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U of I Board holds line on room-and-board
Adopts tuition parameters tied to inflation rate

CHICAGO, Ill. – The University of Illinois Board of Trustees on Thursday set room-and-board rates for the 2011-12 academic year, with increases that are generally lower than a year ago as the University seeks to hold down student costs that have risen over the last decade as state funding declined.

The new room-and-board rates are effective with the upcoming summer semester on each of its three campuses. The board will set tuition for the 2011-12 academic year in March, and trustees also updated University tuition guidelines Thursday as part of an effort to hold increases to the rate of inflation over the next three years.

“Affordability is critical, and we are committed to holding costs in check to ease the burden on families that has grown as state financial support for the University has withered over the last decade,” President Michael J. Hogan said.

Undergraduate room-and-board costs at the Urbana-Champaign campus will increase 4 percent, based on a standard room and meal plan. Annual costs for a double-occupancy room and 14-meal-per-week plan will increase \$366 to \$9,452, up from \$9,086 for the 2010-11 school year.

Under a new policy, the nearly 44,000-student Urbana campus also will lock in room-and-board rates for up to four years for students who continue to live in campus residence halls, similar to the four-year guarantee on tuition.

The room-and-board guarantee is a move to enhance affordability, and make long-range costs more predictable for students and parents, officials said. Students will pay the lower rate if they move back into campus residence halls in consecutive years, with no cap on the number of years that the rate will apply. There will be exceptions for students who leave campus for a semester for student teaching, internships or study abroad.

At the Chicago campus, the cost for a double-occupancy room and 14-meal plan will increase 2 percent, or \$194, from \$9,668 to \$9,862. At the Springfield campus, the cost for a

double-occupancy room in Lincoln Residence Hall with a full meal plan will rise 2.9 percent, or \$270, from \$9,400 to \$9,670.

Room-and-board increases are lower than 2010-11 on the Urbana-Champaign and Chicago campuses, and up slightly for the Springfield campus. For the current academic year, rates rose 4.6 in Urbana-Champaign, 6 percent in Chicago, and 2.2 percent in Springfield.

The costs cover expenses such as operations, utilities, food and maintenance, and also finance ongoing efforts to replace and upgrade campus housing facilities. Of the 4 percent increase in Urbana, for example, half will cover debt service on a program that started last year with the opening of Nugent Hall and seeks to replace all campus residence halls within 30 years.

The Board delayed action on the full student fee package until its March meeting.

Tuition

Trustees approved a resolution updating 1995 guidelines on tuition policy. The Board's objective is to provide greater predictability in setting tuition by hewing to an inflation-adjusted line of growth that provides resources to sustain academic quality, address crucial operational needs and meet inflationary and essential costs.

"The Board's hope is to keep tuition flat on an inflation-adjusted basis," said Chairman Christopher Kennedy.

Tuition recommendations for Board approval "shall include a comparison to the most recent four-year average annual rate of inflation using an appropriate, nationally recognized price index," the resolution states. "The impact of any increase or reduction in the state's general revenue fund appropriation from the prior fiscal year appropriation amount shall also be presented, compounded to the guaranteed rate. The University's ongoing costs reduction efforts shall be taken into account when determining any tuition rate recommendation."

Since the state's guaranteed four-year tuition took effect in 2004, U of I tuition increases have averaged about 3.6 percent on an annualized basis.

Cost reductions

An administrative streamlining initiative launched last summer has already saved the University more than \$5 million through consolidated communications systems and new purchasing strategies, the board learned.

Avijit Ghosh, vice president for technology and economic development, told trustees that converging data and voice communication and other information technology projects have netted recurring annual savings of nearly \$2.4 million, which could grow to more than \$8 million a year when fully implemented.

Ghosh also said the University saved \$3.2 million in the first quarter of fiscal 2011 through new strategic purchasing agreements that leverage the buying power of its three campuses. A recently completed contract for office supplies has the potential to save an additional \$2.5 million a year, and a similar deal for computers could save \$1.7 million annually, he said.

The communications and purchasing initiatives are just part of the proposed efficiencies in an Administrative Review and Restructuring plan, which seeks to improve services and reduce costs by streamlining business operations. The plan also calls for cost-saving measures in human resources and capital spending.

The plan was released last June in response to declining state funding, and outlines a wide range of initiatives that would ultimately reduce costs by about \$60 million annually.

“We are progressing along a path to achieve service improvements, as well as significant cost reductions, that will allow us to continue to invest in our core academic missions even in this era of fiscal constraints,” Ghosh said.

Art initiative

Trustees adopted a policy that will use a half-percent of the budget for new construction and major renovation projects to furnish those buildings with artwork, such as paintings, murals, sculptures or ornamental fountains.

The art-in-architecture program is designed to create facilities that add distinction to each campus, serving as both a source of pride for students, faculty and staff and as a drawing card for visitors and tourism.

The program mirrors a 1977 Illinois law that sets aside the same half-percent of construction budgets to provide artwork for new state buildings.

A board-appointed panel that reviewed the U of I program said artwork is an investment, not a drain on stretched state and University resources.

“The arts enhance the reputation of campuses, creating public interest and a providing a stimulus for tourism that builds the economy,” said Ra Joy, executive director of Arts Alliance Illinois and a member of the review panel.

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The University of Illinois is a world leader in research and discovery, the largest educational institution in the state with more than 76,000 students, 24,000 faculty and staff, and campuses in Urbana-Champaign, Chicago and Springfield. The U of I awards more than 19,000 undergraduate, graduate and professional degrees annually.