

AFO Quarterly Financial Meeting

October 4, 2016

1:30 p.m.

UH 2850

THE
UNIVERSITY OF
ILLINOIS
AT
CHICAGO



AGENDA

- Introductions & Welcome
- Budget Discussion
 - FY16 Cash Escrow
 - FY17 Budget Development
 - FY17 Budget Posting
 - FY17 Tuition Revenue Budgets
- Impact Reporting – Budget Reduction & Cost Cutting Efforts

AGENDA

- Setting of Future Years' Tuition Budgets
- AY17-18 Tuition Proposal
- Overview UIC (IBHE) Instructional Cost Study Project
 - Review of NACUBO Function definitions
 - How accurate is our expenditure data
- Future Agenda Items (next meeting, January)

FY 2016 Year-end Close



UIC's Share of the GRF Reduction	(\$159,869,200)
20% Reduction planning	<u>+\$34,420,000</u>
Total UIC State Budget Shortfall	(\$125,449,200)
<i>(exclusive of the Hospital)</i>	

Budget Discussion

- FY16 Cash Escrow

FY15 State Appropriation compared to FY 17 Bridge Funding



\$ x \$1,000	FY 15 Original Appropriation	FY 17 Bridge Appropriation	\$ Change	% Change
Hospital	\$45,000.0	\$20,177.3	<24,822.7>	-55.2%
<u>UIC w/o Hospital</u>	<u>194,142.3</u>	<u>109,383.2</u>	<u><84,759.1></u>	<u>-43.7%</u>
UIC Total	\$239,142.3	\$129,560.5	<\$109,581.8>	-45.8%

- We must carefully manage and minimize spending from state funds given the uncertainty faced.

FY 2017 Budget Development

- FY17 State budget will be based on:
 - FY16 “Status Quo” (20% reduction of FY15 GRF + FY16 tuition changes; the reduction was not assessed ‘across the board’ at the same %.)
 - FY17 Revised Tuition Changes
 - We will fund a very limited number of new initiatives, to be determined. Whether these will be included in the FY17 base is TBD.
- When and by what method should we post a state budget before the rest of the appropriation is received?

Impact Reporting - Budget Reduction & Cost Cutting Efforts

Setting of Future Years' Tuition Budgets

AY17-18 Tuition Proposal

IBHE Instructional Cost Study

- Each year the Illinois Board of Higher Education (IBHE) conducts a study of expenditures at public universities in Illinois.

*State of Illinois | Board of Higher Education
Academic Discipline Unit Cost Study 2014-15
Comparative Cost Study Illinois Public Universities*

Released June 2016:

[http://www.ibhe.org/Data%20Bank/costStudies/
2015/DisciplineUnitCost.pdf](http://www.ibhe.org/Data%20Bank/costStudies/2015/DisciplineUnitCost.pdf)

IBHE Instructional Cost Study

The *Discipline Unit Cost Study* provides a detailed analysis of costs for instruction, organized research, & public service activities at each Illinois public university.

- Identifies activities that contribute to differences in overall costs among the institutions & helps assure that the allocation of state resources reflects the most important institutional priorities.
- Used in the development of the performance funding model of IBHE's recommended budget as well as for the reporting of the annual average tuition subsidy report.

IBHE Instructional Cost Study

The *Comparative Cost Study* compares each public university's instructional costs per credit hour for each academic discipline and level of instruction to the weighted average for all public universities.

- This analysis then accounts for differences in the mix of academic programs among institutions.

IBHE Instructional Cost Study

- The data is based on the *Faculty Activity Analysis* that distributes faculty salary costs over the NACUBO functions of instruction, research, and public service, based on the proportion of time assigned to these activities.
- Faculty instructional salaries are allocated based on the % of time assigned to:
 - direct instruction (*proportion of credit hours taught in a discipline & level of student enrollment in each course*);
 - indirect instruction; and
 - departmental research.

IBHE Instructional Cost Study

- Support costs are then allocated to the functions of instruction, organized research, and public service and to each academic discipline and level of instruction.
- Total costs for overheads unique to the function of instruction, student services, and independent operations are allocated to each academic discipline and level of instruction based on the credit hours for that discipline and level of instruction.

IBHE Instructional Cost Study

- Costs for support activities are distributed based on the proportion of the cumulative costs, unless these costs are directly related to a specific functional activity or level of instruction.
- Support costs distribution order:
 - Departmental Overhead
 - College Overhead
 - Overhead Unique to a Function
 - Academic Support
 - Student Services
 - Independent Operations
 - Institutional Support
 - Operation & Maintenance of the Physical Plant

UIC (IBHE) Instructional Cost Study Project

- ***Activity Reporting System*** (ARS) is the online system developed by UIC Institutional Research to collect information on the instructional, research and service activities of faculty & academic staff at UIC.
- Source of data for:
 - IBHE Cost Study
 - Resource Performance Measures report (RPM)

UIC (IBHE) Instructional Cost Study Project

- Project plans are in the works to develop a replacement for the *Activity Reporting System*
<http://www2.oir.uic.edu/ars/default.asp>
- NACUBO Function definitions
 - How accurate is our expenditure data?