

WESTERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES

September 24, 2010

Resolution No. 10.9/3 FY2012 Appropriated Operating Budget Recommendations

Resolution:

WHEREAS Western Illinois University prepares annual appropriated operating recommendations for the Illinois Board of Higher Education, Illinois State Legislature and the Governor; and,

WHEREAS Fiscal Year 2012 appropriated operating budget recommendations require Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2012 Appropriated Operating Budget Recommendations* presented today advance the goals of the University's Strategic Plan, Higher Values in Higher Education, on both Western Illinois University campuses, and the Illinois Board of Higher Education's statewide strategic plan for higher education, *IBHE 2012, A Strategic Plan for the Illinois Board of Higher Education*;

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2012 appropriated operating budget recommendations as presented in the *Fiscal Year 2012 Appropriated Operating Budget Recommendations* and be it further resolved that the President be authorized to make technical adjustments in the operating budget recommendations if necessary.

Fiscal Year 2012 Appropriated Operating Budget Recommendations
Western Illinois University

Western Illinois University begins Fiscal Year 2011 with a \$123.9 million base appropriation (45.3 percent from general revenue and 54.7 percent from income fund). The University recommends a \$13.2 million (10.6 percent) general revenue increase in funding for Fiscal Year 2012 operations.

Through meaningful state support, internal reallocations, and successful implementation of the University's Strategic Plan, *Higher Values in Higher Education*, Western Illinois University continues to advance the four goals of The Illinois Board of Higher Education's *IBHE 2012, A Strategic Plan for the Illinois Board of Higher Education*;

Goal One: Increase educational attainment to match best-performing states.

Goal Two: Ensure college affordability for students, families, and taxpayers.

Goal Three: Increase the number of high-quality post-secondary credentials to meet the demands of the economy and an increasingly global society.

Goal Four: Better integrate Illinois' educational, research, and innovation assets to meet economic needs of the state and its regions.

Illinois Board of Higher Education guidelines divide operating recommendations into two categories: salary and cost increases and support for program priorities. Over 35 percent of the University's recommendation is for salary and cost increases. This includes funding for salary increases, related Social Security contributions, and other inflationary increases associated with University operations (utilities, library materials, and all other institutional operations). The remaining 65 percent of the University's recommendation supports programs identified in *Higher Values in Higher Education*.

Western Illinois University Fiscal Year 2012 Appropriated Funds Operating Budget Request			
	Dollar Increase	Percent Increase	Priority
Salary and Cost Increases			
Salaries (on 95% of Base)	\$ 3,857,000	4.0%	
Social Security/Medicare	53,000	4.0%	
Library Materials	157,100	10.0%	
Utilities	158,500	3.0%	
Other General Costs	427,200	3.0%	
Total Salary and Cost Increases	\$ 4,652,800	3.8%	
Program Priorities			
Deferred Maintenance	\$ 1,500,000		1a
Quad Cities Campus Operations	4,500,000		1b
Student Financial Aid	1,000,000		2
Health Care Professional Education	750,000		3
Engineering Program	750,000		4
Total Program Priorities	\$ 8,500,000		
Total All Increases	\$ 13,152,800		

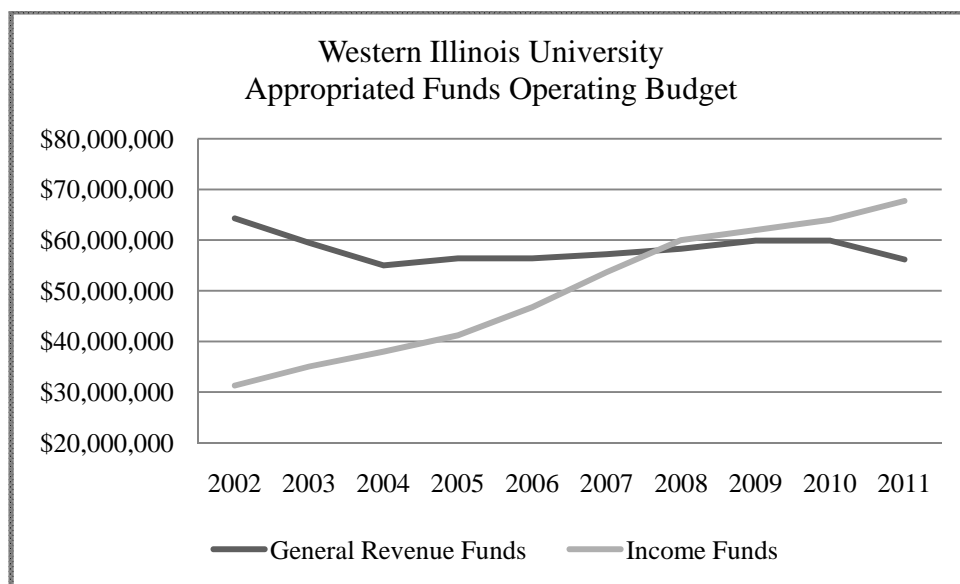
Salary Increases for Faculty and Staff. As stated in *Higher Values in Higher Education*, Western Illinois University's highest priority is to increase faculty and staff salaries to meet and exceed the mean of peer institutions. The \$3.8 million request for salary increases is 83 percent of the University's salary and cost increase recommendation. Salary erosion is a critical issue facing Western Illinois University. The ability to recruit and retain high achieving and diverse faculty and staff is directly related to ensuring educational quality. While internal reallocations provide some level of salary increase for faculty and staff, enhancing competitiveness remains the highest institutional priority, particularly in light of reduced salary competitiveness.

Support for Program Priorities. Western Illinois University is seeking \$8.5 million in funding for program priorities identified in *Higher Values in Higher Education*. These include:

- **Permanent improvements and campus infrastructure enhancements (\$1,500,000)** to reduce the deferred maintenance backlog of over \$500 million.
- **Operation and maintenance of the Quad Cities campus (\$4,500,000)** for faculty and staff positions are needed to support expanded academic programs.
- **Student Financial Aid (\$1,000,000)** to support access and affordability to higher education.
- **Health Care Professional Education (\$750,000)** will provide two degree-related programs. The RN-BSN Completion program is designed for nurses who have obtained their registered nurse licensure and seek to acquire a bachelor's degree. The program will provide a bridge for associate degree and diploma nurses who wish to develop the skills preparing them for a higher level of nursing practice and advancement in their nursing careers.
- **Engineering Program (\$750,000)** to provide a bachelor of science in Engineering at the Quad Cities campus to help address the shortage of engineers and provide graduates with strong multidisciplinary fundamentals.

The requested \$13.2 million will help restore Western Illinois University's status as a state-supported institution of higher education. Between Fiscal Years 2002 and 2011, state general revenue support for the University decreased by \$8.1 million or 12.6 percent. During this same time period, unfunded cost increases have been incurred for utilities (\$2,750,000), Illinois Veterans Grants (\$1,200,000), and CMS health insurance (\$1,944,800). Decreased funding, increased costs, and required university expenditures total \$14.0 million.

The effect, shown below, is that tuition costs (University Income Fund) associated with vital functions of higher education are being shifted from a shared statewide priority to the responsibility of students and their families.



Changes from Fiscal Year 2011 Operating Recommendation Request

Consistent with the University's Strategic Plan, salary increases are the University's highest priority. Cost increases for utilities, library material and other operating expenses are also important. Western Illinois University has not received funding for increased costs in 15 years.

Western Illinois University is also requesting \$8.5 million in state funding to support its Strategic Plan, *Higher Values in Higher Education*. Funds to support deferred maintenance, operations in the Quad Cities, student financial aid, healthcare professional education, and the engineering program will improve economic development, educational partnerships, access, diversity, affordability, productivity, and accountability in Illinois public higher education.

Changes from Fiscal Year 2011 Operating Increase Recommendation (Dollars in Thousands)				
	Fiscal Year		Difference	
	<u>2011</u>	<u>2012</u>	<u>Amount</u>	<u>Percent</u>
Total Recommended Increase	<u>\$10,591.6</u>	<u>\$13,152.8</u>	<u>\$2,561.2</u>	24.2%
Salary and Cost Increases	<u>\$6,591.6</u>	<u>\$4,652.8</u>	<u>(\$1,938.8)</u>	(29.4%)
Salary Increases	5,751.3	3,857.0	(1,894.3)	
Social Security	79.5	53.0	(26.5)	
Cost Increases				
Library Materials	157.1	157.1	-	
Utilities	158.5	158.5	-	
Other General Materials	445.2	427.2	(18.0)	
Program Priorities	<u>\$4,000.0</u>	<u>\$8,500.0</u>	<u>\$4,500.0</u>	112.5%
Deferred Maintenance	1,500.0	1,500.0	-	
O & M of the Quad Cities Riverfront Campus	-	4,500.0	4,500.0	
Student Financial Aid	1,000.0	1,000.0	-	
Health Care Professional Education	750.0	750.0	-	
Engineering Program	750.0	750.0	-	

**Western Illinois University's Fiscal Year 2012 Operating Recommendations
To the Illinois Board of Higher Education**

Western Illinois University's Fiscal Year 2012 operating budget request will be submitted to the Illinois Board of Higher Education October 16, 2010, pending board approval.

**FY2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Faculty and Staff Salaries

AMOUNT REQUESTED: \$3,857,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Higher Values in Higher Education, Western Illinois University's Strategic Plan, displays the University's goals, priorities, and contributions to the statewide strategic plan for higher education, *The Illinois Public Agenda for College and Career Success*. Consistent with these plans, Western Illinois University seeks funding for our highest institutional priority: meeting and exceeding average faculty and staff salaries at peer institutions.

At the core of any great university and system of higher education is a dedicated, diverse, and high-achieving employee base. Implementation and the ultimate success of the goals and priorities of *Higher Values in Higher Education* and the *Illinois Public Agenda for College and Career Success* are the direct responsibility of Western Illinois University's faculty and staff. Compensation is a critical element to the recruitment and retention of a university community dedicated to economic development, educational partnerships, access and diversity, quality, productivity, and accountability.

Recruiting and retaining high-achieving and diverse faculty and staff are directly related to improving the quality of academic and co-curricular programs and services. Such actions in the competitive job market necessitate faculty and staff salaries that meet and exceed the mean of peer institutions.

JUSTIFICATION FOR BUDGET REQUEST:

Illinois' strengths include its diverse economy, rich natural resources, strategic location, and well-trained workforce. Illinois owes much of its economic success and stability to the strong system of higher education. Continued prosperity is contingent upon statewide partnerships committed to investment in fair, equitable, market value faculty and staff salaries. The resources requested in this partnership proposal will be combined with other University funds to advance the highest priority actions in *Higher Values in Higher Education* which will help provide faculty and staff salaries that meet and exceed the mean of peer institutions.

**FY2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Deferred Maintenance

AMOUNT REQUESTED: \$1,500,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Higher Values in Higher Education, Western Illinois University's Strategic Plan, states:

“Provide safe, accessible, responsible campus environments that meet the needs of University constituencies and reflect the core values of the University.”

Providing a safe, accessible, and responsive campus environment conducive to learning is crucial in a community of learners. The University estimates a total deferred maintenance backlog in the range of \$450 to \$500 million. As is the case on all campuses in Illinois, many projects have been critically needed for a substantial period of time and are impacting the learning environment.

In addition to operating funds, Capital Renewal funds are used to address deferred maintenance needs on campuses. Western Illinois University has not received Capital Renewal funding since fiscal year 2004. This has resulted in over \$8.4 million in lost funds that would have been used to address elevator maintenance, utility infrastructure repairs, and other critical needs on campus.

JUSTIFICATION FOR BUDGET REQUEST:

The University is making a strong commitment toward improving the campus physical environment. A reduction in the deferred maintenance liability is viewed as integral to achieving that objective. An increase in the Permanent Improvement budget will allow the University to address the increasing backlog of deferred maintenance projects. Funds will be utilized for classroom modernization; improving HVAC and building energy management controls; enhancing electrical and plumbing distribution systems; and renovating campus sidewalks, drives, and exterior stairs.

**FY 2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Operations and Maintenance of the Quad Cities Riverfront Campus

AMOUNT REQUESTED: \$4,500,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

In July 2009, the State of Illinois invested \$59.3 million for the first two phases of construction on the newly developing Western Illinois University-Quad Cities Riverfront Campus. The new location will support doubling of enrollment from 1,413 students to 3,000 students.

The current budget of Western Illinois University-Quad Cities is \$10.1 million and will require a minimum of an additional \$10.1 million to support doubling of enrollment and expansion of programs and services on the new Quad Cities Riverfront Campus. Following the current distribution of 45 percent general revenue funds and 55 percent University income funds (tuition), the additional \$10.1 million requires \$4.5 million from the state and \$5.6 million from the University.

JUSTIFICATION FOR BUDGET REQUEST:

New faculty and staff positions are needed to support expanded academic programs. Such actions are necessary to increase educational attainment to match best-performing states (*Illinois Public Agenda, Goal 1*).

- The Lumina Foundation's *Educational Needs Index* shows that Rock Island County exceeds the statewide average in the percent of 25 to 64 year olds with an associate's degree (8.2 percent vs. 7.0 percent), but it is significantly below the statewide average in the percent of 25 to 64 year olds with a bachelor's degree (19.0 percent vs. 29.0 percent).
- The *Census 2000 Supplementary Survey Profile* shows that the percent of residents with a bachelor's degree or higher is significantly lower in the Quad Cities than other proximal metropolitan statistical areas (20.8 percent in the Quad Cities compared to 27.7 percent in Cedar Rapids, 36.2 percent in Bloomington/Normal, and 47.6 percent in Iowa City).
- Given lower levels of educational attainment and higher levels of unemployment, the median family income in the Quad Cities (\$37,371) is only 81.8 percent of the State of Illinois median family income (\$45,708), according to the *Census 2000 Supplementary Survey Profile*.

The state's investment in Western Illinois University-Quad Cities addresses regional strengths and challenges. Western is nationally known for its high quality academic programs (Western is nationally recognized as a top university by US News and World Report, the Princeton Review, Forbes Magazine, the Educational Trust, Southern Educational Review Board, and GI Jobs Magazine). The State's investment in the new campus negates the previous distinction of being the largest metropolitan community in the United States without access to a public university.

State funds are not requested to expand freshman and sophomore courses. The Quad Cities Campus will continue to rely upon the community college system to provide lower division instruction. Such actions expand opportunities for all learners through regional partnerships and baccalaureate completion programs, and ensure college affordability for students, families, and taxpayers (*Illinois Public Agenda, Goal 2*). It also enhances articulation agreements and expands the use of state transfer tools, including u.select and the Illinois Articulation Initiative.

Requested funds are based on operating efficiencies. The new campus will not have a bookstore, residence halls, recreation or food services. These opportunities will be available through adjacent Renew Moline development to spur economic development and avoid duplication of efforts.

Western's expenditures will remain focused on the core function of instruction. A total of 90.5 percent of faculty time is allocated to instruction, which is the second highest percentage in the state among the 12 public universities. The remaining 9.5 percent of faculty time at Western is allocated to research and public service.

The University will continue to engage in conservative fiscal management. It retains administrative and instructional costs below the statewide average. The \$250.82 instructional cost per credit hour at Western is 14.3 percent below the statewide average of the Illinois public universities. Moreover, the \$63.55 administrative and support cost per credit hour is 20.9 percent below the statewide average.

The current budget of the Quad Cities campus is significantly below national peers that also primarily serve juniors, seniors, and graduate students. There is:

- A \$10.3 million budget for 1,000 students at the University of North Texas in Dallas,
- A \$11.5 million budget for 1,500 students at Ohio University in Zanesville and
- A \$26.4 million budget for 1,500 students at Texas A&M in Texarkana

The University will continue to operate efficiently and cost effectively. The current levels of staffing on the Quad Cities campus are significantly below our peers, where the number of employees, excluding graduate assistants, range from a low of 100 to a high of 203 at Ohio University–Zanesville.

Funds invested will be applied to high demand and need areas. Projected increases in areas of study that Quad Cities Campus will expand include: accountants (up 5.1 percent), computer occupations (up 8.1 percent), teachers (up 15.6 percent), registered nurses (up 15.8 percent), engineers (up 16.0 percent) and professional counselors (up 20.2 percent). An educated community is especially important to a host county that earns 81.8 percent of the state's median family income. With responsive academic programming, Western will increase the number of high-quality post-secondary credentials to meet the demands of the economy in an increasingly global society (*Illinois Public Agenda, Goal 3*).

State funding for the Quad Cities Campus will integrate Illinois' research and innovation assets (*Illinois Public Agenda, Goal 4*). Successful re-development of property adjacent to the campus known as the Mississippi River Urban Technology Corridor (MRUTC) will create a \$100 million taxable base and attract 2,000 new and existing jobs with a one-time construction impact in excess of \$150 million. These estimates are based on a fully funded Riverfront Campus.

The MRUTC includes a \$5 million new facility for research and development by the public and private sectors and a new \$3.0 million Healthcare Center for those underserved in the Hispanic community. It also includes the technology and patent sharing of the Midwestern Intellectual Property Institute that is a collaborative venture between the private sector (including John Deere and Company, KONE International, the Rock Island Arsenal, Renew Moline) and Western Illinois University. The MRUTC and the Midwestern Intellectual Property Institute expand grant capacity, public/private partnerships, and financial inducements.

The annual economic impact of Western Illinois University-Quad Cities is currently over \$10 million annually. A 3,000-student, three-building Western Illinois University-Quad Cities Riverfront Campus will raise the economic impact to over \$50 million annually and double the number of college graduates to 500 annually. More than 100 new Western jobs will be created when the Riverfront Campus is fully funded.

**FY2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Student Financial Aid

AMOUNT REQUESTED: \$1,000,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Higher Values in Higher Education, Western Illinois University's Strategic Plan, states:

“Western Illinois University also emphasizes affordability because a college education is essential in today’s global and highly technological community. We firmly believe that higher education, and the benefits that it accords, is an investment, and that no student should be denied a college education because of financial need. We provide access and affordability to a high-quality educational experience that is responsive to student needs and circumstances.”

Funds are being requested to provide students with financial aid opportunities to support access and affordability to higher education. Providing new and enhanced strategies for reducing the amount of student indebtedness upon graduation is consistent with University’s Strategic Plan, *Higher Values in Higher Education*, and statewide strategic planning goals for higher education, identified in The Illinois Board of Higher Education’s *Illinois Public Agenda for College and Career Success*.

JUSTIFICATION FOR BUDGET REQUEST:

The University is making a strong commitment to ensure that no Illinois citizen is denied access to higher education because of financial need. Funding will be used to provide scholarship funds to high-need, academically talented students to help reduce student indebtedness upon graduation.

**FY2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Health Care Professional Education

AMOUNT REQUESTED: \$750,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Addressing the critical regional shortage of nurses in West Central Illinois (i.e., Galesburg through Quincy), Western Illinois University-Macomb is coordinating with local community colleges and area health care providers to provide a baccalaureate of science in nursing and an RN-BSN Completion program for community college transfer students, practicing nurses and a pre-licensure program to prepare graduates to take the national council licensing exam (NCLEX) to be an RN. The participating agencies in this collaborative relationship are McDonough District Hospital, Blessing Hospital, St. Mary's Hospital, Cottage Hospital, St. Francis Medical Center, Methodist Hospital, Wesley Village, Everly House, Macomb Public Schools, St. Paul Catholic School, Western Illinois Mental Health Centers, and Beu Health Center. There are three community colleges in the area whose graduates articulate into the RN-BSN completion program: Black Hawk College, Spoon River College, and Carl Sandburg College.

The demand of the health care delivery system is such that baccalaureate-prepared nurses are urgently needed in hospitals for staff and leadership positions, for positions in specialty units, and for a variety of positions in long-term care facilities and clinics. Some health care agencies in the area hire only BSN prepared nurses. Also, many administrators in public health and community health agencies prefer baccalaureate-prepared nurses. Currently, only 43 percent of nurses hold degrees at the baccalaureate level or above. The proposed program will help address this shortage.

The Health Care Professional Education program will provide two degree-related programs. The RN-BSN Completion program is designed for nurses who have obtained their registered nurse licensure and seek to acquire a bachelor's degree. The program will provide a bridge for associate degree and diploma nurses who wish to develop the skills preparing them for a higher level of nursing practice and advancement in their nursing careers.

The Pre-licensure Nursing program will provide a four-year baccalaureate degree leading to the BSN and the requisite education for graduates to be able to take the National Council Licensing Exam (NCLEX) to become a registered nurse. The program also provides opportunities to students who have no prior nursing education.

JUSTIFICATION FOR BUDGET REQUEST:

The third year of the RN to BSN completion program has 21 students enrolled on two campuses: Macomb and Quad Cities. This number is expected to double by fiscal year 2012. The four-year program has 40 students enrolled for fiscal year 2011 with anticipated enrollment in fiscal year 2012 of 54 students. This is based on current pre-nursing enrollment and anticipated transfer students. There are 156 pre-nursing students in the current fiscal year, and, based on state-wide program trends, enrollment is expected to increase to 300 students in fiscal year 2012.

Funding requested for the Health Care Professional Education program will provide support for nine full-time faculty, one director, and three full-time support staff members and provide funds to purchase instructional laboratory equipment and library materials.

**FY 2012 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Bachelor of Science in Engineering

AMOUNT REQUESTED: \$750,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Western Illinois University received authorization on October 7, 2008 from the Illinois Board of Higher Education to offer a Bachelor of Science in Engineering degree program at the WIU Quad Cities campus. This is a multidisciplinary engineering degree designed to prepare graduates for technology leadership in the 21st Century. The degree requires a minimum of 121 semester hours. Students complete 43 s.h. of WIU's general education core, 30 s.h. of math and science (10 s.h. are dual counted for general education credits) and a 49 s.h. core in engineering design, materials, electronics, robotics, thermo-fluid dynamics, structural design, quality and technology management. Electives (9 s.h.) are offered in the senior year to give students additional depth in selected engineering areas (e.g., mechanical, civil, materials, manufacturing, engineering management).

The program is designed to meet the Accreditation Board for Engineering and Technology (ABET) standards and is currently being offered at the Caxton Block Building in Moline, Illinois, and will be delivered at the new WIU Quad Cities Riverfront campus in Moline, Illinois starting in January of 2012. The Engineering program is a 2+2 degree completion program (the junior and senior years) and has been articulated with pre-engineering transfer programs at the WIU Macomb campus and community colleges in Illinois, Iowa, and Missouri. This program is vital to the region and is the only 4-year engineering degree available in the Quad Cities Area.

According to U.S., Illinois, Iowa, and Missouri labor agencies, there is a strong labor market demand for engineering graduates in western Illinois and eastern Iowa, with an 11-percent increase in employment demand through 2014. In the next five years, an estimated 25 percent of the current 10,000⁺ engineers in the region will retire.

JUSTIFICATION FOR BUDGET REQUEST:

Instruction was first offered starting in August of 2009 to three students who are on track to graduate in May 2011. As of August 2010, there are 3 seniors, 16 juniors, and a growing number of sophomore and freshman students that have taken or will be taking classes for this program. Almost 100 students at Black Hawk College, Eastern Iowa Community College and other regional community colleges are preparing to enter the program. By the fifth year of operation, the program will grow to 120 majors with 40 degrees awarded annually.

The funds will be used to provide salaries for the Engineering program director, three full-time professors, a technician and a secretary. Funds will also be used to support operations and purchases of essential software and engineering laboratory equipment to support instruction and to comply with ABET requirements (ABET's Criterion Modern tools, equipment, computing resources, and laboratories appropriate to the program must be available, accessible, and systematically maintained and upgraded to enable students to attain the student outcomes and to support program need).