

Board Meeting
September 8, 2005

Revised: September 8, 2005

ROLL CALL

REQUESTS FOR NEW OPERATING AND CAPITAL APPROPRIATIONS
FISCAL YEAR 2007

Action: Approve FY 2007 Operating and Capital Budget Requests

Funding: Incremental State Operating and Capital Appropriations

Requests for incremental operating funds and for new capital appropriations for the University of Illinois for the fiscal year commencing July 1, 2006, are presented herewith for action by the Board of Trustees. Following board action, these requests will be submitted to the Illinois Board of Higher Education for review. The accompanying tables summarize the major elements of each request, and the document, Fiscal Year 2007 Budget Request for Operating and Capital Funds provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2007 Operating Budget Request is outlined in Table 1. The University seeks \$83.7 million in new funds, an increase of 7.05 percent above the current year's budget. The FY 2007 request focuses primarily upon needs for salary competitiveness for faculty and staff, restoration of faculty strength, and a variety of

academic program improvements. The FY 2007 request expands prior efforts to secure facilities renovation resources in the operating budget. The request includes major initiatives in Health Professional Education at the Chicago campus, General Education Expansion at the Springfield campus, and Addressing Critical Societal Issues at the Urbana-Champaign campus. The request presents the most urgent funding needs confronting the University, recognizing the fiscal condition of the State of Illinois.

Table 2 identifies the ten projects in the FY 2007 Capital Budget Request in priority order. Together, these projects represent an investment of \$335.0 million, devoted to preserving and extending facilities already in place at the campuses and to critically important new initiatives. Remodeling and renovation projects comprise a large part of the total funds requested with the highest priority given to repair and renovation projects at the three campuses. In addition, the next highest priority is the deferred maintenance request. Both requests clearly emphasize the importance the University places on maintenance and upkeep of facilities, high-lighting the need to adequately fund multiple aspects of the facility plant assets.

The operating and capital requests summarized here reflect the University's highest priority budget needs, focusing on the University's mission of instruction, research, public service, and economic development. Both the operating and capital requests presented here are consistent with the preliminary requests presented to the board in July.

The University's operating and capital requests for FY 2007 have been prepared by the Vice President for Academic Affairs based upon advice from the Academic Affairs Management Team and reviewed by the University Policy Council.

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 Vice President for Academic Affairs recommends approval.

The President of the University concurs.

Table 1
FY 2007 Operating Budget Request

I. Strengthening Academic Quality		\$61,035.0
<i>% of FY 2006 Base *</i>		<i>5.14%</i>
A. Compensation Improvements		\$39,260.0
1. Salary Improvements - 4%	\$34,897.8	
2. Recruitment, Retention & Compression - 0.5%	4,362.2	
B. New Teaching/Research Faculty		\$12,200.0
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C. Academic Programs		\$9,575.0
1. Health Professional Education	\$3,000.0	
2. Expansion of General Education Program	500.0	
3. Addressing Critical Societal Issues	3,000.0	
4. P-16 Programs	2,000.0	
5. Online Instruction	250.0	
6. IGPA	75.0	
7. Entrepreneurial Education	250.0	
8. Economic Development	500.0	
II. Addressing Deferred Maintenance		\$9,483.5
A. O & M New Areas		\$3,483.5
1. Chicago Project	\$1,278.2	
2. Urbana-Champaign Projects	2,205.3	
B. Facilities Renovation Support		\$6,000.0
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III. Meeting Inflationary Costs		\$13,145.1
A. Other Payroll Costs		\$1,700.0
1. Medicare	\$300.0	
2. Workers' Compensation	900.0	
3. Legal Liability	500.0	
B. Price Increases		\$11,445.1
1. General Price Increases - 2%	\$3,378.0	
2. Utilities Price Increases - 7.7%	5,484.8	
3. Library Price Increases - 10%	1,982.3	
4. Information Technology Price Increases - 5%	600.0	
Total Request		\$83,663.6
<i>% of FY 2006 Base *</i>		<i>7.05%</i>
IV. Statewide Program (FSI)		\$78.1
V. Medical Professional Liability Insurance		\$12,000.0
VI. Statewide Economic Development (Technology Commercialization)		\$3,000.0
VII. Addenda (Ensuring Access - Financial Aid)		\$7,400.0

* FY 2006 Base: \$1,186,497.8

Table 2 - Revised
FY 2007 CAPITAL BUDGET REQUEST
SUMMARY BY PRIORITY AND CAMPUS
(Dollars in Thousands)

Priority	Project	Chicago	Springfield	Urbana	Total	Cumulative
1	Repair and Renovation	\$ 8,331.8	\$ 687.4	\$ 12,450.8	\$ 21,470.0	\$ 21,470.0
2	Deferred Maintenance	8,000.0	125.0	12,000.0	20,125.0	41,595.0
3	Lincoln Hall Remodeling			50,800.0	50,800.0	92,395.0
4	Campus Code Compliance Infrastructure	26,359.5			26,359.5	118,754.5
5	South Farms Realignment			131,300.0	131,300.0	250,054.5
6	Electrical & Computer Engineering Bldg. (Match)			30,000.0	30,000.0	280,054.5
7	Rockford Building Addition	12,000.0			12,000.0	292,054.5
8	General Use Classroom Renovations	8,000.0			8,000.0	300,054.5
9	Rehab Metal Buildings/Library		4,000.0		4,000.0	304,054.5
10	Applied Health Sciences Building Infrastructure	31,000.0			31,000.0	335,054.5
		<u>\$ 93,691.3</u>	<u>\$ 4,812.4</u>	<u>\$ 236,550.8</u>	<u>\$ 335,054.5</u>	<u>\$ 335,054.5</u>