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NEWS RELEASE

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U. of I. Trustees approve Fiscal 2006-07 budget request *Academic enhancements, capital priorities spelled out*

URBANA – The University of Illinois Board of Trustees today approved an operating budget request for fiscal year 2006-07 that is 7 percent, or \$83.7 million, more than the current fiscal year's operating revenues to strengthen academic quality, fix aging buildings and meet inflationary expenses.

The request, which now moves to the Illinois Board of Higher Education for review, spells out President B. Joseph White's challenge to create a brilliant future for the University, rather than accept a slow decline to mediocrity.

“We are proud of the extraordinary accomplishments of the students and faculty of the University of Illinois, but we must be realistic about the future,” White said. “The cumulative effect of cost increases and state budget difficulties in the first half of this decade eroded the resource base of the University. Although the University continues to work hard to control its budget through internal reallocations, efficiencies and modest additional tuition income, we cannot cover the entire burden of reduced state support.

“Absent sufficient resources, the University will continue to lose faculty, administrative, professional and support staff. The impact of these reductions on our high aspirations for educational access and excellence is serious and long-lasting,” White said.

The FY 2007 budget request addresses three broad categories: academic quality, facilities and inflationary expenses.

Academic quality. The budget request seeks an additional \$61 million annually to strengthen the University's educational mission by improving student-faculty ratios and attracting talented faculty to the campuses.

The funds would be used to hire additional faculty, teaching assistants and instructors, to expand critical academic and service programs and to enhance faculty and staff compensation competitiveness with peer institutions. Recruitment, retention and compensation of talented faculty and staff have lagged during the recent budget crisis at the three U. of I. institutions: the University of Illinois at Chicago (UIC), the University of Illinois at Springfield (UIS) and the University of Illinois at Urbana-Champaign (UIUC).

“We have defined the mission of the U. of I. as transforming lives and serving society by educating, creating knowledge and putting knowledge to work on a large scale and with excellence,” White said. “Aiming high in our aspirations is a necessary condition for the U. of I. to have a brilliant future. But it's not sufficient. We will also need the resources required for excellence.”

Facilities maintenance. The budget request seeks an additional \$9.5 million a year to address the deferred maintenance backlog across the three campuses and to provide operating and maintenance services for new teaching and research buildings that will open on the Chicago and Urbana campuses.

“The University of Illinois is a research powerhouse that educates 70,000 undergraduate and graduate students. They must have the most modern facilities possible in which to learn, and our scientists must have the best support possible for their inquiries,” White said.

Inflationary costs. An additional \$13.1 million a year is requested to meet inflationary increases in the costs of utilities, information technology, library acquisitions and various goods and services.

On the capital side, the FY07 budget requests spells out priorities for \$335 million invested in preserving and extending facilities already in place across the campuses and for critically important new initiatives. The highest priority is given to repair and renovation projects. The capital priorities as requested are:

- \$21.4 million for repair and renovation of University buildings at Urbana , Chicago and Springfield ;
- \$20 million for deferred maintenance;
- \$50.8 million for remodeling of the nearly century-old Lincoln Hall in Urbana ;
- \$26 million for UIC's code compliance and infrastructure improvements;
- \$131.3 million to complete the relocation of the south farm research centers for Urbana 's College of Agricultural , Consumer and Environmental Sciences;
- \$30 million to fund, with private matching gifts, a new \$60 million electrical and computer engineering building in Urbana;
- \$12 million to build an addition at the College of Medicine at Rockford ;
- \$8 million for classroom renovation at UIC;
- \$4 million to renovate vacated space in Brookens Library at UIS;
- And \$31 million to upgrade UIC's Applied Health Sciences Building.

Also today, the Board of Trustees approved a Fiscal Year 2006 operating budget of \$3.5 billion. Of that amount, \$1.186 billion comes from state appropriations and tuition. The spending priority in the budget is a general salary increase program of 2.5 to 3 percent totaling \$25.7 million.

The Board last May approved a preliminary budget for FY06, which started on July 1, of \$3.6 billion. The final version reflects a reduction of \$70 million in estimated payments for retirement and health insurance made by the state on behalf of University employees.

In other action, the Board approved academic appointments for continuing and new employees for the next year. The Board also renewed contracts with the University of Illinois Foundation and the University of Illinois Alumni Association for fundraising services and management of donor and alumni records.

The University of Illinois enrolls nearly 70,000 students on its campuses in Chicago , Springfield and Urbana-Champaign, educates several thousand more off-campus and has more than 540,000 alumni. The state's top educator, the U. of I. awards more than 17,000 degrees each year.

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Reporters/editors/news directors: Agenda Item No. 11 is the fiscal 2007 budget request for both operating and capital funds. [Click here for a table from that item.](#) For more details, see the "Green Book" mailed to many of you this week, or call the Office for University Relations at (217) 333-6400. See also Agenda Item No. 9, the fiscal 2006 final budget and its companion "Orange Book."