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UI trustees approve new budget

By *Paul Wood*

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Thu, 09/23/2010 - 11:17pm | [Paul Wood](#) [1]  [2]

URBANA – Following a report that said the state budget is doomed without pension reform, the University of Illinois Board of Trustees adopted a 3.9 percent increase in its operating budget.

The UI's total budget for the 2011 fiscal year, which began July 1, is almost \$4.8 billion for the three campus.

The direct state appropriation for operating funds from the state is \$700.3 million, a \$46.9 million (6.3 percent) reduction from 2010.

The fiscal 2011 University Income Fund, made up mainly of tuition dollars, increased by \$102.8 million to \$833.8 million, a 14.1 percent increase over the previous year.

Comptroller Walter Knorr told the board, which met Thursday at the Illini Union, that the state was behind \$245 million, despite a recent \$78 million payment.

Knorr said state payments seem to coincide with trustees meetings.

"We should meet more often," Hogan said.

UI alumnus Eden Martin, president of the Commercial Club of Chicago, reported to the board that pension and health benefits are a growing drain on the state economy, creating a "structural deficit."

Even a large income tax increase might not offset the growth, he added.

Martin suggested "feathering in" higher retirement ages for state employees as one way to cut costs.

UI President Michael Hogan talked about, for the first time in an open meeting, a reorganization of vice presidents and chancellors in the UI system.

"We face a very serious budget situation in the years ahead and must take advantage of these efficiencies as soon as possible," he said, agreeing with trustees' suggestions that administrative costs could be trimmed 5 percent to 10 percent in the next two years.

The reorganization would make each campus chancellor a vice president, reorganize one vice president's duties and add a new vice president.

Asked about possible plans to add a fourth UI vice president to oversee health services, Hogan said one-third of the university's budget is tied up in health-care enterprises across the state. Many other universities have created similar posts, recognizing the complexities of managing clinical enterprises, he said.

He also said the number of top UI administrators – counting the president, vice presidents, chancellors, vice chancellors and deans – has stayed between 69 and 72 for more than a dozen years. The expansion has come at the assistant and associate levels, he said.

Hogan told the board his team would like to create a vice president for health affairs and adding the university's vast research portfolio to the duties of the vice president for technology and economic development.

All would report to the president, who reports to the board.

The UI's statutes call for consultation with faculty on the three campuses through the campus senates and University Senates Conference. Hogan asked the senates to report back to the board at its scheduled Nov. 18 meeting in Chicago.

The board also approved Robert J. Hauser, professor of agricultural and consumer economics and interim dean of the College of Agricultural, Consumer and Environmental Sciences, as dean of the college. The board also approved an interim chancellor for the Springfield campus, Harry Berman, and conferred emeritus status on retiring UI Springfield Chancellor Richard Ringeisen.

Trustees also approved the UI's 2012 capital budget request of \$506.7 million, with the Natural History Building near the top of the list.

The board also passed a resolution calling for 22 percent minority- and female-owned companies' participation in Chicago and 15 percent downstate.

The previous goal for Urbana building projects was 6 percent for general construction and 4 percent for electrical and plumbing, he noted. The state mandates 10 percent overall. The UI is working with bidding firms, with the expectation that some will be qualified as minority firms.

Members of the Campus Labor Coalition rallied outside the Illini Union.

They asked the trustees to adopt policies that restore and retain jobs, provide tuition relief and reflect logical spending priorities.

The group asked for cuts in administration, and the call was seconded by students in the public speaking section.

UI student Ben Rothschild called for a tuition increase and for Hogan to return some of

his salary.

News-Gazette writer Julie Wurth contributed to this story.

[News](#) ^[3] [Politics and Government](#) ^[4] [University of Illinois](#) ^[5] [Champaign](#) ^[6]
[Champaign County](#) ^[7] [Local](#) ^[8] [Chicago](#) ^[9] [Urbana](#) ^[10] [Springfield](#) ^[11] [State](#) ^[12]
[Paul Wood](#) ^[1] [Budget](#) ^[13] [state budget](#) ^[14] [University of Illinois Board of Trustees](#) ^[15]
[vice presidents](#) ^[16]

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Links:

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- [2] http://www.news-gazette.com/contact_author/372401
- [3] <http://www.news-gazette.com/category/news>
- [4] <http://www.news-gazette.com/category/news/politics-and-government>
- [5] <http://www.news-gazette.com/category/news/university-illinois>
- [6] <http://www.news-gazette.com/location/local/champaign-county/champaign>
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- [10] <http://www.news-gazette.com/location/local/champaign-county/urbana>
- [11] <http://www.news-gazette.com/location/state/springfield>
- [12] <http://www.news-gazette.com/location/state>
- [13] <http://www.news-gazette.com/tag/budget>
- [14] <http://www.news-gazette.com/tag/state-budget>
- [15] <http://www.news-gazette.com/tag/university-illinois-board-trustees>
- [16] <http://www.news-gazette.com/tag/vice-presidents>