FY16 Institutional budget entities

(in millions)

- **Appropriated Funds (Tuition & State)**: $132.5
- **Auxiliary Facility System (R&B, Fees)**: $55.7
- **Other (Grants/Locals/Fees)**: $61.0

# of accounts: 225, 89, 751
Income & Expense History
(In millions)

*Total Income*

- FY09: $118.9
- FY10: Increase
- FY11: Increase
- FY12: Decrease ($3.6M Reduction)
- FY13: Increase ($2.0M Reduction)
- FY14: Increase ($4.7M Reduction)
- FY15 Est.: $126.4

*Total Expense*

- FY09: $115.9
- FY10: Increase
- FY11: Increase
- FY12: Decrease ($2.3M Reduction)
- FY13: Increase ($123.1)
- FY14: Increase ($126.4)
- FY15 Est.: $126.9

*Reduction*

- $4.7M Reduction (FY13)

*Notes*

- Total Income $118.9 (FY09) to $126.9 (FY15 Est.)
- Total Expense $115.9 (FY09) to $126.9 (FY15 Est.)
Appropriated Spending Compared to Inflation

31.3% Increase since FY02
33.6% Increase since FY02

Actual Appropriated Spending
FY02 Growth using Inflation

FY02: $96.3
FY15 est.: $128.7
FY02 Growth: $126.4
4 Year Projection
with 15% state reduction and no University cuts after FY16

(in millions)
4 Year Projection
with 30% state reduction and no University cuts after FY16

(In millions)
Challenges

- Enrollment
- State Appropriation
- Cost to the student
- Personnel Expenses and Salary Increases
Fall Enrollment Trends
Income Fund vs GRF at 6.5% state reduction level

State Appropriation

Income Fund Revenue

FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 Est.

35.0%
65.0%
63%
37%
$32M drop over 13 years when adjusted for Inflation.
State Appropriation

- FY02 - $64,300,000
- FY10 - $59,900,000
- FY14 - $52,629,300
- FY15 original - $52,629,300 (June 2014)
- FY15 revised - $51,445,200 (March 2015)
- FY16 at 6.5% reduction – $48,101,262 - (loss of $3.4M)
- FY16 at 15% reduction – $43,728,420 - (loss of $7.7M)
- FY16 at 30% reduction – $36,011,640 - (loss of $15.4M)

- At the 6.5% reduction - this is a 25% decline in state appropriations over 14 years.
Tuition Increases Compared to Inflation

- **FY02 tuition Growth Using Inflation**: 189.5% Increase
- **FY02 tuition Growth Using Inflation**: 33.6% Increase
Undergrad Tuition History

Source: US Census Bureau

Annual Tuition (30 Hrs) vs US Median Family Income

460% Increase  34% Increase
Direct Cost v. Maximum Aid

FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16

Maximum Aid
Direct Cost

GAP = $6,199

$22,149
$15,950

$11,508
$15,000

$9,828
$10,000

$5,000

$-$
FY15 Appropriated Budget
Expense by Function

- Instruction: 60%
- Organized Research: 12%
- Public Service: 8%
- Academic Support: 7%
- Student Services: 7%
- Industrial Operations: 2%
- Independent Operations: 2%
- Physical Plant: 0%
- Institutional Support: 1%
- CMS Group Health: 1%
- FICA/Medicare: 1%
FY15 Appropriated Budget
Expense by Line Type

- Personal Services: 81%
- Contractual Services: 3%
- Travel: 2%
- Commodities: 2%
- Awards and Grants: 1%
- Equipment: 1%
- Telecommunications: 0%
- Operation of Auto: 0%
FY15 Appropriated Budget
By Division

FY15 Budget

- President's Area: 1%
- Academic Affairs: 66%
- Admin. Services: 12%
- VPSS: 9%
- VPAS: 2%
- VPAS: 2%
- QC & Planning: 8%
- Central Expenses: 2%
Academic Affairs
FY15 Appropriated Budget (in millions)
Faculty to Student Ratio

WIU – 15.1
EIU – 14
ISU – 18
NIU – 18
SIUE – 17
SIUC – 16
UNI – 16
Truman – 16

Macomb
Quad Cities
Overall
<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Fund (tuition)</td>
<td>$ 75,500,000</td>
<td>$ 75,000,000</td>
<td>$ 76,500,000</td>
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<tr>
<td>State Appropriation (6.5% reduction level)</td>
<td>$ 51,445,200</td>
<td>$ 48,101,262</td>
<td>$ 48,101,262</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$ 126,895,200</td>
<td>$ 123,101,262</td>
<td>$ 124,601,262</td>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Personnel Services</td>
<td>$ 101,755,000</td>
<td>$ 103,500,000</td>
<td>$ 101,500,000</td>
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<tr>
<td>Salary Increase</td>
<td></td>
<td>$ 2,000,000</td>
<td>$ 1,000,000</td>
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<tr>
<td>PAA/Minima Increase</td>
<td></td>
<td>$ 1,000,000</td>
<td>$ 1,000,000</td>
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<tr>
<td>Operating</td>
<td>$ 24,400,000</td>
<td>$ 27,000,000</td>
<td>$ 29,300,000</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 126,155,000</td>
<td>$ 133,500,000</td>
<td>$ 132,800,000</td>
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<tr>
<td><strong>Net Surplus (deficit) before cuts</strong></td>
<td>$ 740,200</td>
<td>$ (10,398,738)</td>
<td>$ (8,198,738)</td>
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<tr>
<td>Budget Reductions</td>
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<td>$ (4,000,000)</td>
<td>$ (10,000,000)</td>
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<tr>
<td><strong>Net Surplus (deficit) after cuts</strong></td>
<td>$ 740,200</td>
<td>$ (6,398,738)</td>
<td>$ 1,801,262</td>
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Income & Expense
with a 6.5% state reduction and University cuts
(for millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Expense</th>
<th>Reduction</th>
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<tbody>
<tr>
<td>FY09</td>
<td></td>
<td>$124.8</td>
<td>$4.7M</td>
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<tr>
<td>FY10</td>
<td></td>
<td>$130.0</td>
<td>$3.6M</td>
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<tr>
<td>FY11</td>
<td>$129.5</td>
<td>$123.1</td>
<td>$2.3M</td>
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<td>FY12</td>
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<td>$10.0M</td>
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<td>FY14</td>
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<tr>
<td>FY15</td>
<td></td>
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<tr>
<td>FY16 Est.</td>
<td>$120.0</td>
<td>$110.0</td>
<td>$4.0M</td>
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<tr>
<td>FY17 Est.</td>
<td>$130.0</td>
<td>$140.0</td>
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<td>FY18 Est.</td>
<td>$150.0</td>
<td>$160.0</td>
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Cash Flow — Monthly Cash on Hand
(in millions)
Eliminated $53,000 in operating funds across VP areas
Eliminated 3 open positions Presidents Area
Eliminated 41 open positions in Academic Affairs
Eliminated 13 positions in Administrative Services
Eliminate 1 position in Student Affairs
Reduced contracts for 5 employees in Student Affairs
Eliminated 2 open positions in Advancement & Public Service
Attrition savings from hiring new staff at lower wages in all VP areas
Transferred employees to local fund budgets
Final Considerations

- We should continue to monitor the state’s financial situation and future appropriations.
- Budget cuts should be strategic. Some areas need reinvestment but this will come at the expense of others.
- We must define ourselves before the market or someone else defines us.
- Increases in revenue from enrollment growth will be limited based on demographics and ability to afford. Tuition increases and enrollment are elastic.
- We have to ensure that we are operationally and financially efficient in all areas.
Thank You