



University of Illinois
at Springfield

UIS Financial Planning Presentation to the Campus Senate Harry J. Berman, Provost

February 12, 2010

UIS Financial Planning

- **UIS Budget in Context – The Big Picture**
- **FY10 Budget Developments and Planning**
- **FY11 Planning Philosophy and Process**
- **FY11 Preliminary Assessment**
- **Long Term Financial Sustainability**

UIS Budget in Context

State of Illinois Budget FY10 - ~\$50 Billion

State General Funds Budget FY10 - ~\$26 Billion

U of I Appropriated Budget FY10 - \$.75 Billion

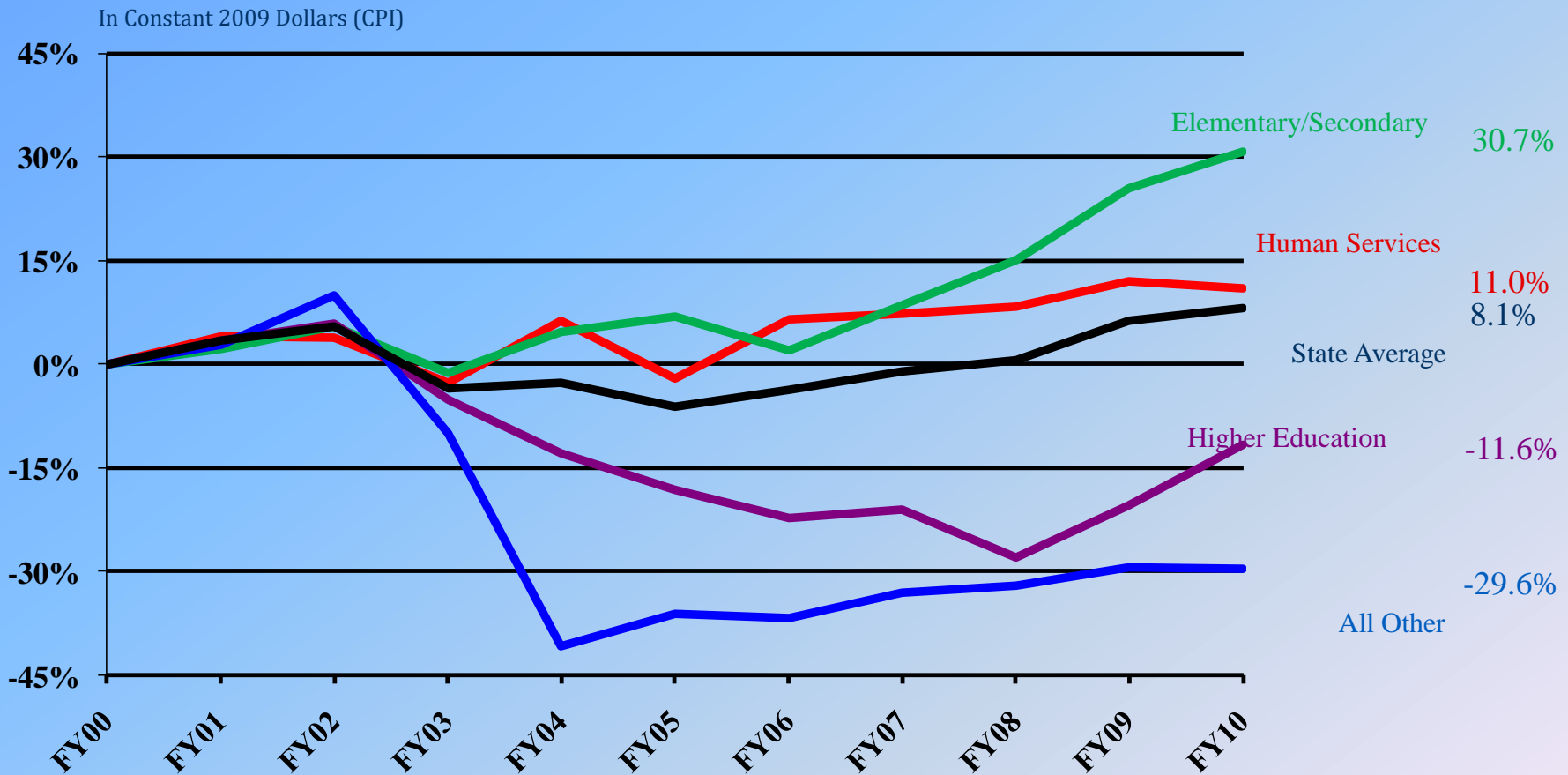
U of I receives less than 3% of General Funds

U of I Total Operating Budget FY10 - ~\$4.6 Billion

UIS Total Operating Budget FY10 - ~\$73 Million

UIS is less than 2% of U of I Budget

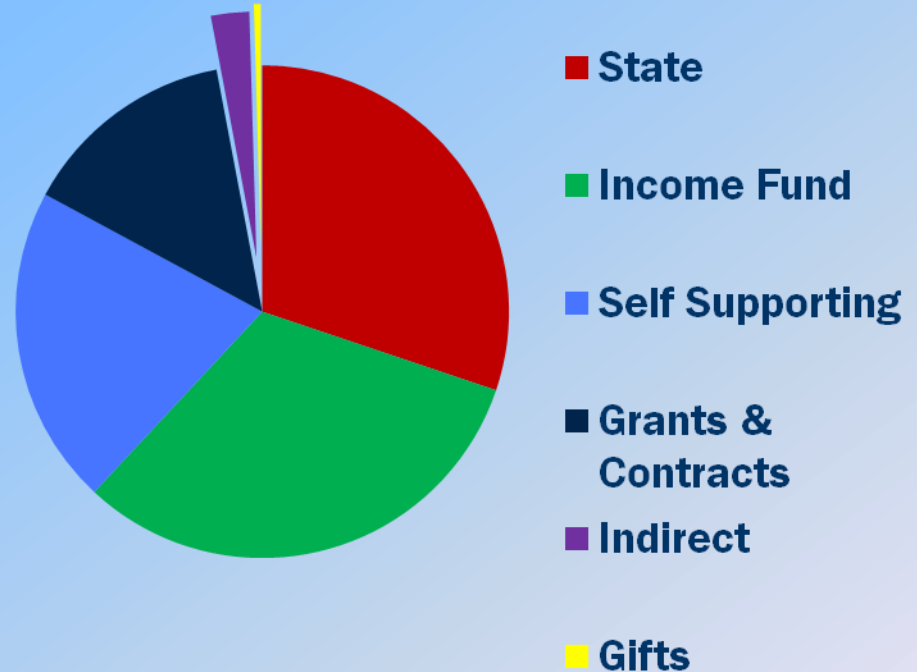
State Tax Appropriation Changes by Agency



FY02 - FY10 exclude \$45 million from higher education for Health Insurance payment to CMS.
 FY 2010 retirement systems include full funding from pension obligation bonds.

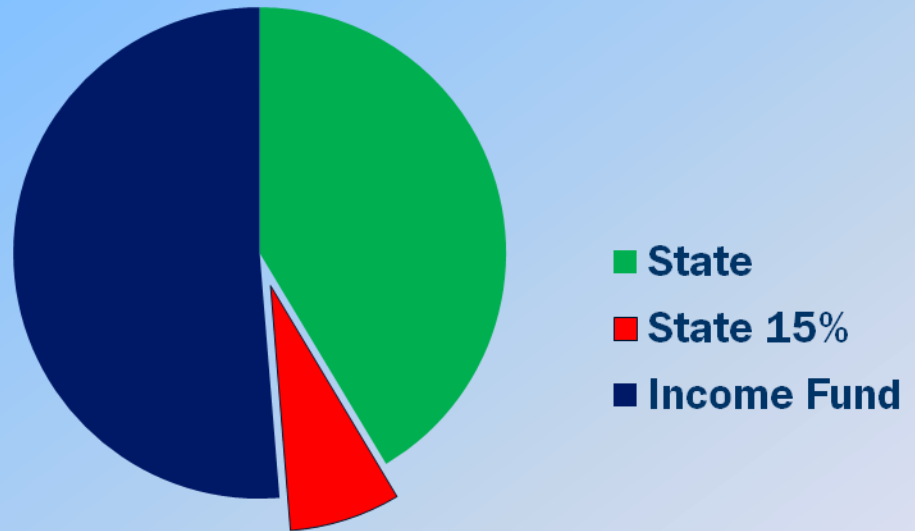
UIS Total Budget Components

■ State GRF	\$ 21,995
■ Income Fund	23,157
■ Self Supporting	15,279
■ Grants & Contracts	10,307
■ Gifts	1,830
■ Indirect	341
Total	\$72,909



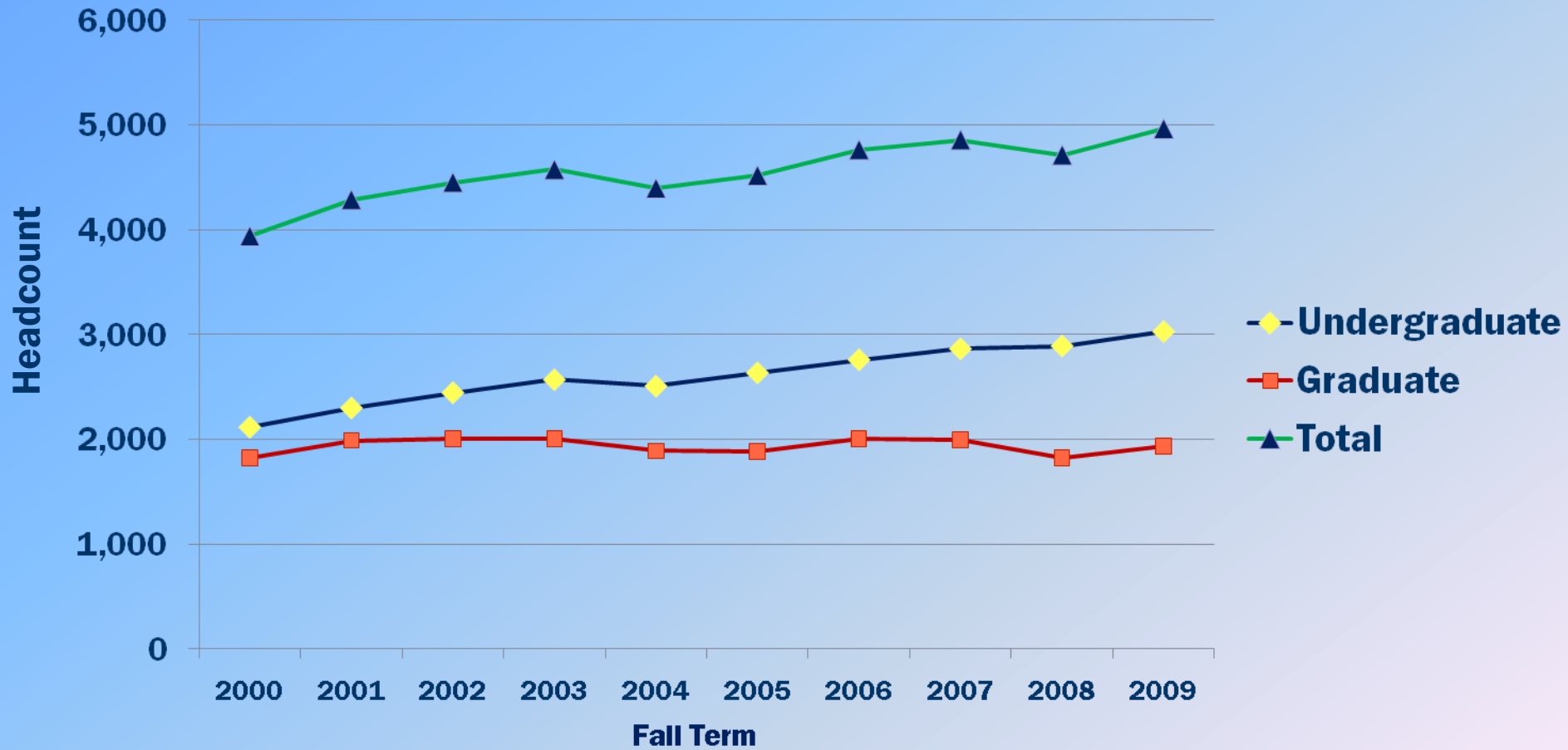
UIS Operating Budget Components

■ State GRF	\$ 21,995
■ Income Fund	23,157
Total	\$45,152

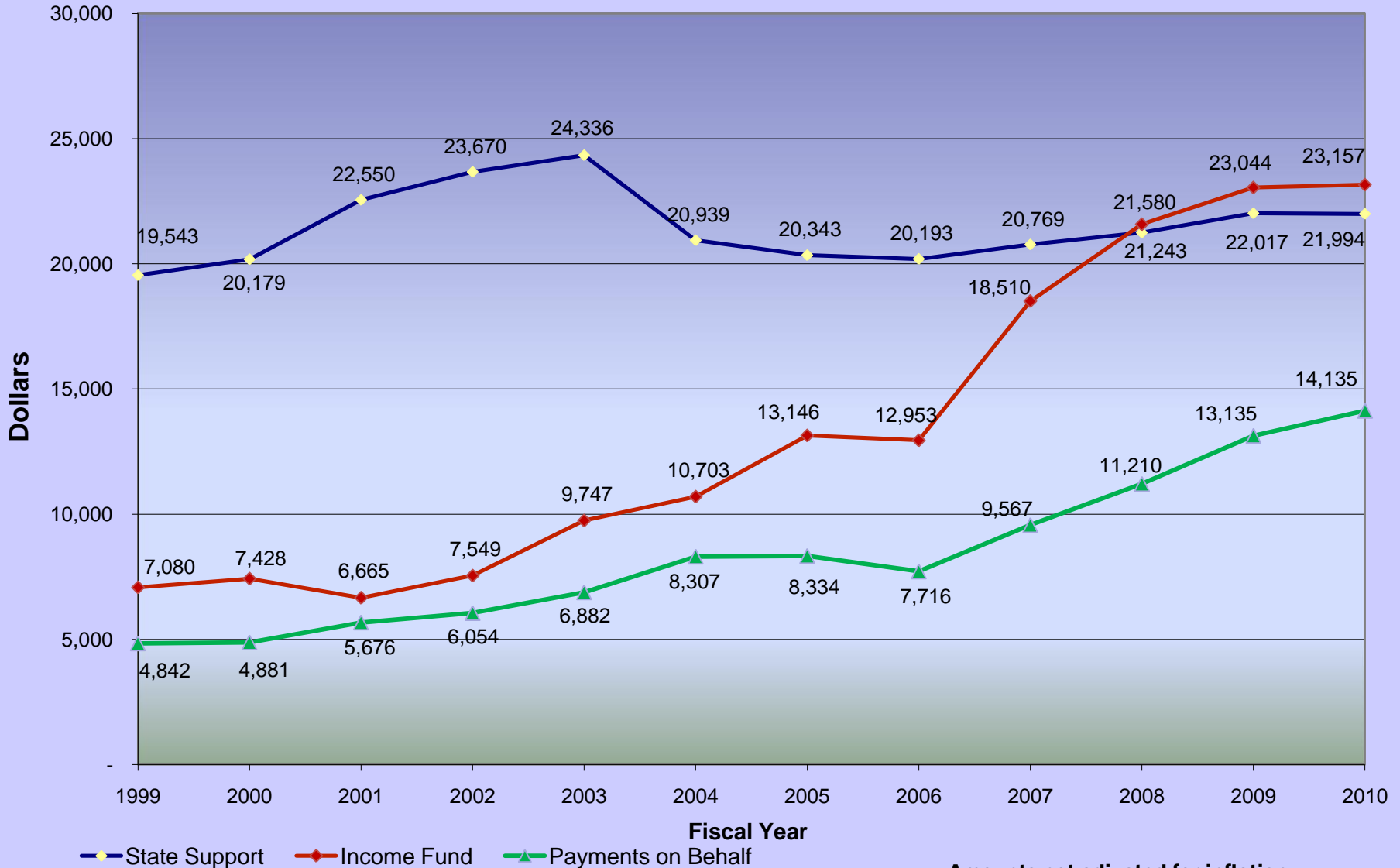


A 15% reduction in State GRF equates to approximately a 7.5% cut to the UIS operating budget. Without utilities, Medicare and other fixed costs, the percentage increases to 8.3%.

UIS Enrollments

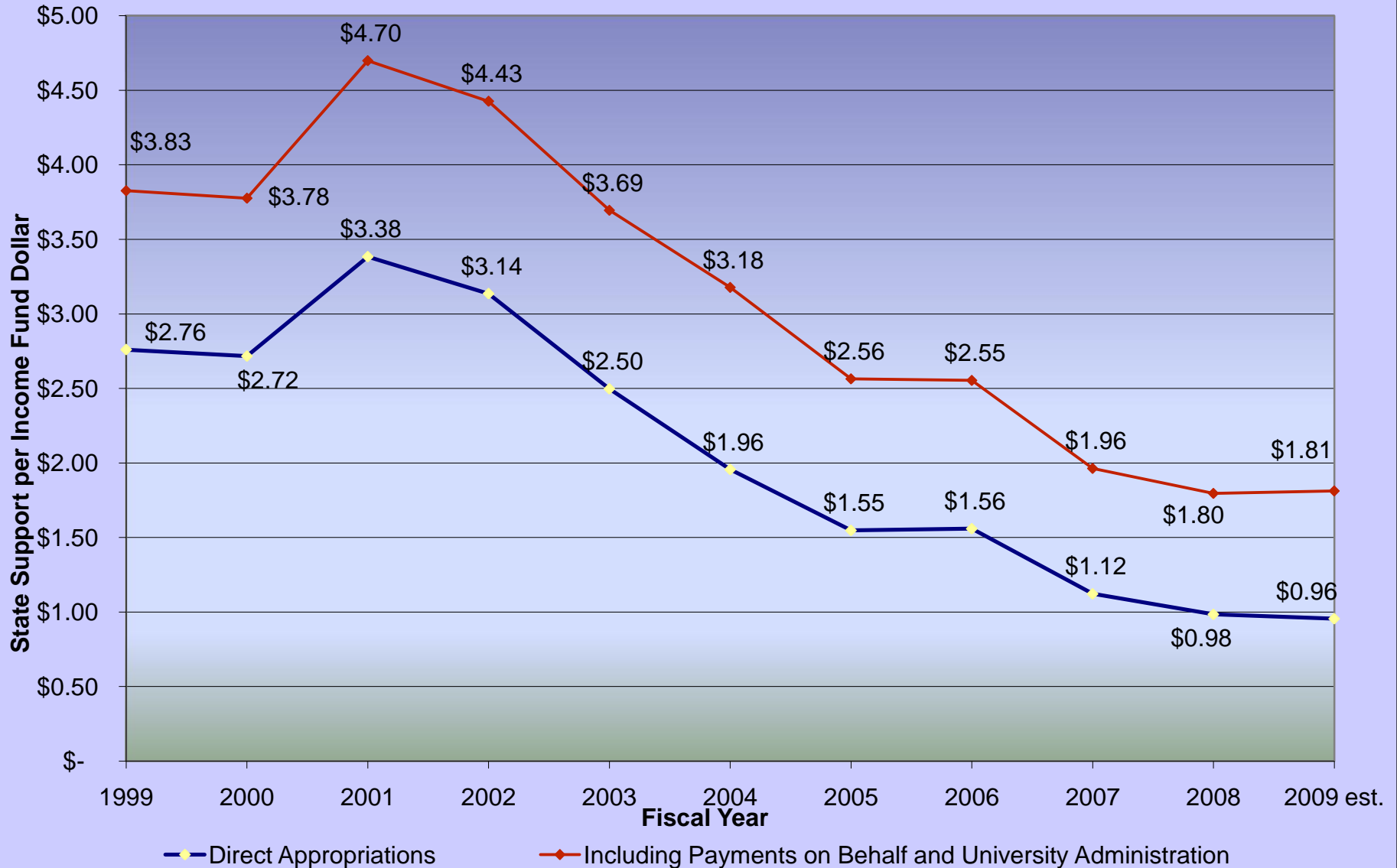


University of Illinois at Springfield State Support And Income Fund FY1999-2010



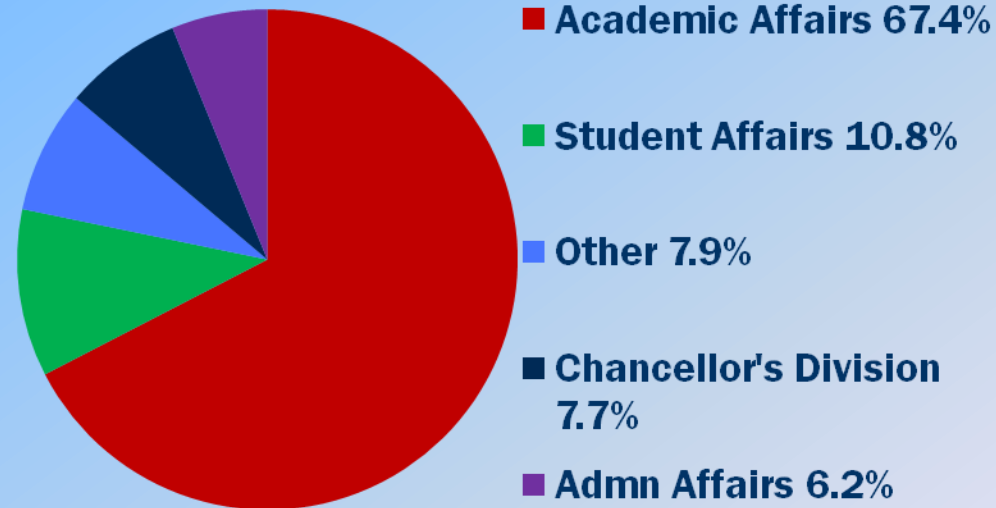
Amounts not adjusted for inflation

University of Illinois at Springfield State Support per Income Fund Dollar FY1999-2009



UIS Operating Budget by Division

■ Academic Affairs	\$ 30,440
■ Student Affairs	4,887
■ Utilities/Medicare, etc.	3,577
■ Chancellor's Division	3,452
■ Administrative Affairs	2,796
Total	\$45,152



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FY10 Budget Developments

- **Early Warning – 2009 late state payments**
- **July 2009 – Held back \$20 million, began interim furlough planning, changed language in NOA**
- **September 2009 – Soft Freeze at UIS continues**
- **October 2009 – Cash Crisis emerges as state falls behind by \$250 million to U of I**
- **November 2009 – 6% reduction planning**
- **December 2009 – state receivables reaches \$436 million – Hard Freeze – Furlough Policy implemented**

FY10 Set Aside Plan January 2010

- **University Plans for State Payment Backlog and Potential Rescission are put in action:**
 - **University Reserves (2.5%, \$20 million)**
 - **Campus Pullback (6% university target, \$45 million - \$1.5 million for UIS)**
 - **Furlough policy (university target of \$17 million)**
- **Overall Set Aside of up to 11% of Operating Budget for FY10 – Approx. 1.5 months of non payment**

FY10 Set Aside Plan at UIS

- **Income Fund Cash Carryover \$860 thousand**
- **Reserves \$550 thousand**
- **Utility Savings \$90 thousand**
 - **Thermostats have been lowered two degrees in winter and raised two degrees in summer**
- **The 6% set aside for FY10 did not require reductions at the college or unit level**

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FY11 Planning

- **University Planning for State Reduction of 15%**
 - **For UIS, a 15% reduction in state funds translates to an overall operating budget reduction of 8.3% or \$3.3 million**
 - **Some budgets are exempt including Medicare, Liability Insurance, Utilities, Workers Compensation, Fire Protection, etc.**

FY11 Planning Philosophy

- **Protect our core instructional mission and student recruiting and retention efforts to the degree possible**
- **Some units will take a higher percentage reduction while some units will take a lower percentage reduction dependant upon their centrality to our core mission.**

FY11 Planning Process

- **Chancellor and Provost consulted with Deans and Division Heads**
- **Deans consulted with college executive committees**

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FY11 Preliminary Assessment

- **Reduction in vacant faculty lines or non-renewal of clinical/visiting positions (18.2 FTE, \$698 thousand)**
- **Reduction in AP positions including moves to non-state funds (16.1 FTE, \$803 thousand)**
- **Reduction in Staff positions (17.5 FTE, \$525 thousand)**
- **Reduction in centrally funded GA positions (13 positions, \$106 thousand)**
- **Reduction in part-time & summer budgets (282 sections, \$532 thousand)**
 - **Potential associated loss in tuition revenue of up to \$4.7 million if none of the affected students can register in other courses and/or sections**
- **Operating budget reductions: equipment, commodities, travel, etc. (\$706 thousand)**
 - **These reductions are not sustainable over the long term**

FY11 Mitigating Factors

- **Reallocation from non-instructional units**
- **Reduction in State Funds less than 15%**
 - **ARRA requirement**
- **FY11 Tuition Program**
 - **There will be a tuition increase in FY11**
- **FY11 Enrollment**
 - **We could grow ourselves out of this financial crisis**

UIS Financial Planning

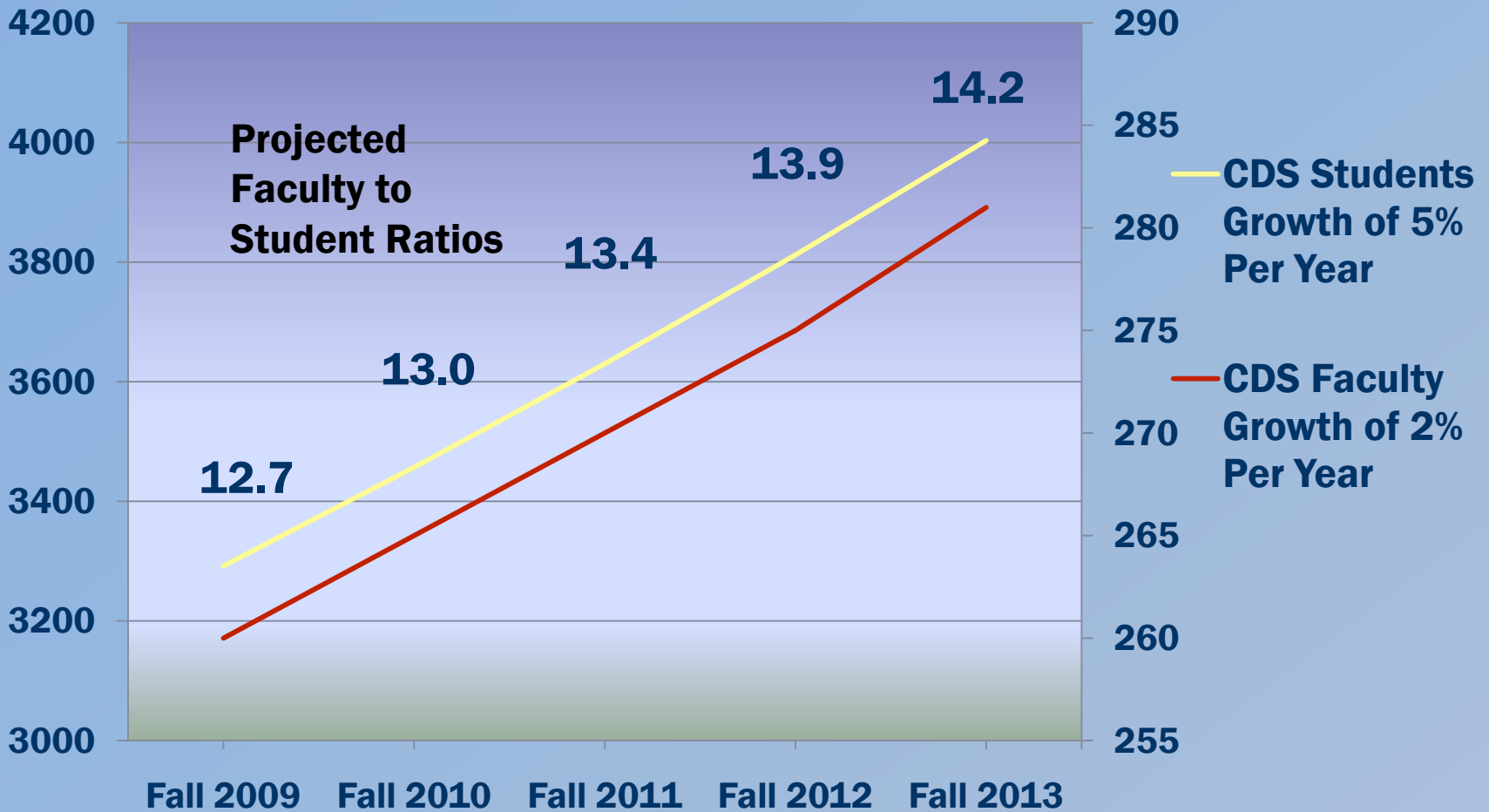
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Long Term Financial Sustainability

- **Instructional Resource Management**
 - **Spring 2010 online enrollments**
- **Administrative Review and Restructuring**
 - **Procurement**
 - **IT**
- **Recruitment and Retention**
 - **Geographic Diversity Program**
 - **Increasing private scholarships**
 - **International and Transfer recruiting**

Long Term Financial Sustainability

Hypothetical Student and Faculty Growth



Budget Overview

Questions?



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