



University Budgeting

Dean of Students Retreat

August 3, 2016



Today's Objectives

- Major funding sources & operating budget
- State and University budget background
- University budget process & planning

Major University Operating Funds

- **Unrestricted Funds:**
 - State Appropriations:
 - General revenue funding from State of Illinois
 - Income Fund:
 - Tuition income and other miscellaneous income (e.g., Library/IT student fee, interest, etc.)
 - Institutional Funds:
 - Indirect cost recovery (ICR) from sponsored research programs
 - Royalties from patents, copyright and licensing activities
 - Administrative allowances from overhead charges to auxiliaries and other self-supporting functions

Major University Operating Funds

- **Restricted Funds:**
 - Sponsored Programs:
 - Primarily federal grants for research activities (NIH, NSF, etc)
 - Federal Appropriations:
 - Funds provided by Federal Govt for agriculture programs in ACES
 - Private Gift & Endowment Income:
 - Gift funds received from donors in support of the University's annual operating budget.
 - Endowment funds - investment income on endowments for use in annual operating budget.

Major University Operating Funds

- **Restricted Funds Cont'd:**
 - Auxiliaries and Departmental Operations
 - Units generating revenue from sale of products and services e.g., Housing, Assembly Hall, Illini Union, UI bookstore, DIA, Parking, Vet Clinics, etc.
 - Most student fees are deposited into these types of funds
 - Academic Facilities Maintenance Fund Assessment (AFMFA)
 - Fee initiated in 2007 to assist with University's deferred maintenance backlog.

OPERATING BUDGET



FY 2017 Budget ... TBD

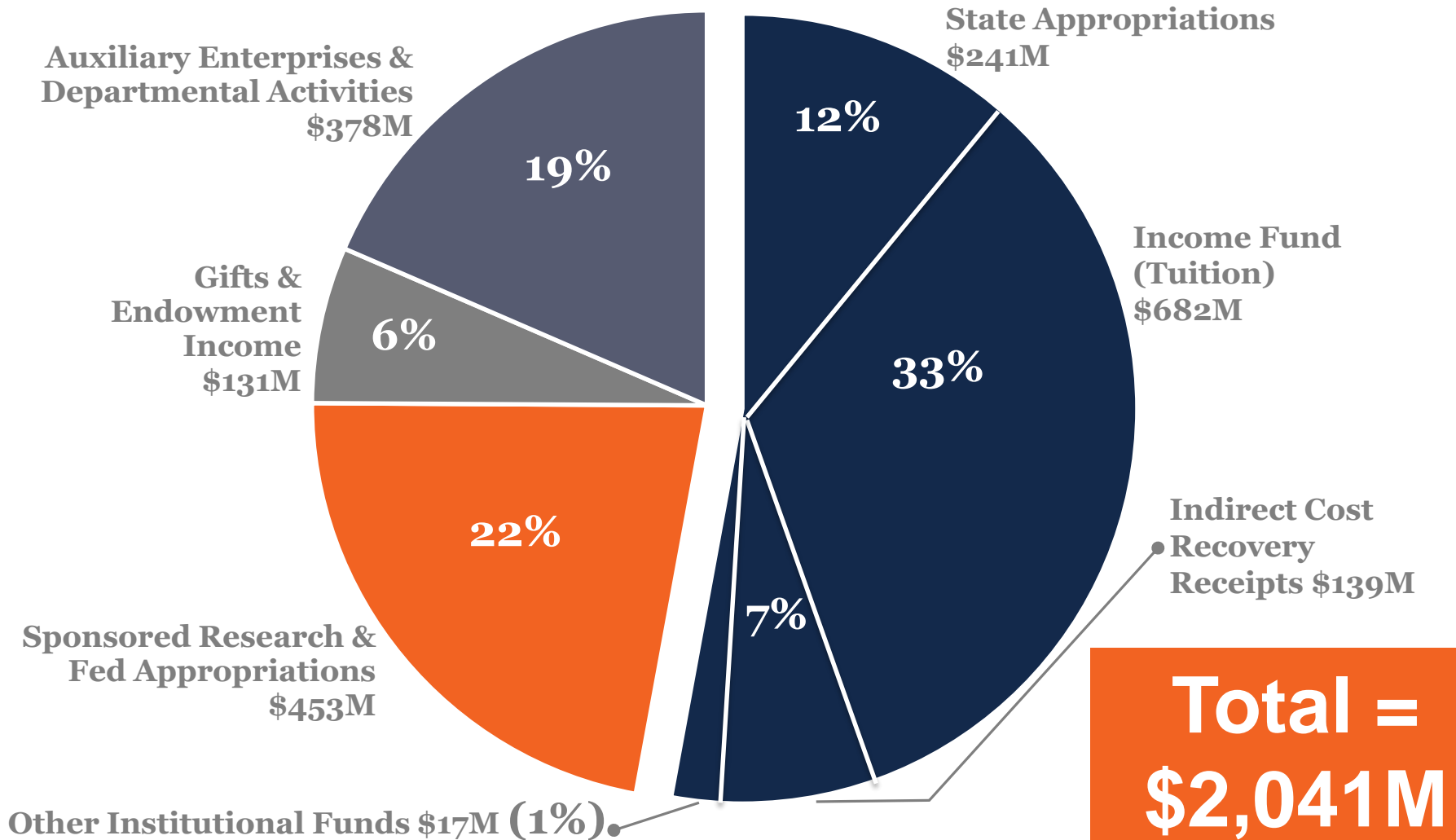


FY 15 UIUC Budget by Fund

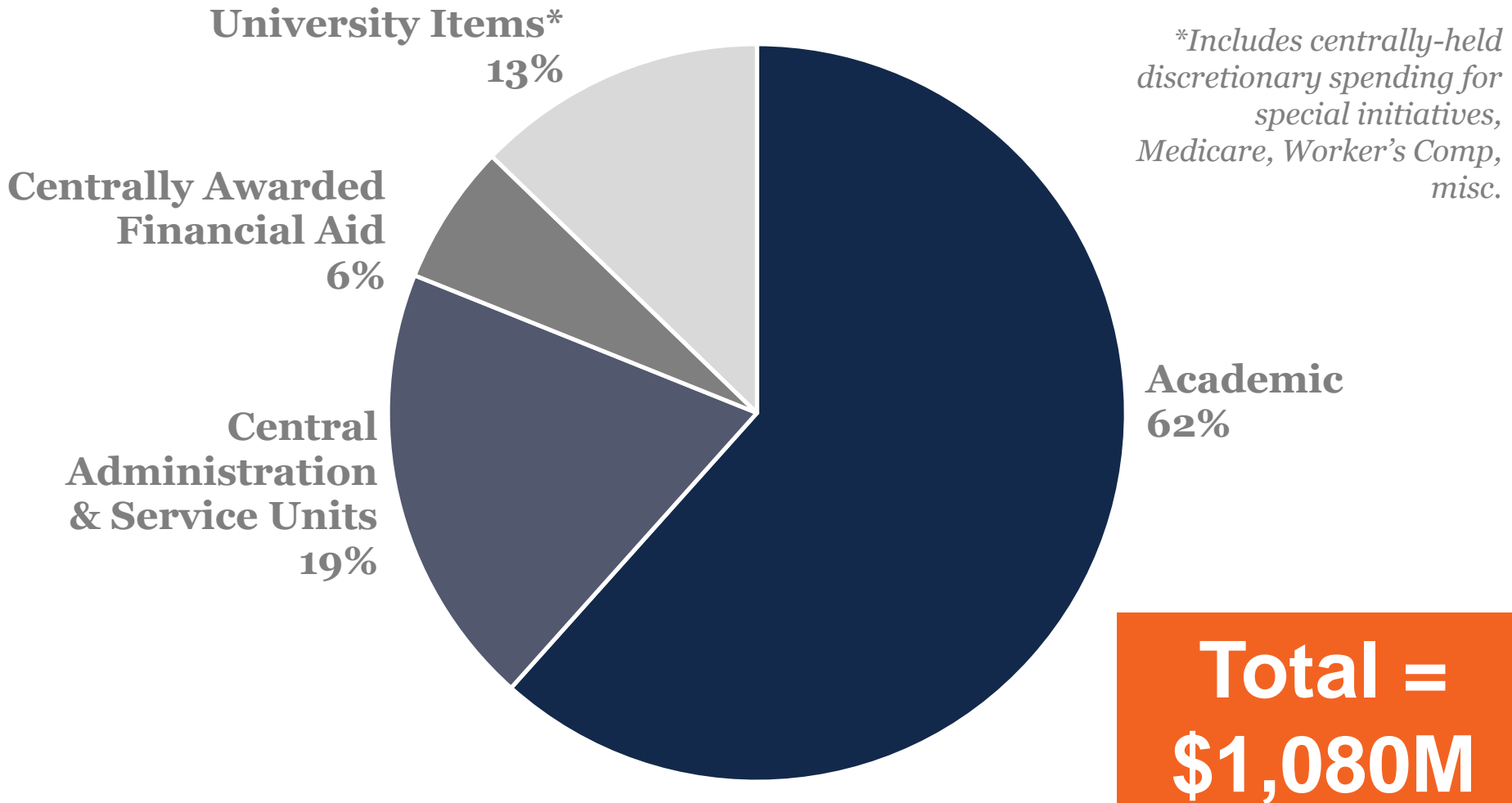
(dollars in thousands)

| | |
|--|---------------------|
| State Appropriations | \$241,036 |
| Income Fund (Tuition) | 681,939 |
| Indirect Cost Recovery | 139,019 |
| Other Institutional Funds | 17,544 |
| Sponsored Research & Fed Appropriations | 453,218 |
| Gifts & Endowment Income | 130,748 |
| Departmental Activities | 134,482 |
| Auxiliary Enterprises | 243,190 |
| Total | \$ 2,041,176 |

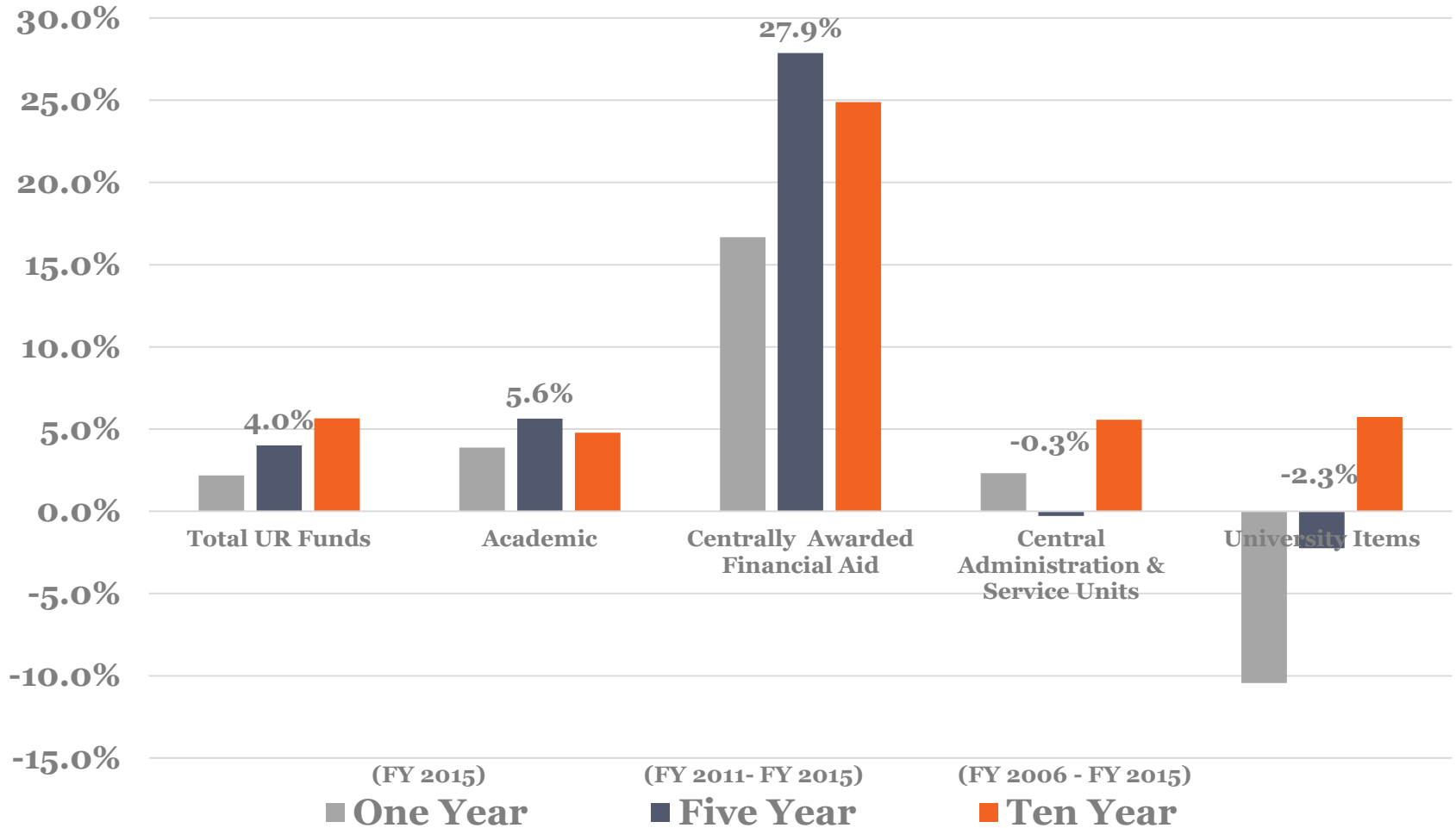
Budget Sources (FY15)



Budget Allocations FY15 (Unrestricted)



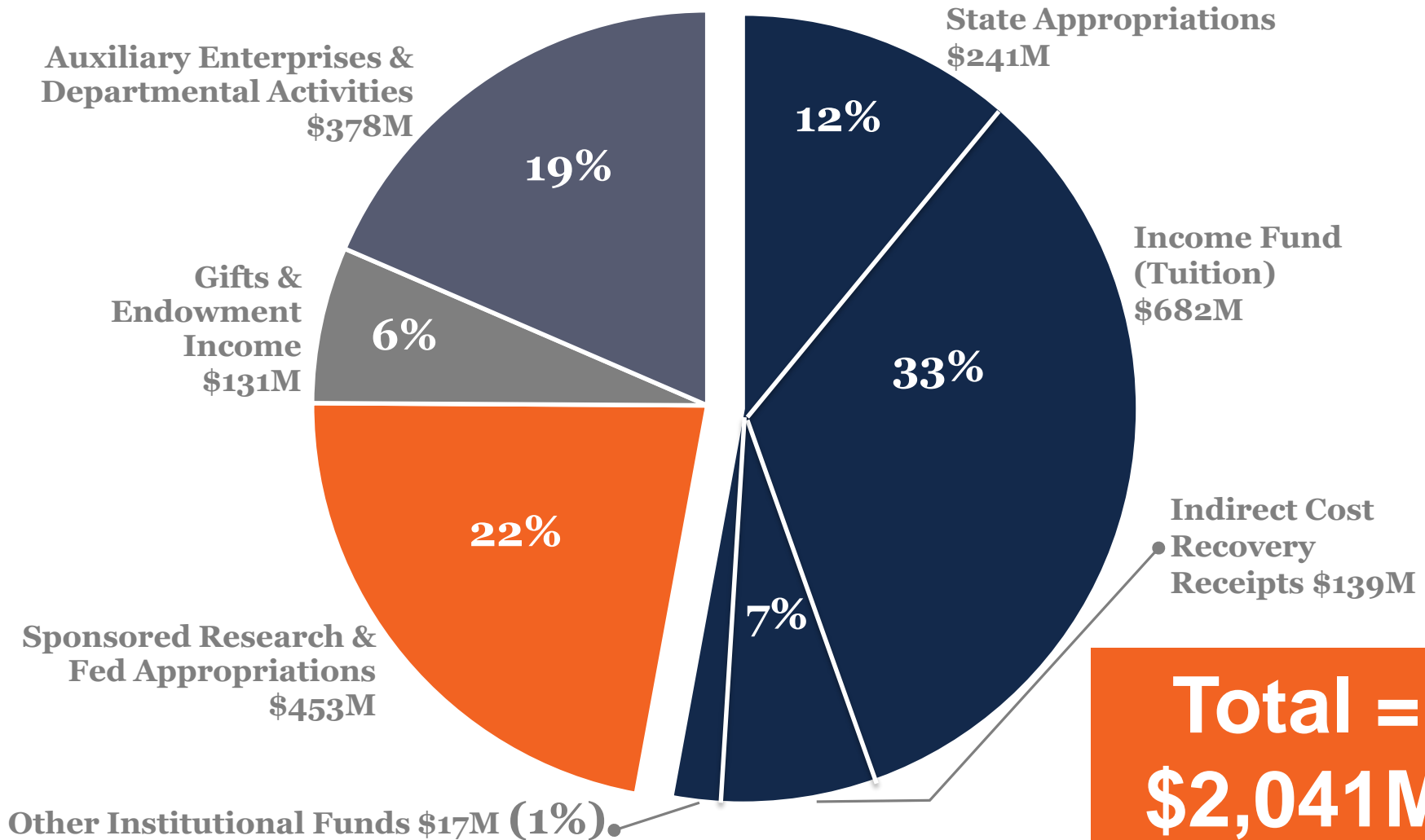
Budget Average Annual Growth



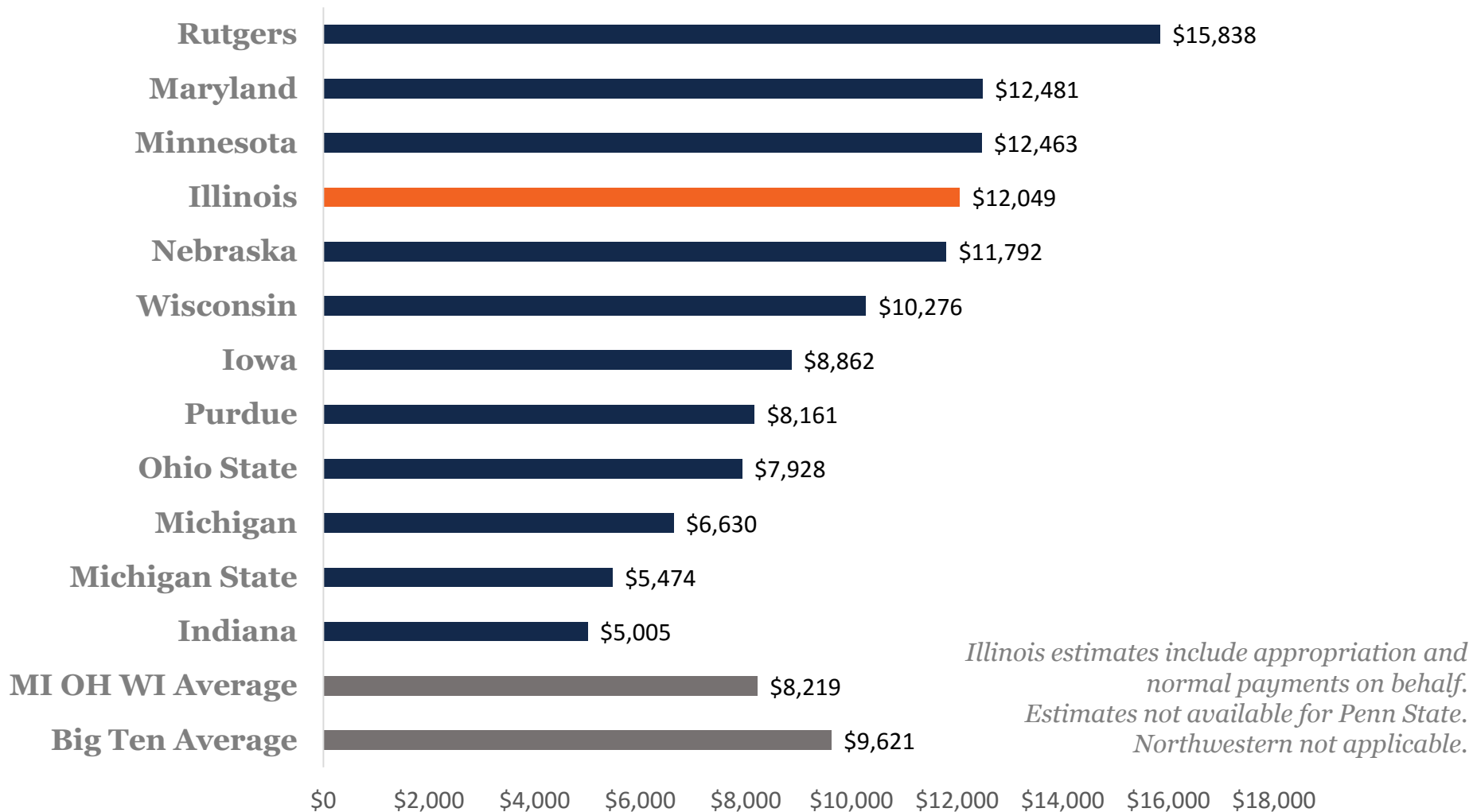
Summary of Changes in Growth

- Unrestricted sources add up to slightly over half of our budgeted revenues
- Growth in unrestricted sources is slowing overall
- Our investments in financial aid have been substantial
- Growth in central administration, services, and costs has slowed significantly

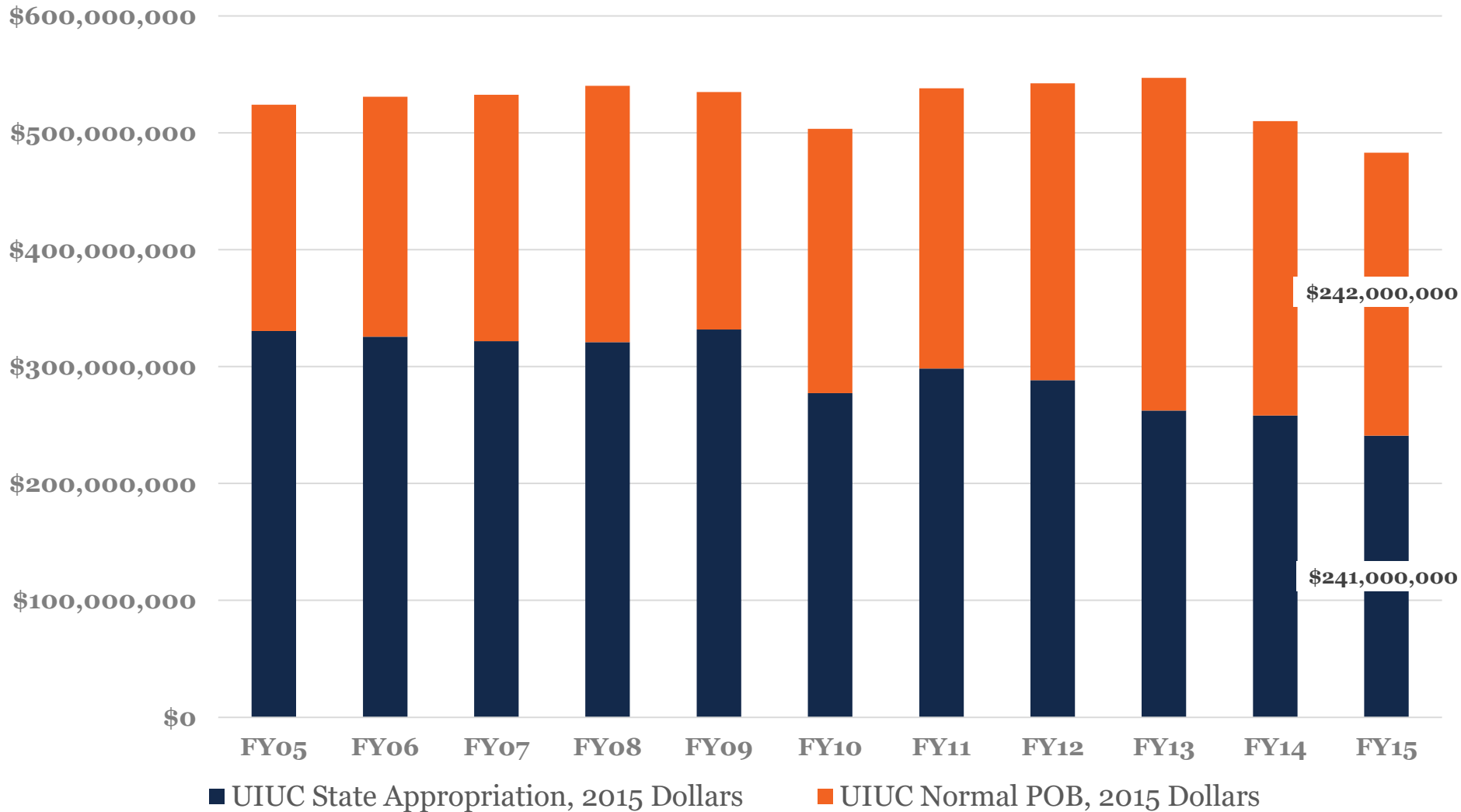
Budget Sources (FY15)



Estimated State Support per Student, FY14



Ten-Year State Funding Trend



PATH FORWARD

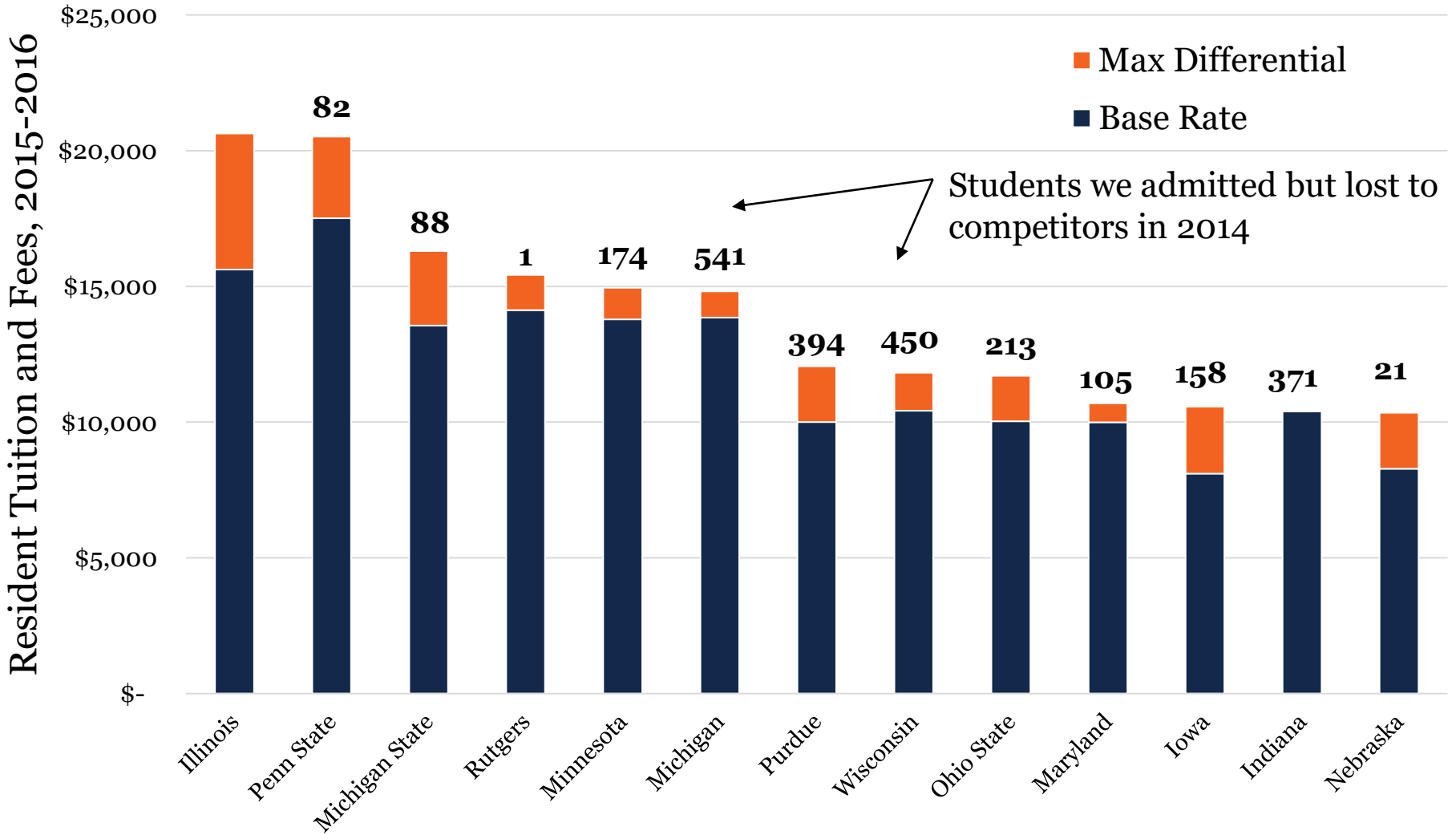
MOVING FORWARD

Sustained
STATE COMMITMENT?

MOVING FORWARD

Increase
TUITION RATES?

Raise tuition?



FY 2017 Planning

Developing plans to reduce dependence on State of Illinois support of 50% over 8-10 years

- Reallocations/reductions \$20M in FY 2017
- Challenging for all units
- Critical step to maintaining long-term viability as an institution

Budget Reform

- University visits
 - Alternative models
 - Implementation issues
 - Data systems
 - Budget offices
- Consultants and advisory panels
- Campus steering committee

Summary

- Provost and staff are committed to preserving and enhancing:
 - **Excellence** across land grant mission areas
 - **Affordability** and **accessibility** for our students
 - **Innovation** in teaching, research and outreach

Questions?

