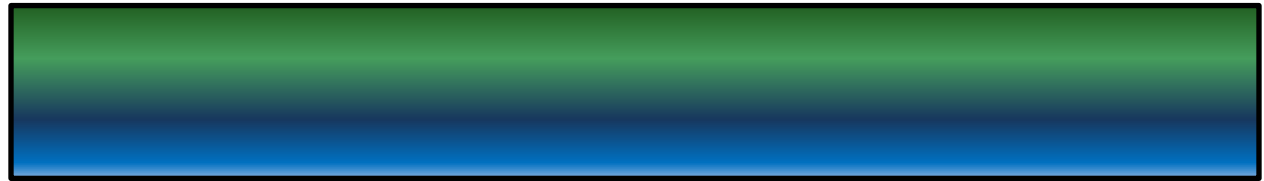


FY 2025 BUDGET REQUEST



**FOR
OPERATING
AND
CAPITAL FUNDS**

**PREPARED FOR THE
BOARD OF TRUSTEES
NOVEMBER 16, 2023**



UNIVERSITY OF ILLINOIS SYSTEM

FY 2025 BUDGET REQUEST



**FOR
OPERATING
AND
CAPITAL FUNDS**



**PREPARED FOR THE
BOARD OF TRUSTEES
NOVEMBER 16, 2023**

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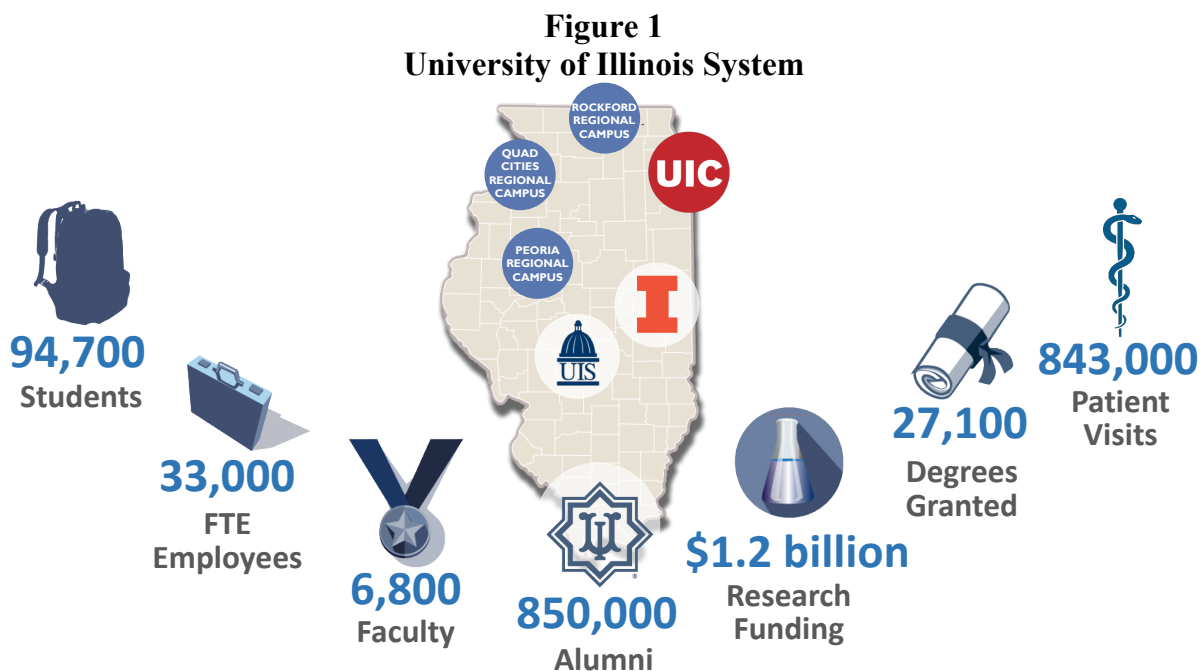
**OPERATING BUDGET
REQUEST FOR FY 2025**



FY 2025 OPERATING BUDGET REQUEST

OVERVIEW

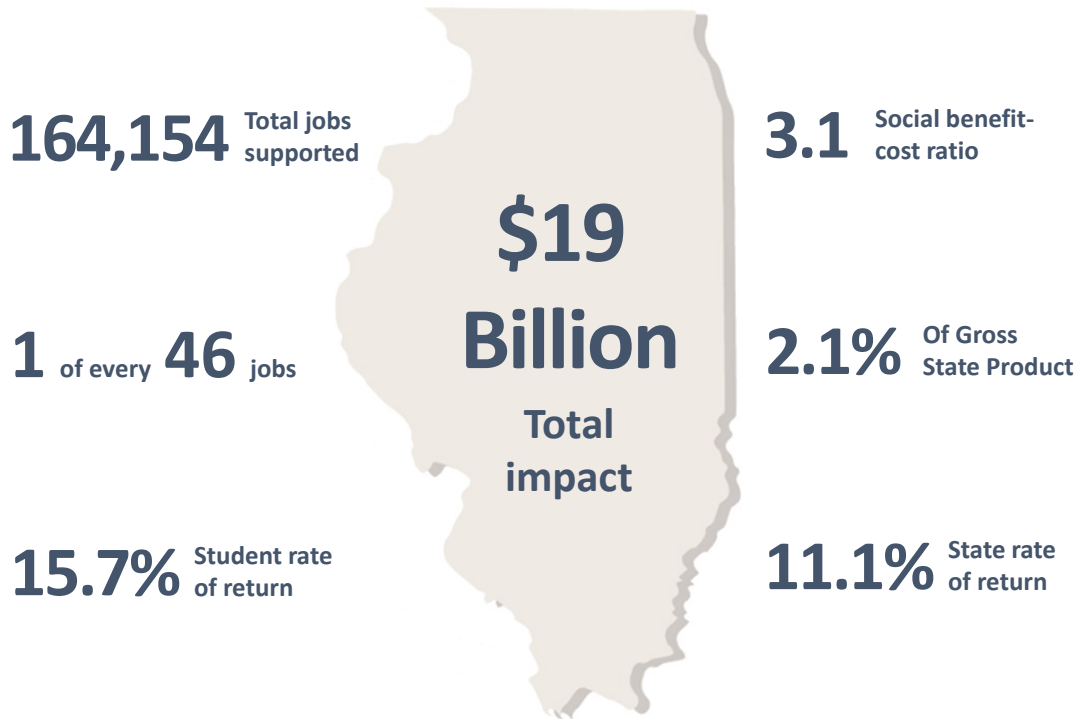
The University of Illinois System is one of most important contributors to economic and workforce development in the State of Illinois. With three best-in-class universities, a robust healthcare enterprise, and a celebrated legacy, the U of I System transforms lives and enhances public good for tens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



The University of Illinois System now educates over 94,700 students and harnesses its technical expertise, medical resources, and research capabilities to positively impact the state of Illinois and beyond. Our talented faculty generates over one billion dollars in research funding annually. And our student enrollment comprises 52% of all students attending public universities in the state. Last year, our three universities together graduated over 27,100 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).

Figure 2
University of Illinois System
Contributions to the State

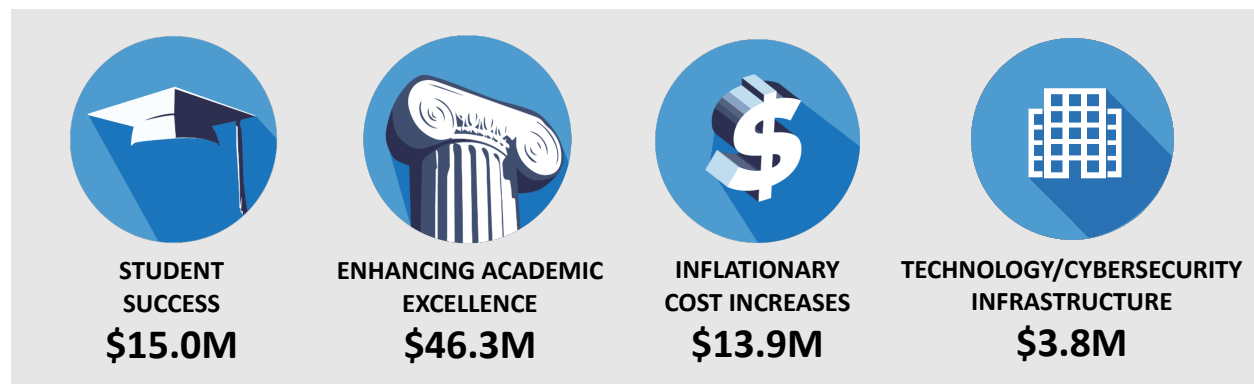


The contributions of the U of I System to the State of Illinois were clearly visible during the COVID-19 pandemic. Throughout this crisis, the U of I System has been an indispensable partner to state, city, and local governments and public health leaders. Our experts created predictive models of the 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 \$780.4 million in support of its operating budget for Fiscal Year 2025 (FY 2025). The FY 2025 operating appropriation request reflects an increase of \$82.7 million or 11.9 percent over the current year's (FY 2024) 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 \$697.8 million in FY 2024, for example, was 8 percent below the level in FY 2010 in real dollar terms and 36 percent lower when adjusted for inflation.

Consistent with its Strategic Framework, adopted by the Board of Trustees, the University of Illinois System's FY 2025 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 2025 budget.

ACADEMIC OPERATING BUDGET REQUEST



On the academic side, the requested increase in funds will be used to support four 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 \$15 million for this area will ensure continued improvement in outcomes for underrepresented students and expanded mental health care for all. 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. Part of our request of \$46.3 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 competitive 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 \$13.9 million to try to keep pace. Finally, 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.

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. PRI is active in all 102 counties across Illinois with more than half of their 75 facilities located outside of Champaign-Urbana. PRI has 425 full-time researchers and scholars, which, when combined with students and staff, make up more than 800 people located around the state.

While PRI has been doing incredible work, it has not had an increase in the GRF line item for the 15 years of its existence from 2008 until today, except for the modest increase of 2.5% in FY 2024. To continue with the critically important work done statewide by PRI, we are requesting \$1.8 million for operations for PRI. In addition, we are requesting an additional \$1.8 million for PRI to **establish the new Illinois Integrated Water Information Center (IIWIC)** as recommended by the State Water Plan Task Force.

Our overall FY 2025 operating budget request is detailed at the top of the next page in Table 1.

Table 1
University of Illinois System
FY 2025 Operating Budget Request
(Dollars in Thousands)

FY 2024 General Funds Appropriation	\$ 697,773.3
<u>Requested Increase In Academic Operating Budget</u>	
I. Student Success	\$ 15,034.6
II. Enhancing Academic Excellence	\$ 46,348.9
III. Inflationary Cost Increases	\$ 13,933.5
IV. Technology/Cyber Security Infrastructure	\$ 3,750.0
Subtotal Academic Operating Increase	\$ 79,067.0
<i>% increase in state general funds appropriation</i>	<i>11.3%</i>
<u>Addendum – Other State Supported Operations</u>	
V. Prairie Research Institute	\$ 3,620.8
Total Increase Including Addendum	\$ 82,687.8
FY 2025 General Funds Appropriation Request Including Addendum	\$ 780,461.1
<i>% increase in state general funds appropriation including addendum</i>	<i>11.9%</i>

STUDENT SUCCESS

(\$15,034,600)

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.

To address the building student mental health challenges at the system level, a symposium was first held in the fall of 2020 to identify problems and innovate solutions system-wide across all three of our universities. Now an annual event attracting on average over 400 people, the student mental health symposium provides a forum to explore fresh ideas, strengthen system-wide relationships and generate innovative strategies to address the growing need for effective and available mental health services that promote student success. The symposium precipitated the development of the "Community Mindset Program" and funded four university student mental health subgroups (UIUC, UIS, UIC, and UIC College of Medicine). Each group received \$5,000 to implement a student focused well-being initiative. Each university will follow the 2023 fall symposium with campus specific events with the focus on the community responses to student mental health issues.

CONTINUED FOCUS ON IMPROVING RETENTION AND GRADUATION RATES

University of Illinois Urbana-Champaign

UIUC offers Illinois Commitment, where students from families with incomes below \$67,100 pay no tuition and fees. Approximately 30 percent of the entering class is part of the Illinois Commitment. UIUC 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. UIUC 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.

Nationally, UIUC 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. UIUC 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"). Once these courses are identified, then strategies are developed to change the patterns.

The third annual UIUC Student Success Symposium will be held in February. Attendees can expect to participate in the ongoing discussion about what our campus is doing and will do to bolster retention and graduation rates, close equity gaps, and enhance the Illinois experience for undergraduate students. This daylong event will include a dynamic keynote speaker, multiple sessions from the campus community, opportunities to dialogue with colleagues, and conversations with 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

UIC 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 68 percent are Pell eligible, 61 percent are first-generation, and 64 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 do 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. To better coordinate and integrate services, all student services and student life is under one leader, who is responsible for the entire student pipeline from recruitment to career placement. This allows a holistic focus on students; academic, cultural, and mental health needs as a way of addressing retention gaps and graduation rates. Strategies such as providing financial aid information earlier during the admission process help students understand how they will afford college.

UIC and the Student Success Center have 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. As part of the first cohort, UIC's Student Success Centers currently support 109 Hope Chicago students through orientation, tutoring, advising, coaching and targeted programmatic and academic support.

University of Illinois Springfield

Current initiatives include:

- Prairie Promise, a new four-year financial aid program for Illinois residents that will fully cover the cost of tuition and fees for first-time, first-year undergraduate students enrolled full time in on-campus degree programs starting in Fall 2024.
- Partner with Hope Chicago and increase recruitment through building stronger high school and community college partnerships.

- Building a "Smart Start" program in partnership with the local school district #186 to offer a dual-enrollment course for college credit at no charge to the students.
- STARS (Students Transitioning for Academic Retention and Success) is provided each summer as a two-week bridge program. Students take courses in math and composition, receive enhanced academic support services, peer mentors, and seminars on successful transition strategies. Students also are provided campus resources, like the library, financial aid, and student life.

UIS is also implementing revised curricular practices, such as redesigning courses with high "DFW" equity gaps; providing targeted advising support for high-risk first-year students who are not participating in a living/learning community in the residence hall; and adopting an early alert system at week four for English and math courses to identify struggling students.

Community resources have been identified to help support student's basic needs such as housing, food insecurity, and mental health. A food pantry has been made available to assist students who experience food insecurity on campus. A technology borrowing program, including laptops and Wi-Fi hotspots, has been established.

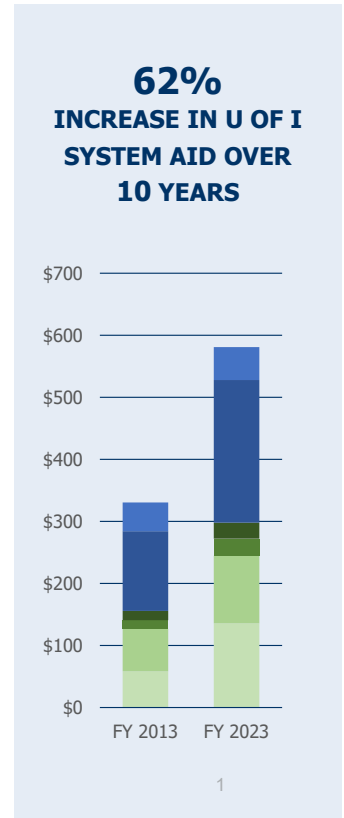
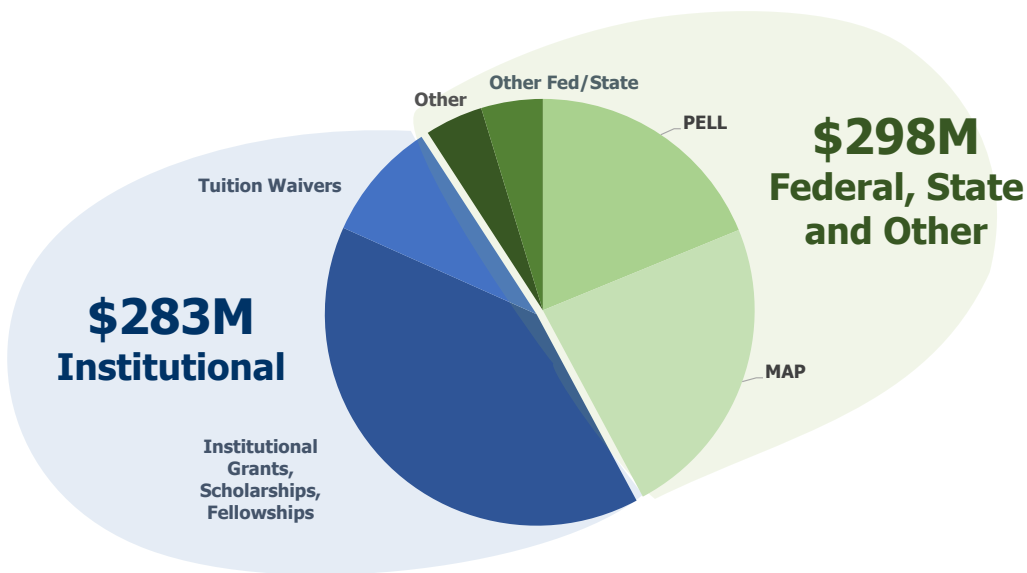
RESIDENT UNDERGRADUATE FINANCIAL ASSISTANCE

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 across our three universities (67%) received some form of gift aid in FY 2022 and 37 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 62% to \$283 million over the last decade. Institutional aid provides more aid than state and federal programs combined.

Figure 3
University of Illinois System
Undergraduate Financial Aid FY 2023



ENHANCING ACADEMIC EXCELLENCE

(\$46,348,900)

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.

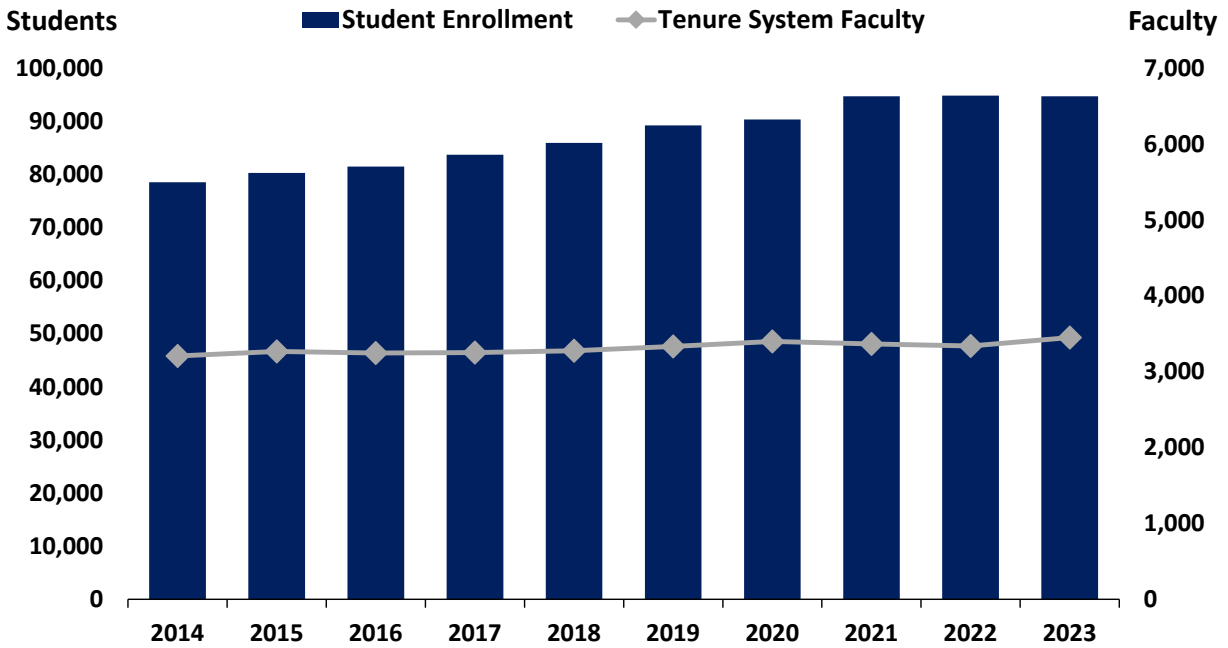
All four of these pillars rely on the recruitment and retention of **faculty of the highest caliber**.

In the last 10 years, the U of I System has **increased its enrollment by over 21 percent**, adding over 16,206 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).

Figure 4
University of Illinois System
Trends in Student Enrollment and Tenure System Faculty



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. All of this negatively affects the 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-Champaign and Chicago we need to grow our faculty numbers to meet demand. In the spring of 2022 both UIC and UIUC, in consultation with individual colleges and programs and other stakeholders, developed specific targets for new faculty hires for the next three years. 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. Over the next three years we are planning to add 300 net new faculty positions system-wide, 200 at UIUC and 100 at UIC, at a cost of roughly \$50 million annually. 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 39 world-renowned experts from prestigious institutions such as Harvard, Duke, Northwestern, the University of Texas at Austin, and the University of Washington. For example, Christy Landes and Stephan Link, professors of chemistry and electrical and computer engineering from Rice University, both recently left Rice for UIUC. Landes will join the Illinois chemistry faculty as the Jerry A. Walker Endowed Chair in chemistry, and Link will join as the Charles W. and Genevieve M. Walton Endowed Professor.

Another recent hire is Professor Thomas Searles who left Howard University to join UIC's Electrical and Computer Engineering Department. He was previously a Martin Luther King Visiting Professor at MIT and served as the Director of the IBM-HBCU Quantum Center. In recognition for his research in light-matter interactions and his capability to train and mentor Black students in Physics and Engineering, Thomas was awarded the inaugural AIP-NSBP Joseph A. Johnson Award for Excellence and an NSF CAREER Award. Professor Searles was recently tapped by the Department of Energy to lead the new ReACT-QISE quantum computing consortium. By emerging from and focusing on public and minority-

serving academic institutions, the ReACT-QISE Consortium will provide pathways into the quantum workforce for groups traditionally underrepresented in STEM fields. At UIC, the initiative will support the creation of a new quantum engineering track under the engineering physics major in the electrical and computer engineering department, as well as a new Master of Science in quantum engineering. In support of these programs, UIC faculty will develop new courses, quantum-focused modules that plug into existing ECE courses and a new quantum laboratory space for student research projects.

Another noted scholar, Professor Graham Peck, recently joined the history department at UIS as the Wepner Distinguished Professor of Lincoln Studies. 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-Champaign, 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-Champaign is among the nation's most academically competitive institutions, salaries for faculty at Urbana-Champaign are in the middle of the pack among its peer group.

A look over time is also illuminating. In FY 2015, salaries for Urbana-Champaign 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-Champaign ballooned to over \$10,000. In FY 2018, the salary gap held steady, but then it started growing again. As of FY 2023, the salary gap stands at nearly \$12,000.

Comparative analyses at the level of individual departments demonstrate a similar trend. Since 2019, salary rankings compared to peers declined, especially at UIUC. UIUC dropped 2 places in faculty salary rank in Engineering, 2 places lower in Physical Sciences, and 4 places lower in Business. The COVID pandemic and significant inflation have created considerable market pressures for the University of Illinois System to maintain salary competitiveness for our faculty, especially for high-demand disciplines such as Business, Engineering, and Medical/Health Professions. A modest salary program will not eliminate these gaps but will allow us to begin narrowing them.

INFLATIONARY COST INCREASES

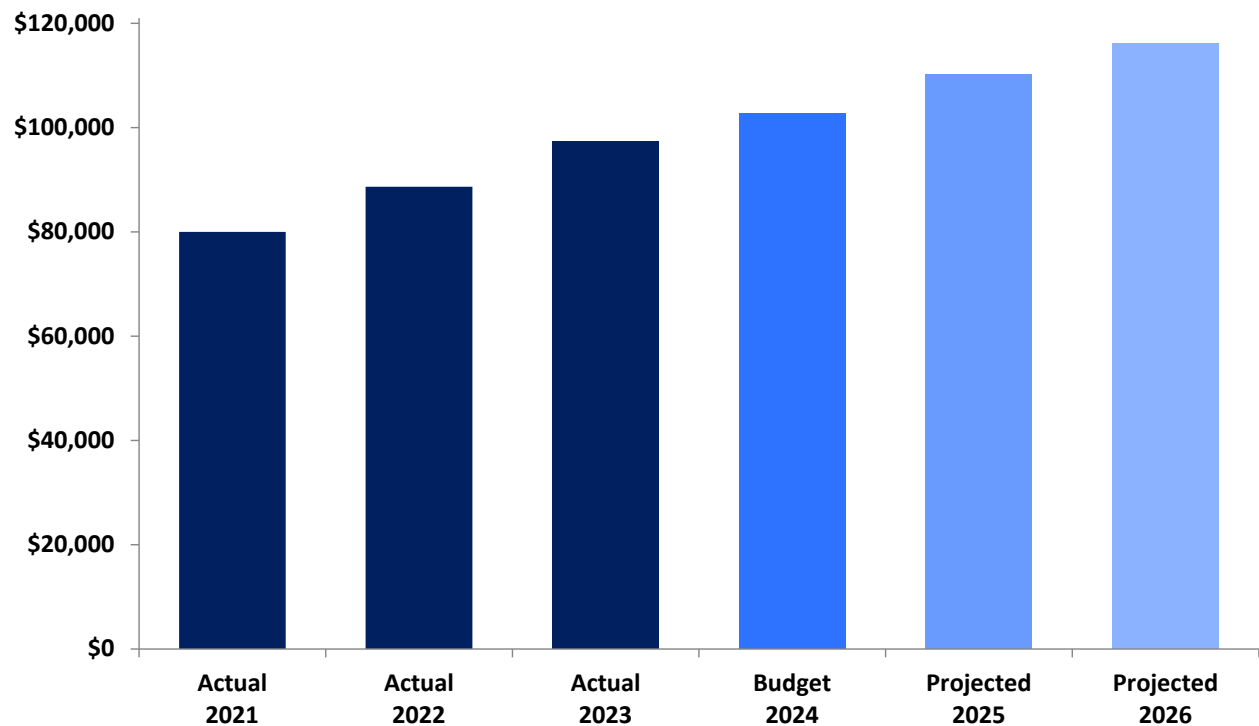
(\$13,933,500)

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.

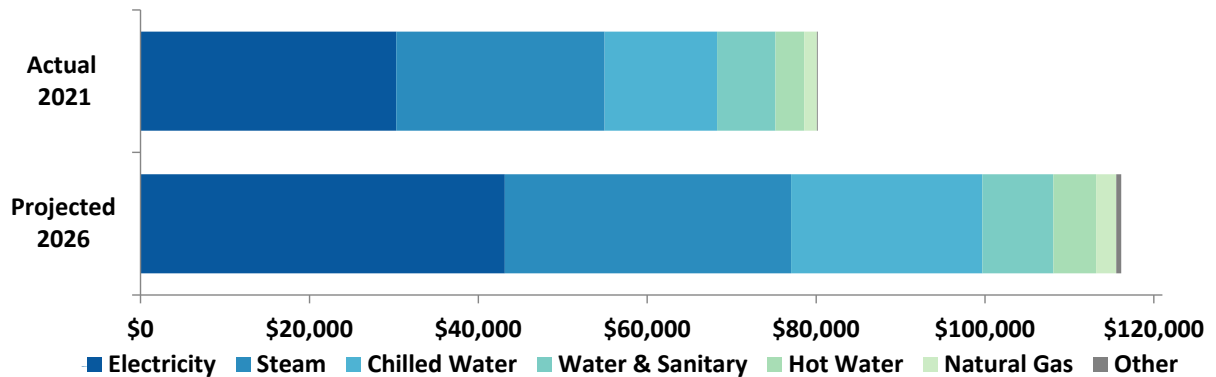
The U of I System recently conducted a thorough analysis of state and tuition funded utility costs for academic enterprise system-wide, showing recent rises in costs but also large projected increases. Overall costs are projected to increase dramatically by FY 2026.

Figure 5
State & Tuition Funded Utilities for Academic Enterprise



Breaking the totals down by costs shows electricity, steam, and chilled water making up the bulk of the costs, with a projected \$31 million increase in those combined areas from FY 2021 to FY 2026.

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



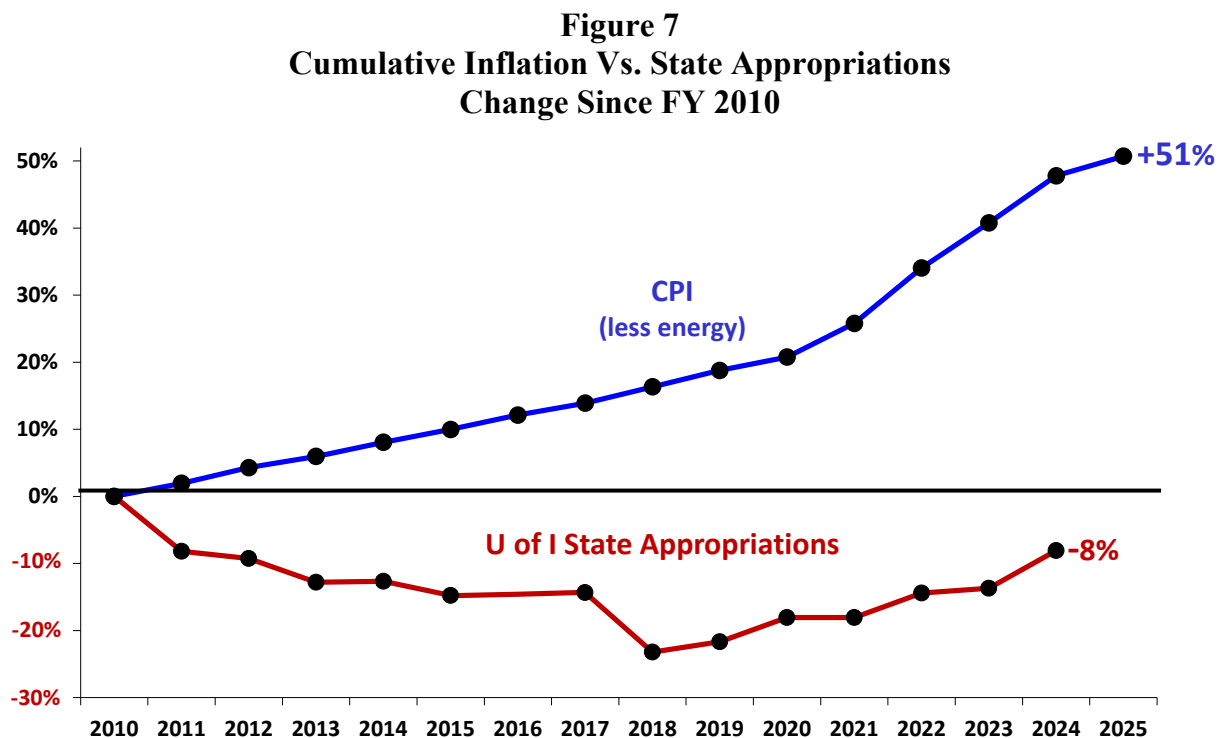
Additional costs facing the U of I System on the utility front are state and federal requirements to make use of renewable energy and to decrease the University’s carbon footprint. Under the Illinois Climate Action Plan (iCAP), UIUC hopes to achieve net zero carbon emissions by 2050. As part of iCAP, UIUC 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 UIUC 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 utilities 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 2025, 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 sharply while inflation continues to grow. Even with a slight upward move in FY 2022 through FY 2024, **the U of I System is 8% below its FY 2010 appropriation amount, while the CPI is projected to be 51% above the FY 2010 amount by FY 2025.** 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 go 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 in order 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 recent proliferation of ransomware attacks against institutions of higher education across the world. This risk has been amplified during the COVID-19 crisis, as many employees are working remotely and using potentially less secure networks. In addition, a large majority of students are currently taking a good amount of coursework online. 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 nearly 95,000 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.

ADDENDUM – OTHER STATE SUPPORTED OPERATIONS



PRAIRIE RESEARCH INSTITUTE

(\$3,620,800)

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 the 15 years of its existence from FY 2009–FY 2023, except for the increase of 2.5% in FY 2024. 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 increment in the amount of \$1,820,800** 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.

ILLINOIS INTEGRATED WATER INFORMATION CENTER

The Illinois Integrated Water Information Center (IIWIC) was proposed by the State Water Plan Task Force to be established at the Prairie Research Institute. It is an opportunity to establish Illinois and the U of I as a national leader in the decades to come on water science information and technology, and planning to address multifaceted water-related issues that require a complex network of water agencies, science, policies, and information that are interwoven together to provide solutions. Therefore, consistent with the State Water Plan Task Force recommendation, **PRI is requesting \$1,800,000 in funds to help establish the IIWIC.**

The Illinois Integrated Water Information Center will strengthen communication, collaboration, and connection across existing water related state, federal, and local agency programs in Illinois. Further, to holistically evaluate and address water related issues in an equitable manner, particularly in under-resourced and disadvantaged communities, the following approach will be taken to address these concerns. IIWIC will serve as a centralized location for water resource related information, support modeling and prediction, and foster interdisciplinary collaboration between Illinois state, federal and local agencies on water related issues including climate variability, environmental change and sustainability, and related social and environmental justice considerations. This collaboration and fostering of communication will serve the public interest which is integral to the University of Illinois' obligations as a Land Grant Institution. IIWIC will serve as a library of science-based water information and technology accessible by Illinois' decision-makers, program managers, emergency managers, community officials, home and business owners, and the public. IIWIC will connect available resources to stakeholders, impacted individuals, and decision-makers in a timely manner through directed outreach and education efforts. IIWIC offers several notable Diversity, Equity, and Inclusion benefits to Illinois communities:

- Centralized Information Repository: IIWIC will house water-related data for communities across Illinois. The data will always be publicly accessible digitally online or in other formats by request. IIWIC promotes equitable access to vital information and resources, thereby increasing access to information by marginalized communities.
- Social & Environmental Justice: IIWIC is committed to addressing social and environmental justice considerations, fostering interdisciplinary collaboration, and serving as a community assistance hub. In doing so, IIWIC will empower underrepresented and disadvantaged communities to actively participate in water-related decision-making processes. IIWIC will provide support to these communities by connecting appropriate resources and providing guidance on water-related issues.

- Equitable Water Management: IIWIC will be a catalyst for equitable water management and sustainable development throughout Illinois. IIWIC will promote sustainability, support emergency response efforts, foster innovation, enhance community engagement, inform policy development, aid long-term planning, and contribute to education and training in the water sector. By actively engaging in equitable community-based water management, IIWIC will significantly improve water resource management in Illinois.

**CAPITAL BUDGET REQUEST
FOR FY 2025**

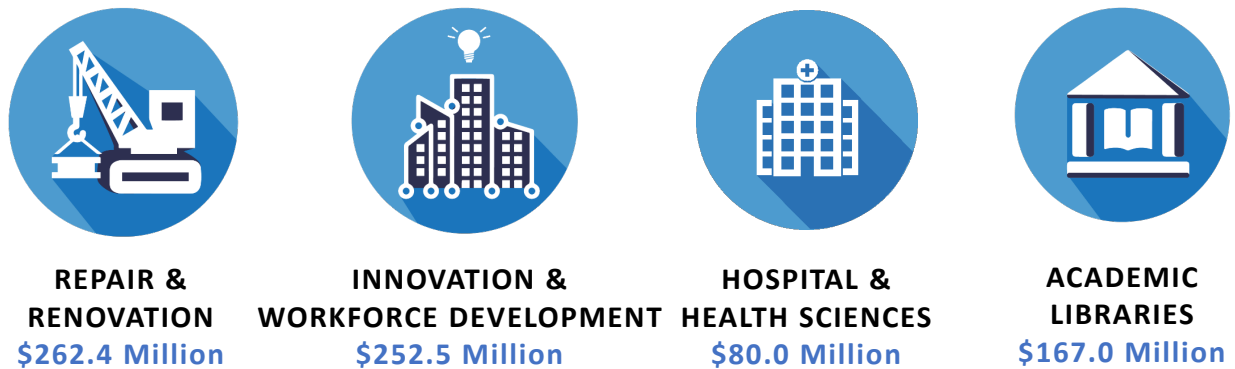


CAPITAL EXECUTIVE SUMMARY

The first priority for the FY 2025 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. Those projects facing cost escalations are: Altgeld/Illini Hall at UIUC (\$40 million requested), Computer Design Research and Learning Center at UIC (\$7 million requested), Library Commons at UIS (\$8 million requested), and the DPI Facility (\$35 million requested). Altogether, \$90 million is sought to make those four projects whole to maintain original scope intent. All have been valued-engineered and had scope reassessment performed to manage the project costs, but the current market environment continues to be a challenge.

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 2025 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 2025 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 create 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 \$262 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 at UIUC and a new College of Business Administration Building at UIC. These projects aid in basic science collaboration and development and meet needs in high demand fields.

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 new Rural Health Sciences Education Building in Rockford. A new building will allow UIC to bring programs from multiple health sciences colleges to Rockford: Dentistry, Allied Health Sciences, Public Health, and Social Work, in addition to the College of Medicine. This program expansion will increase the supply of health care professionals in rural medicine. Additionally, the influx of students, staff, and faculty will positively impact the economy of Rockford, Winnebago County, and rural Illinois.

The fourth focus of the capital budget seeks **Library Renovations and Upgrades** to the libraries at UIUC and UIC in order 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 over 54% of the unique titles available and providing 22% 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 2025 Request for New Capital by University

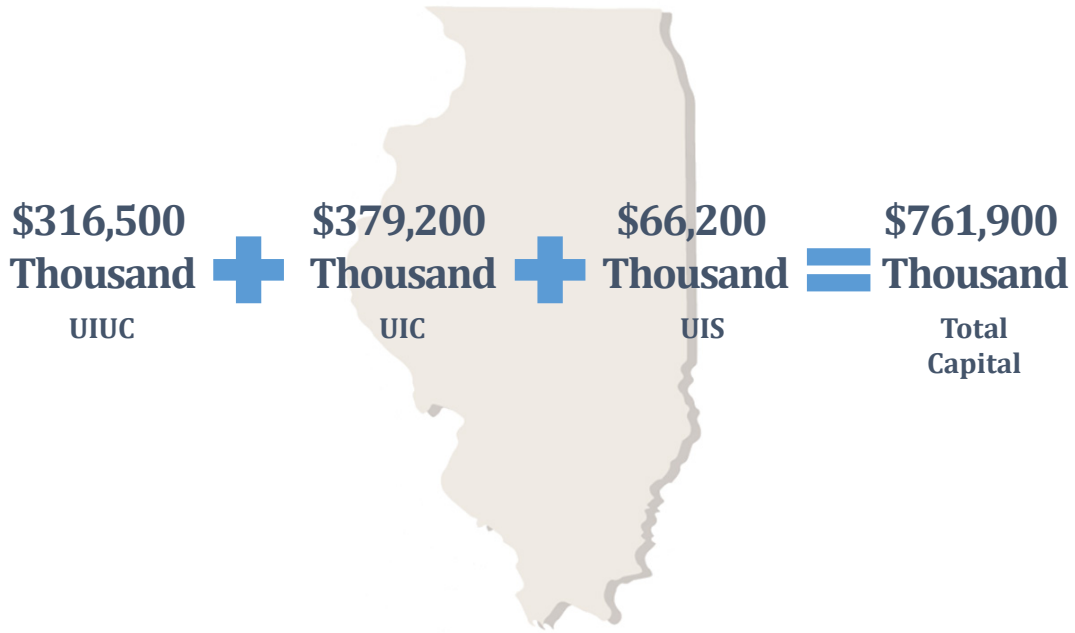
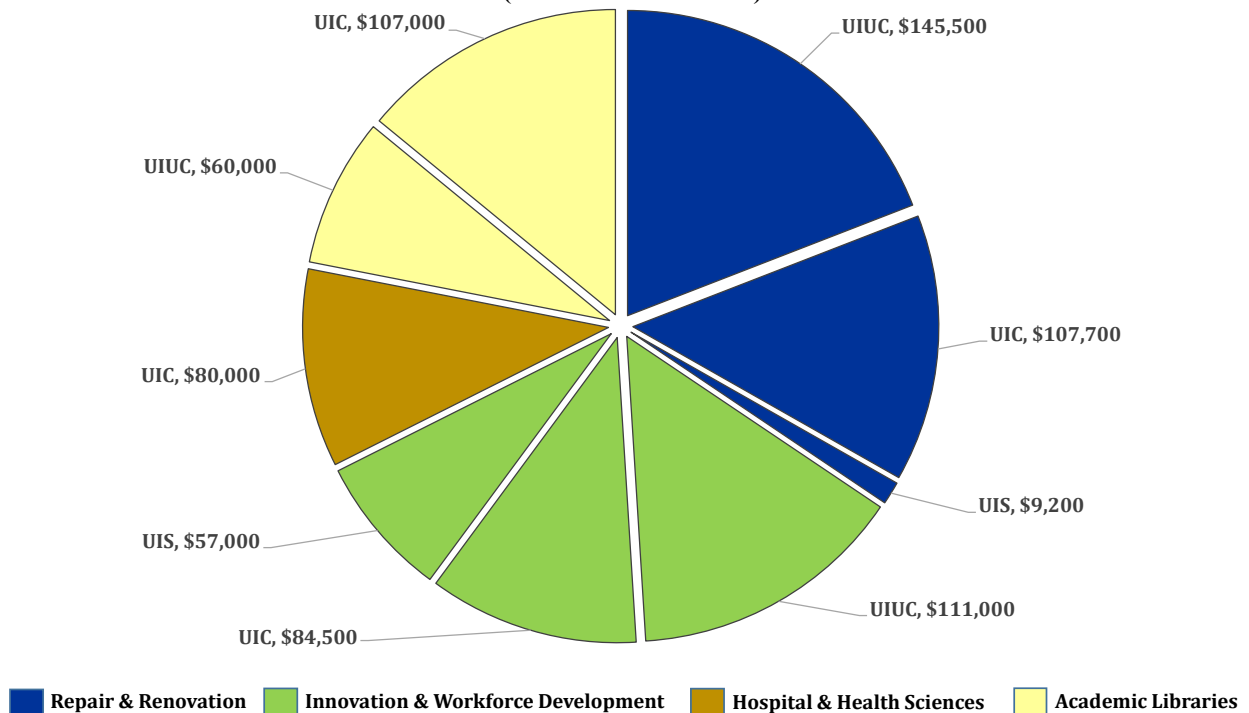
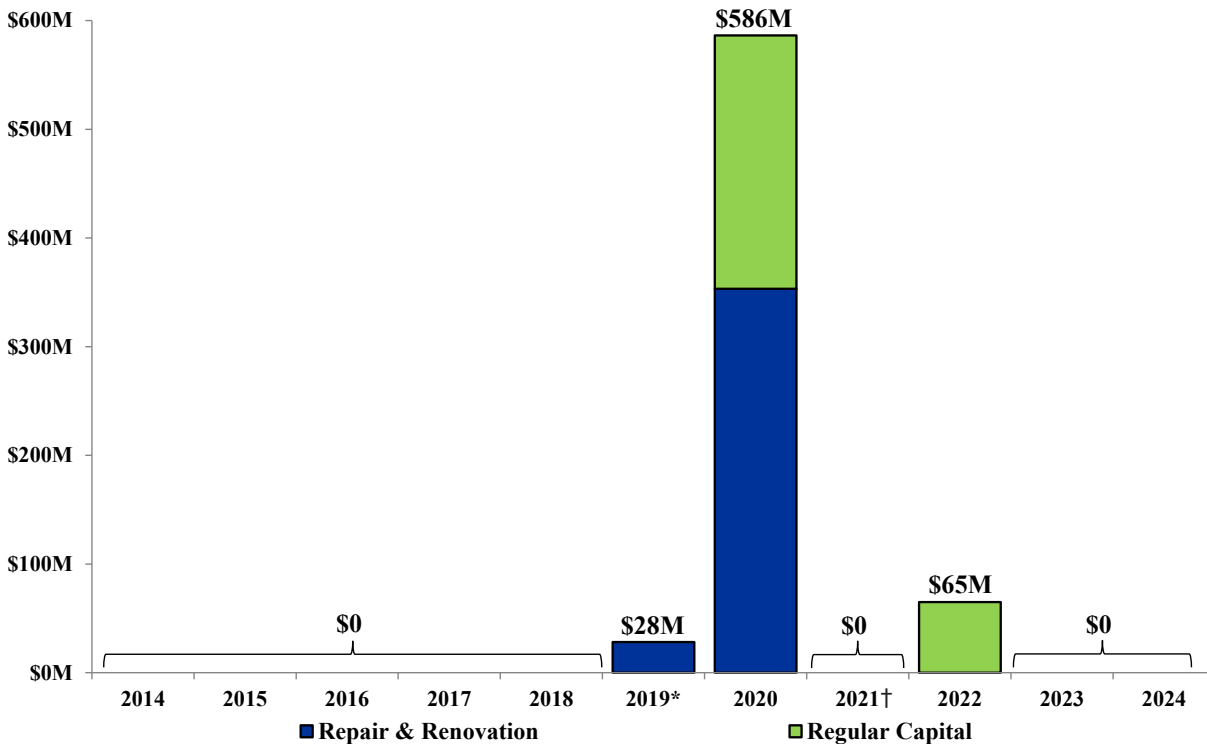


Figure 3
University of Illinois System
FY 2025 Capital Budget Request by University Detail
 (Dollars in Thousands)



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 2014 – FY 2024



*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 funded a single U of I project, the Clinical Decision Unit at UIC. There were no new appropriations in the FY 2023 or FY 2024 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 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 2025, the University of Illinois System requests a cost escalation of \$90,000,000 on existing capital appropriations and new capital of \$761,900,000 for a total request of \$851,900,000. A detailed project list is provided in Table 1 below.

Table 1
University of Illinois System
FY 2025 Capital Budget Request
(Dollars in Thousands)

Request for Current Capital	<u>UIUC</u>	<u>UIC</u>	<u>UIS</u>	<u>System</u>	<u>Total</u>
I. Cost Escalation for FY 2020 Appropriated Projects					
A. Altgeld/Illini Hall	40,000				40,000
B. Computer Design Research Learning		7,000			7,000
C. Library Commons			8,000		8,000
D. DPI Facility				35,000	35,000
Total Cost Escalation	\$40,000	\$7,000	\$8,000	\$35,000	\$90,000
Request for New Capital					
I. Repair and Renovation					
A. Repair and Renovation	\$145,500	\$107,700	\$9,200		\$262,400
II. Innovation and Workforce Development					
A. Art & Design Renovation/Addition	111,000				111,000
B. College of Business Administration Building		84,500			84,500
C. Brookens Building Remodel			57,000		57,000
III. Hospital and Health Sciences					
A. Rural Health Sciences Building Rockford		80,000			80,000
IV. Library Renovations and Upgrades					
A. Library/Digital Learning Center Upgrades	60,000	107,000			167,000
Total New Capital	\$316,500	\$379,200	\$66,200	\$0	\$761,900
Total Cost Escalation and New Capital	\$356,500	\$386,200	\$74,200	\$35,000	\$851,900

PRIORITIES

(\$851,900,000)

OVERVIEW

The University of Illinois System's FY 2025 capital budget request consists of cost escalation for four FY 2020 projects, repair and renovation, and new capital for six projects reflecting three themes. The total cost is \$851,900,000 as detailed below.

COST ESCALATION FOR FY 2020 PROJECTS – \$90,000,000

- *UIUC – Altgeld/Illini Hall (\$40,000,000)*
- *UIC – Computer Design Research and Learning Center (\$7,000,000)*
- *UIS – Library Commons (\$8,000,000)*
- *UI System – DPI Facility (\$35,000,000)*

FY 2020 was a welcome appropriation year seeing the funding of the Altgeld/Illini Hall project at Urbana Champaign campus; the Computer Design Research and Learning Center at the Chicago campus; Library Commons at Springfield campus; and a System initiative, the Discovery Partners Institute in Chicago. After those appropriations were made, the world was faced with a global pandemic. Unfortunately, the fallout from that event is still felt and perhaps more pointedly in major 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, UIUC 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. A total of \$90,000,000 is being sought to make each of these projects whole with the intended original scope.

REPAIR AND RENOVATION – \$262,400,000

- *UIUC (\$145,500,000)*
- *UIC (\$107,700,000)*
- *UIS (\$9,200,000)*

The \$262,400,000 Repair and Renovation request is comprised of projects at UIUC, UIC, and UIS. 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 that are at 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

- *UIUC (\$111,000,000)*
- *UIC (\$84,500,000)*
- *UIS (\$57,000,000)*

School of Art and Design Thinking and Learning Addition (\$111,000,000) – UIUC

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 \$124,960,000 with \$111,000,000 being requested from the state.

College of Business Administration Building (\$84,500,000) – UIC

The College of Business Administration (CBA) has seen over a 50% increase in students in the last decade and expects to see continued growth in the next several years. With the student increase, the CBA will also seek to increase the amount of tenure and tenure-track faculty to be hired to adhere to the college's strategic plan to reduce the student-to-faculty ratio. Based on these considerable growth targets and a shortfall of office space in their existing location in University Hall, CBA will need additional office and classroom space to accommodate this increase in personnel and students. As such, it is recommended to construct a new College of Business Administration Building. This 100,000 square foot facility would accommodate all of CBA's existing programs in addition to their anticipated growth in students, faculty, and support staff. The building will include offices, student support spaces, business learning lab, student oasis spaces, and active learning classrooms. Construction of a new facility would free up space in other campus buildings that CBA currently occupies and would vacate once the new CBA building is constructed. The new building will provide consolidated space for the college's academic departments including Accounting, Finance, Management, Marketing, Real Estate, and Information and Decision Sciences. \$84,500,000 in capital funds are requested from the state to construct this building with \$20,000,000 pledged from other sources.

Brookens Building Remodel (\$57,000,000) – UIS

With recent funding appropriated to build a new Library, Learning, and Student Success Center, it will be necessary to renovate and reinvent the 120,000 square feet of interior space in the existing Brookens Library Building. 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, 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 \$57,000,000 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 – \$80,000,000

Rural Health Sciences Building Rockford (\$80,000,000) – UIC

Roughly 1.5 million people live in rural Illinois. These people tend to be older, less well-insured, more likely to report “fair to poor health” and have a higher prevalence of disease than those in urban counties. All but four counties in the state have shortages of health care professionals. During the COVID-19 pandemic the need for more and better health care in rural Illinois became even more evident. According to the CDC, long-standing systemic health and social inequities have put some rural residents at increased risk of getting COVID-19 or having severe illness.

The University of Illinois College of Medicine Rockford has graduated nearly 400 physicians through the Rural Medical Education Program with 60% of them practicing in rural Illinois and it is home to the National Center for Rural Health Professions. The Rural Pharmacy Education Program began in 2010 and Rural Nursing Education Programs began in 2016. Building on the success of these programs by bringing other much-needed health professions educational programs to campus will only further enhance access to rural health providers for our state's rural residents. The new Rural Health Sciences Education Building will be a five-story, stand-alone building of 135,000 square feet on the 20-acre UIC Health Sciences

Campus-Rockford that will house programs from multiple UIC health sciences colleges. A new building will allow UIC to bring programs from the following colleges to Rockford: Dentistry, Allied Health Sciences, Public Health and Social Work. This program expansion will impact the health of residents and with the influx of students, staff, and faculty, the economy of Rockford, Winnebago County, and rural Illinois. This will be the only program in the country to bring together seven health sciences colleges to focus on rural education and research.

In today's complex and interconnected world, health sciences learning environments are as integrated as the professions for which they prepare students. The building plan seeks to create an integrated learning experience in health sciences with a rural emphasis for an additional 450 health sciences students on the Rockford campus. Technology-rich classrooms will connect students with each other and with instructors on-site, around the state and across the world. The building design allows for interdisciplinary learning experiences that foster the kind of learning that will translate to the high-functioning teams needed in rural areas where resources and access to specialists may be scarcer than in urban areas. \$80,000,000 in state funding is requested with \$40,000,000 allocated from other sources.

LIBRARY RENOVATIONS AND UPGRADES – \$167,000,000

Main/Undergraduate Library Redevelopment Phase II (\$60,000,000) – UIUC

The University Library at UIUC recently completed the Main Library Stack Removal Feasibility Study and is now ready to move forward with the next phase of the Main/Undergraduate Library Redevelopment. The overall project will be constructed in phases so that the library can remain open to serve patrons. Phase I as seen in last year's budget request—although not funded from state appropriations—has begun with campus resources. That phase will focus on the transformation of the undergraduate library into an Archives & Special Collections Library. The project will provide a secure location for preserving materials in a humidity and temperature-controlled environment for University Archives, Rare Book and Manuscript Library, Student Life and Culture Archives, and Illinois History and Lincoln Collection.

This second phase of the library plan will focus on the main stacks. This portion of the project will demolish five of the existing six stacks, the majority of which are 60 years old or older; the sixth stack will be retained because its capacity and conditions have been modernized and offer a substantially better environment for older printed materials. Construction of a new infill addition will include

interdisciplinary collaborative research and learning spaces, additional high-capacity shelving space, and a loading dock. This new construction will include a lower level plus 4 floors to align with the current basement and floors 1-4 of the 1925, 1927, and 1929 sections of the eastern half of the library. The new five-story infill at approximately 100,000 square feet would serve as an interdisciplinary hub for the arts, humanities, and social sciences such as psychology, sociology, and economics. The addition will allow for current and future interdisciplinary collaborative research spaces and departmental libraries, learning spaces, and interactive presentation spaces with large format visual walls that will help enhance the educational experience and create a research hub for the humanities and social sciences. The main library will still hold over 3 million volumes on site, mostly focused on the humanities and social sciences. The total project amount for this phase of redevelopment is \$110,000,000, with the portion requested from the state in the amount of \$60,000,000.

Daley Library Addition (\$107,000,000) – 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.

\$107,000,000 is requested from the state for this project.

REPAIR AND RENOVATION

SYSTEM-WIDE – \$262,400,000



Requested Funds: State \$262.4M
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 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 — \$111,000,000 — URBANA-CHAMPAIGN



Requested Funds: State \$111M, Other \$14M
Consolidation of multiple facilities

Academic Impact of Art and Design:

- **34% undergrad enrollment increase over last decade**
- **7% increase in undergrad degrees over last decade**
- **College of Fine and Applied Arts generated over \$1.5M in Federal Grants & Contracts in FY 2023**

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 discreet 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

COLLEGE OF BUSINESS ADMINISTRATION BUILDING – \$84,500,000 – UIC



Requested Funds: State \$84.5M
New Construction of 100,000 square feet
Academic Impact of Business:

- **Majors: 4,016 Undergrad; 1,023 grad**
- **72% increase in undergrad enrollment over last decade**
- **23% increase in grad enrollment over last decade**
- **45% increase in undergrad degrees over last decade**

The College of Business Administration (CBA) has seen large increases in students in the last decade and expects to see continued growth in the next several years. With the student increase, the CBA will also seek to increase the amount of tenure and tenure-track faculty to be hired to adhere to the college's strategic plan to reduce the student-to-faculty ratio. Based on these considerable growth targets and a shortfall of office space in University Hall, CBA will need additional office and classroom space to accommodate this increase in personnel and students. As such, it is recommended to construct a new College of Business Administration Building.

This 100,000 square foot facility would accommodate all of CBA's existing programs in addition to their anticipated growth in students, faculty and support staff. The building will include offices, student support spaces, business learning lab, student oasis spaces, and active learning classrooms. The new building will be sited on Harrison Street directly to the northwest of the Architecture and Design Studios and just south of the new Academic and Residential Complex. Construction of a new facility would free up space in other campus buildings that CBA currently occupies and would vacate once the new CBA building is constructed. The new facility will provide consolidated space for the colleges' academic departments including Accounting, Finance, Management, Marketing, Real Estate, along with Information and Decision Sciences. \$84,500,000 in capital funds are requested from the State with \$20,000,000 pledged from other sources to construct this building.

INNOVATION AND WORKFORCE DEVELOPMENT

BROOKENS BUILDING REMODEL – \$57,000,000 – UIS



Requested Funds: State \$57M Renovation of 120,000 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 120,000 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 \$57,000,000 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

RURAL HEALTH SCIENCES BUILDING ROCKFORD — \$80,000,000 — UIC COLLEGE OF MEDICINE ROCKFORD



Requested Funds: State \$80M New Construction of 135,000 square feet

- **45% enrollment increase over last decade with corresponding instructional unit increase**
- **Nationwide leader in rural health**
- **\$2.76M in research funds in FY 2023**

Roughly 1.5 million people live in rural Illinois. These people tend to be older, less well-insured, more likely to report “fair to poor health” and have a higher prevalence of disease than those in urban counties. All but four counties in the state have shortages of health care professionals.

During the COVID-19 pandemic the need for more and better health care in rural Illinois became even more evident. The University of Illinois College of Medicine Rockford has graduated nearly 400 physicians through the Rural Medical Education Program with 60% of them practicing in rural Illinois and it is home to the National Center for Rural Health Professions. The UIC Health Sciences plans to dramatically expand their commitment to training health professionals for rural Illinois through the construction of the Rural Health Science Education Building.

Building on the success of these programs by bringing other much-needed health professions educational programs to campus will only further enhance access to rural health providers for our state’s rural residents. A new building will allow UIC to bring programs from the following colleges to Rockford: Dentistry, Allied Health Sciences, Public Health, and Social Work.

This will be the only program in the country to bring together seven health sciences colleges to focus on rural education and research. The building design allows for interdisciplinary learning experiences that foster the kind of learning that will translate to the high-functioning teams needed in rural areas where resources and access to specialists may be scarcer than in urban areas.

The Rural Health Sciences Education Building will be a five-story, stand-alone building on the 20-acre UIC Health Sciences Campus-Rockford that will house programs from multiple UIC health sciences colleges. \$80,000,000 in state funding is requested with \$40,000,000 allocated from other sources.

LIBRARY RENOVATIONS AND UPGRADES

LIBRARY/DIGITAL LEARNING CENTER UPGRADES – \$167,000,000



Requested Funds: State \$167M

UIUC Main Library \$60M

UIC Daley Library \$107M

State-wide Participation from U of I

- **Account for 22% of loans**
- **Provide over 54% of unique titles**
- **Over 35% of library record counts**

UIUC:

Since the founding of the University, the Library has been a catalyst for University of Illinois scholarship and innovation. With this remodel, 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. Phase I of this multi-phased project began in the last fiscal year with work beginning at the Undergraduate Library. This phase will transform the Undergraduate Library into a special facility designed to hold numerous archive collections and rare books and materials.

This portion of the project will demolish five of the existing six stacks, the majority of which are 60 years old or older; the sixth stack will be retained because its capacity and conditions have been modernized and offer a substantially better environment for older printed materials. Several special collections and archival materials currently located in the library will be relocated to the Undergrad Library and Oak Street High Density Storage Facility, which is environmentally designed for proper storage of print materials. The main library will still hold over 3 million volumes on site, mostly focused on the humanities and social sciences. The new five-story infill at approximately 100,000 square feet would serve as an interdisciplinary hub for the arts, humanities, and social sciences such as psychology, sociology, and economics. The addition will allow for current and future interdisciplinary collaborative research spaces and departmental libraries, learning spaces, and interactive presentation spaces with

large format, visual walls that will help enhance the educational experiences and create a research hub for the humanities and social sciences. The project will be constructed in phases so that the library can remain open to serve patrons. The total project amount is \$110,000,000, with the portion requested from the state in the amount of \$60,000,000.

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 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. \$107,000,000 is requested from the state for this project.