

ROLL CALL

APPROVE OPERATING BUDGET FOR FISCAL YEAR 2020

Action: Approve Operating Budget for Fiscal Year 2020

Funding: All Sources of Funds

Consistent with guidance from the Board of Trustees, the Executive Vice President/Vice President for Academic Affairs and the Chief Financial Officer prepared the University's Fiscal Year 2020 (FY 2020) operating budget for all sources of funds. The budget is based upon recommendations from Chancellors and Provosts following consultations with academic and administrative leaders across the system. This recommendation follows the Board's adoption of a preliminary FY 2020 operating budget at its May 2019 meeting.

The FY 2020 budget is guided by the commitment to maintain affordability for students while enhancing academic excellence. It incorporates tuition policy adopted by the Board in January 2019, including a fifth year of tuition freeze for undergraduate students from the state of Illinois as well as state appropriations for the year. The budget ensures resources for strategic academic priorities and investments to further build faculty strength. The recommended \$6.97 billion budget, including the value of benefit

payments made by the state on behalf of the university, represents a \$141 million, or 2.1 percent, increase in the operating budget compared to FY 2019.

The University's total operating budget contains four major categories of funds: (i) the *general operating fund* comprised of unrestricted funds that support the educational missions of the university, (ii) *hospital fund* related to the hospital and clinics that are part of the University of Illinois Hospital and Health Sciences System, (iii) *restricted fund* available only for programs and purposes specified by donors, agencies, contractors, or legislative guidelines, and (iv) *payments on behalf* representing health and retirement benefits paid by the state on behalf of the University. As shown below, the total budget is apportioned among the three universities, the system offices, and system-wide programs.

	Chicago	Springfield	Urbana	System Offices & System-Wide Programs	Total	Change from FY2019
General Operating Fund	\$ 858,392	\$ 54,727	\$1,245,146	\$ 185,246	\$2,343,511	5.2%
Hospital Fund	\$ 838,306				\$ 838,306	7.1%
Restricted Fund	\$ 896,602	\$ 36,052	\$1,128,488	\$ 11,419	\$2,072,561	1.1%
Payments on Behalf	\$ 919,868	\$ 40,933	\$ 694,161	\$ 60,636	\$1,715,598	-3.0%
Total	\$3,513,168	\$ 131,712	\$3,067,795	\$ 257,301	\$6,969,976	2.1%
Change from FY2019	4.2%	-5.4%	1.1%	-9.2%	2.1%	

The attachment to this item, the *Budget Summary for Operations FY 2020* (the BSO), presents the budgets for each university and its constituent colleges and departments in greater detail. The BSO executive summary is divided into two major sections. The first section defines the sources of operating revenues for FY 2020 and details the budget by those revenue sources. The second section details the budget by expenditure category. Detailed university and college-level budget schedules follow the executive summary and provide budget year revenue and expense information:

- Schedule A: Details university and system-level revenue by fund source (e.g., State, institutional, gift/endowment, etc.) and budgeted expenditures by function (e.g., instruction, research, student aid, etc.) and type.
- Schedule B: Provides budgeted expenditures and revenue sources by college-level organization.
- Schedule C: Lists budgeted expenditures by college-level organization and function.
- Schedule D: Provides department-level detail of state and institutional fund budgeted expenditures and presents a more detailed breakdown of college-level restricted fund expenditures than is available in Schedule B.

Schedule A, Schedule B, and Schedule C are university and system-level schedules (one for each university and the system) whereas Schedule D contains college-level schedules.

Subject to the foregoing and the Board's directives concerning establishment of University of Illinois budgets, authorization is also requested for the President to: (a) accept resignations; (b) make additional appointments that are necessary and approve the issuance of notices of non-reappointment, subject to the provisions of the

University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and policies and rules for Civil Service staff; (c) transfer, if necessary, funding from an object of expenditure, as long as total transfer does not exceed three percent of the total general fund budget; (d) make programmatic adjustments to the general fund budget in accordance with institutional priorities and needs, not exceeding three percent of the total general fund budget, exclusive of routine accounting transactions; (e) require reduction of departmental allocations necessitated by any rescissions in state appropriation or shortfall in revenues; (f) allocate tuition waivers; and (g) accept restricted fund revenues earned in excess of the approved budget. The Board of Trustees will be provided periodic reports on actual revenue and expense trends.

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 President of the University endorses the budget and recommends approval.