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
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
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%.
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

Fiscal Year

State Support per Income Fund Dollar

$- $0.50 $1.00 $1.50 $2.00 $2.50 $3.00 $3.50 $4.00 $4.50 $5.00


Direct Appropriations
Including Payments on Behalf and University Administration
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
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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
Hypothetical Student and Faculty Growth

- **Projected Faculty to Student Ratios**
  - Fall 2009: 12.7
  - Fall 2010: 13.0
  - Fall 2011: 13.4
  - Fall 2012: 13.9
  - Fall 2013: 14.2

- **CDS Students Growth of 5% Per Year**
  - Fall 2009: 3000
  - Fall 2010: 3400
  - Fall 2011: 3800
  - Fall 2012: 4200
  - Fall 2013: 4600

- **CDS Faculty Growth of 2% Per Year**
  - Fall 2009: 255
  - Fall 2010: 265
  - Fall 2011: 275
  - Fall 2012: 285
  - Fall 2013: 295

**Long Term Financial Sustainability**
Budget Overview

Questions?
Campus Senate
Budget Overview
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