARY, INFORMATION, AND LEARNING SERVICES — \$222,000,000



Requested Funds: State \$222M

Urbana Main Library \$110M

UIC Daley Library \$112M

State-wide Participation from U of I

- **Account for 23% of loans**
- **Provide 55% of unique titles**
- **Over 35% of library record counts**

Urbana:

Since the founding of the University, the Library has been a catalyst for University of Illinois scholarship and innovation. With this redevelopment project, the university has a unique opportunity to create a new model of the research library, one that actively fosters engagement with grand challenges that transcend disciplinary boundaries and leverages access to enduring historical collections. The first major focus is the transformation of the Undergraduate Library into an Archives & Special Collections Library.

Another portion of the project will demolish five of the existing six stacks, most of which are over 65 years old. The sixth stack, which has been modernized to provide a better environment for older printed materials, will be retained. In place of demolished stacks, a new infill addition will be constructed. Encompassing approximately 100,00 square feet, the five-story addition will serve as an interdisciplinary hub for the arts, humanities, and social sciences, including fields such as psychology, sociology, and economics. It will provide spaces for collaborative research, departmental libraries, interactive learning environments, and presentation areas equipped with large-format visual walls to enhance the educational experience.

The Main Library will continue to house over 3 million volumes, primarily focused on the humanities and social sciences. The total cost for this phase of the redevelopment is \$172,150,000, with \$110,000,000 requested from the state.



UIC:

An addition of roughly 120,000 square feet to the Richard J. Daley Library will supplement student academic life through the inclusion of a new information commons, an auditorium, a large cafe, a winter garden, and a temporary exhibit space. A central atrium will allow natural light deep into the building and provide a visual connection to the upper floors. A new 200-seat auditorium will provide a public meeting venue to offer programs, lectures, performances, readings, and other events related to library and campus interests. To promote 24/7 campus life, a larger café with food prep areas and seating will be central to the ground floor. To create spaces that promote learning, research, and collaboration, the third floor will include a double height reading room, large group meeting spaces, and small group meeting rooms. \$112,000,000 is requested from the state for this project.