UNIVERSITY OF ILLINOIS
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News Release

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(Note to journalists: Publication-quality photograph of President B. Joseph White and Board of Trustees Chairman Lawrence C. Eppley are available at www.uillinois.edu/our/images/.)

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Trustees finalize 2009 operating budget, start 2010 budget process

Natural gas cost-management policy approved

URBANA, Ill. —The University of Illinois Board of Trustees finalized the fiscal year 2009 budget, started the budgeting process for next year and approved a natural gas cost-management plan. The board took these actions at its regular bimonthly meeting today on the University's Urbana-Champaign campus.

The University of Illinois will receive from the state an increase of $19.9 million, or 2.76 percent, in its base operating appropriation from the state for fiscal year 2009. The 2009 fiscal year began July 1.

The total appropriation of $743.4 million in general revenue funds will provide base operating support for the University and its three campuses in Urbana-Champaign, Chicago and Springfield. The state also will supply an estimated $517.9 million in "payments-on-behalf," funds specifically allocated to employee health and pension benefits. That is a $64.8 million increase over fiscal year 2008.The University's overall 2009 budget is $4.2 billion.

President B. Joseph White said the University community is appreciative of the state's support of its missions of education, research, service and economic development.

"The University of Illinois is a world-class institution," White said. "While the public research university has a complex mission and is responsible to a number of constituencies, our standard is always excellence — excellence in learning opportunities, discoveries and engagement."

Board of Trustees Chairman Lawrence C. Eppley said the University will steward the state's and the taxpayers' funds well.

"The operating funds the state provides the University of Illinois are an essential investment in our collective future prosperity," Eppley said. "The University of Illinois remains the state's most important resource in nurturing and producing the next generation of leaders, businesses and industries."

The trustees also began work on a budget for the 2010 fiscal year that starts on July 1, 2009. The request is for $113 million in new operating funds, an 8 percent increase dedicated to faculty and staff salary competitiveness; statewide priorities, such as K-12 teacher education and energy research; and University strategic initiatives. The University also expects an estimated $599.4 million in payments-on-behalf for employee health and retirement benefits.

The Fiscal Year 2010 budget request also includes a capital category with a priority list of projects that starts with repair and renovation (deferred maintenance) totaling $22.6 million on all three U. of I. campuses. The second item on the list is the Urbana campus' Lincoln Hall remodeling request of $56.3 million. There are no regular classes being held in Lincoln Hall during the current school year, and the University is considering stop-gap maintenance to shore up the building until capital funds are available.

A total of $25.5 million was requested for the Chicago campus' Healthy Returns — The Illinois Bill of Health to upgrade UIC's hospital and health sciences facilities and programs. The request included $10 million for increased operating funds, $10 million for capital projects and $5.5 million for enrollment expansion in the health sciences disciplines at UIC.

The National Center for Supercomputing Applications' new petascale facility on the Urbana campus to house the Blue Waters supercomputer is being dealt with separately.

In other business, the trustees approved a new natural gas cost-management policy. The objective of the policy is to create more predictability in the utility budget by authorizing the University to contract for forward gas purchases in the 2010 and 2011 fiscal years.

All three U. of I. campuses are instituting conservation and sustainability efforts in order to reduce energy usage and lower utility costs.

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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 70,000 students, 24,000 faculty and staff, and campuses in Urbana-Champaign, Chicago and Springfield. The U. of I. awards nearly 18,000 undergraduate, graduate and professional degrees annually.