Approved by the Board of Trustees

November 17, 2022

**16**

#  Board Meeting November 17, 2022

ROLL CALL

## APPROVE REQUESTS FOR OPERATING AND CAPITAL APPROPRIATIONS, FISCAL YEAR 2024

**Action:** Approve Fiscal Year 2024 Operating and Capital Budget Requests

**Funding:** Incremental State Operating and Capital Appropriations

 Each fall the University of Illinois System submits to the Illinois Board of Higher Education (IBHE) its requests for incremental operating funds and new capital appropriations from the State of Illinois for the upcoming fiscal year commencing July 1. This item seeks the Board’s approval for the Fiscal Year 2024 (FY2024) appropriation requests. The accompanying tables summarize the major elements of the requests, and the document, “Fiscal Year 2024 Budget Request for Operating and Capital Funds,” provides more detailed background and description.

 For FY2024, the System seeks an 11.7 percent (or $76.5 million) increment to the current state appropriations of $655.2 million. The additional funding is needed to allow the three System universities to maintain their academic excellence and continue to provide world-class education to Illinois students to prepare the next generation of leaders who will support the state’s economic development.

 The incremental funding request for FY2024 will allow the system to expand its support for the Illinois economy and its citizens by increasing the pool of highly trained professional work force and grow the state’s infrastructure for life changing innovations. Consistent with the System’s Guiding Principles and strategic priorities, the FY2024 appropriation request seeks funding to:

* + Grow “Bridge” programs to help matriculate more underserved students;
	+ Enhance mental health programs for students;
	+ Recruit additional faculty to meet growing enrollment demands;
	+ Maintain salary competitiveness for faculty and staff; and
	+ Partially offset inflationary cost increases.

 The Fiscal Year 2024 capital budget request, as displayed in Table 2, identifies the University’s most crucial and strategic capital development priorities. Together, these projects represent an investment of $682.9 million, devoted to preserving and enhancing facilities already in place on the university campuses as well as supporting critically important new initiatives. The requested projects are consistent with the System’s long-term capital plan and will enhance the innovation ecosystem at the three universities and support our academic and healthcare initiatives.

 Funding is also requested to renovate and expand the existing libraries at Urbana-Champaign and Chicago, which serve as crucial digital, collaborative learning spaces for students. Finally, maintenance and upgrades to existing facilities comprise 36 percent of the total funds requested; this amount is in line with the IBHE’s recommendation that universities annually spend at least two percent of the cost of state-supported facilities for repair and renovation. Overall, the capital request underscores the importance the U of I System places on maintaining and extending the institution’s physical infrastructure needed for academic programs.

 Together, the operating and capital requests reflect the System’s highest priority budget needs, focusing on our missions of education, research, public service, and economic development.

 The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes,*

*The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

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

 The President of the University of Illinois System concurs.

Table 1

FY 2024 Operating Budget Request

(Dollars in Thousands)

1. **Student Support $ 15,000.0**
	1. Bridge Programs $ 7,500.0
	2. Mental Health Programs 7,500.0
2. **Maintaining Competitiveness and Quality $ 45,059.0**
	1. Recruiting and Growing Faculty to Meet Enrollment Demand $ 10,000.0
	2. Competitive Compensation 35,059.0
3. **Meet Inflationary and Other Cost Increases $ 16,469.9**
	1. Cost Increases
		1. General Price Increases $ 7,933.9
		2. Utilities Price Increases 8,536.0

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**Total Request $ 76,528.9**

*Percent increase in state appropriated funds 11.7%*

Table 2

FY 2024 Capital Budget Request

(Dollars in Thousands)

 **UIUC        UIC         UIS** **Total**

1. **Repair and Renovation**
	1. Repair and Renovation $133,516 $101,682 $8,117 $243,315
2. **Innovation and Workforce Development**
	1. Art & Design Renovation/Addition 99,600 99,600
	2. College of Business Administration Building 80,000 80,000
	3. Brookens Building Remodel 33,000 33,000
3. **Hospital and Health Sciences**
	1. Rural Health Sciences Building Rockford 75,000 75,000
4. **Library Renovations and Upgrades**
	1. Library/Digital Learning Center Upgrades 50,000 102,000 152,000

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**Total Request $283,116 $358,682 $41,117 $682,915**