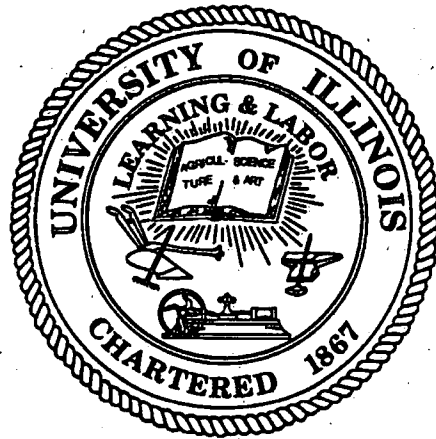


UNIVERSITY OF ILLINOIS

FY 1995 BUDGET REQUEST FOR OPERATING AND CAPITAL FUNDS



**PREPARED FOR PRESENTATION TO THE
BOARD OF TRUSTEES
SEPTEMBER 9, 1993**

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PREFACE

Contained herein is the University's operating and capital budget request for the coming year, FY 1995. The context and strategic direction of the recommendations, however, deserve comment.

First, let's examine the context. Illinois and the nation have seen a modest recovery from the recession of two years ago, with the prospect of modest revenue growth for the coming year. At the same time, for the University of Illinois, budget cuts and strains from earlier years have mounted and continue to take their toll.

It is in this tough environment that the University has thoroughly examined virtually every aspect of its operations during the past year, searching for ways to redirect resources from lower to higher priority needs. We have come to grips with the reality that any attempt to preserve the full-range of programs the University offers will risk a loss in the quality and vitality of virtually all of our programs, including those most crucial to the University and to the welfare of the State of Illinois.

As a result, difficult decisions were made to close some operations outright, to downsize others, and to trim expenditures wherever possible, particularly in administrative areas.

These efforts of belt tightening and restructuring notwithstanding, the long-term welfare of the University of Illinois hinges on strengthening the stability and adequacy of State funding. The trends outlined below give reason for concern.

- Since the enactment of the income tax surcharge dedicated to education in FY 1991, the share of the overall State budget devoted to education has declined. At present, the fraction of the State tax revenues devoted to elementary, secondary and higher education is below pre-surcharge levels.
- During this same period, State budgets for the Departments of Mental Health, Corrections, and Children and Family Services have increased by 28%. Elementary and secondary education funding has increased by 4%; and State funding for higher education has declined by 1.7%.
- Had State tax support for education simply kept pace with the overall growth in State expenditures since FY 1991, \$400 million more in State aid would have been available to support education--\$200 million for elementary and secondary education and a like amount for higher education.

While these trends have been especially pronounced during the last four years, similar trends are apparent for the last decade. The consequences of unattended social problems from earlier years, now evident in broken families, damaged children, overcrowded prisons and grossly under-funded State pension systems are likely to continue to place a disproportionate burden on State funding in the foreseeable future. If there is to be a turnaround in these trends and a restoration of essential State funding for education, a major overhaul of the tax structure in the State of Illinois will be essential.

In the struggle to improve State support for education, it is crucial that inadequacies in State funding for education at all levels be addressed. At this writing, the funding crisis that holds the Chicago public schools in its grip is apparent to most Illinoisans, but serious fiscal dilemmas face countless public school districts from one end of Illinois to the other. Funding problems faced by higher education are fully as serious, even though the visibility and the specific dynamics of the problem may differ. Quality education at every level is the key to Illinois' future and it is important that the problem be defined and solved in this context.

This budget request acknowledges the need for students to share in financing the quality education they expect to receive. These budget recommendations include tuition increase proposals, announced a full year in advance to enable students, parents, the Illinois Student Assistance Commission and others to plan more effectively. The basic recommended increase has been held to a modest level--5.5%, with a commitment to support the provision of student aid for low-income students. Also recommended is the phase-out of the differential in tuition charges between lower division and upper division students operative over the last decade. The phase-out will be accomplished over a two-year period and the revenues will be used to strengthen the quality of undergraduate education, particularly the quality of the educational experience during the crucial freshman year.

One major priority dominates the University's operating budget request for FY 1995: salary increases for faculty and staff. In spite of best efforts by members of the Legislature and the Governor to provide roughly one percent in new salary monies for the University of Illinois this year, it was the first increase in State funds for employee compensation in three years. Even with massive internal reallocation and budget cuts during this period, the competitiveness of the University's salaries for all employees has declined at an alarming rate.

Salary increases for faculty members over the last three years have been lower, in the aggregate, than for seven other universities in the Big Ten. Over the years, the aim of the University has been to keep faculty salaries at least at third in the Big Ten, consistent with our view of our long-term qualitative position. Since FY 1991, the gap between where we are and where we need to be has grown significantly. Average faculty salaries are now \$4,000 below par. Even during a period in which many other universities around the country--both public and private--were experiencing financial difficulties, University of Illinois faculty members have continued to be recruited away. Since FY 1991, the University has lost roughly 250 faculty members to competitive offers from other universities. The total number of faculty is 200 below the level of three years ago. These trends simply cannot be allowed to continue.

Parity between the salaries paid to University employees and those for State employees in comparable positions also has become an issue. Each year, including the current one, the gap has continued to escalate, as salaries of State workers have increased at rates two or three times faster than the salaries of comparable University employees.

It is imperative that adequate State resources are found to address the salary issue successfully in the FY 1995 budget.

This document also contains the University's capital budget request. The first priority project is the acquisition and initial development of land adjacent to our Chicago campus as defined by the University's master plan. This project, south of Roosevelt Road, is vital to the long-term, orderly development of our Chicago presence. Renovation and repair of University facilities and other needs are set forth in order of priority.

If one is concerned about the long-term economic and social soundness of the State of Illinois, there can be no more central issue than good schools and strong colleges and universities. Access to quality education at every level is simply fundamental to the American dream. This State has every right to be proud of the University of Illinois and the quality of all of higher education in this state. It is an investment worth protecting and a dream worth guarding. This budget request is dedicated toward those ends.

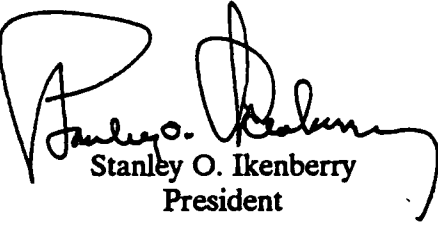

Stanley O. Ikenberry
President

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INTRODUCTION

INTRODUCTION

Although the University of Illinois derives fiscal support from many sources, by far the single most significant share of the University's budget--particularly that devoted to instructional activity--comes from the State of Illinois. Like most other states, Illinois has experienced fluctuating economic circumstances for more than a decade, moving unevenly between recession and recovery. Most recently, the Illinois economy has achieved relative stability with modest growth now sustained for two years. Barring an unforeseen downward shift in the national economy, moderate growth seems likely to continue for Fiscal Year 1995.

At the same time the State faces unprecedented competition for resources among all social and human services. Whether in children and family services, mental health, corrections, health care, public aid, or elementary/secondary education the list of fundamentally important but unmet resource needs grows each year, and competition intensifies among agencies with compelling calls for added support. The press of this competition forces appropriations to the very limit of--and sometimes beyond--revenue availability, producing an inevitable slowdown in payment of State bills and the need to borrow to meet current operating obligations, eroding the positive impact of already modest future revenue growth.

The University of Illinois has responded comprehensively to this continuing economic uncertainty. Aware that the State is unable to meet fully even the most pressing fiscal priorities, the University has undertaken a fundamental reexamination of the use of all existing resources. Clearly the danger of attempting to preserve all existing programs and operations in an era of fiscal constraint is that none can maintain the excellence and quality achieved over decades of prudent investment. This review of academic initiatives at both campuses produced consolidation of a number of programs and outright elimination of others. That review has also led to a reaffirmation of the primacy of the University's academic mission and the corresponding need for sharper reductions in administrative and support activities.

The redirection of resources is evident in a number of areas:

- Staff levels are down approximately 5%, or nearly 600 positions.
- Staff levels at the Central Administration are down nearly 8%.

- Credit hours taught per faculty member are up 15% over three years.
- Instructional costs are down 11% versus inflation for the same period.
- Administrative costs are down 5% and are below FY 1985 as a share of the total University budget.
- In FY 1994 alone, \$2.45 million has been shifted to support new undergraduate programs and classroom/instructional laboratory upgrades.

Both campuses continue to review academic and administrative activities. The underlying philosophy in all such reviews focuses on a program's centrality to the University's overall mission, its quality, the demand for the services or activities it provides, and its overall cost. Further opportunities for program consolidation or elimination will be explored. As with earlier reallocations, the primary objective will be to preserve and enhance instructional programs while reducing administrative and other support activities.

This document describes funding requests for Fiscal Year 1995 for the University's highest priority operating needs and capital projects. It includes background information on each individual program and project and outlines the principal rationale which underlies each element of the request. In addition, this document includes a recommendation for tuition increases for the coming year, so that students and their families can have accurate information about prospective tuition levels as soon as possible.

The Past Decade in Perspective

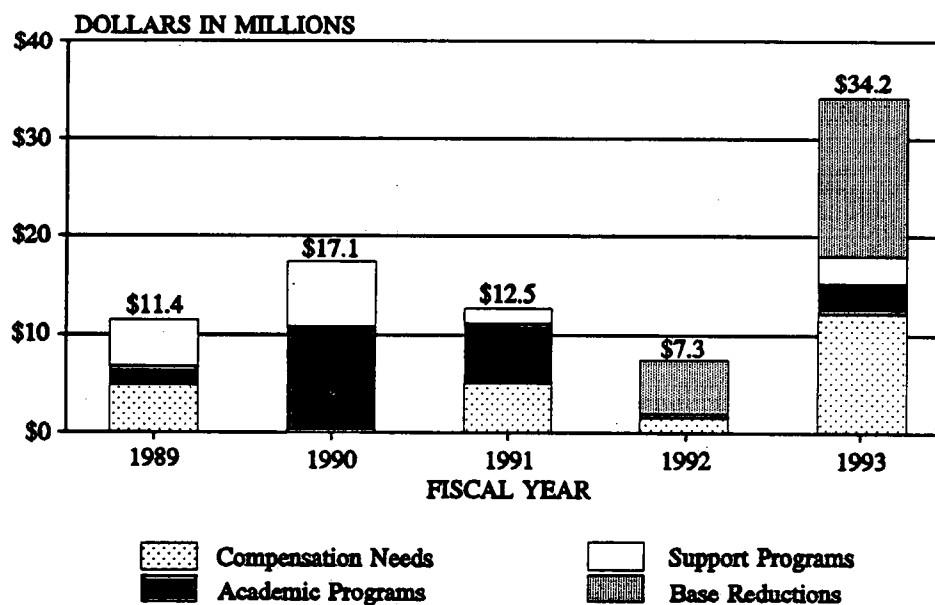
Funding for the State's educational systems, both elementary/secondary and higher education, was frequently cited as among the State's highest budget priorities during the 1980s, and educational funding needs were used to help justify two tax increases in the last decade. A review of the history of the State's general tax appropriations, however, reveals that education's share of the State's budget today is well below what it was in 1980. As shown in Table 1, both elementary/secondary and higher education currently receive a smaller share of the State budget than in FY 1980, and for both, budget shares have dropped steadily since the tax increase in FY 1990. At the same time, the budget share commanded by the other principal human service agencies has risen dramatically since FY 1990.

TABLE 1
STATE OF ILLINOIS GENERAL TAX APPROPRIATIONS
PERCENT SHARE OF THE TOTAL

Year	Elementary/ Secondary	Higher Education	DCFS, Mental Health & Corrections	Public Aid	Other
1980	28.8%	12.9%	10.7%	33.8%	13.7%
1989	24.9	12.0	12.3	31.5	19.3
1990	26.7	13.1	12.9	30.7	16.6
1991	25.8	12.9	13.8	31.5	16.0
1992	24.4	11.9	13.8	33.1	16.8
1993	24.7	11.8	14.7	33.1	15.7
1994	24.3	11.5	16.0	33.5	14.7

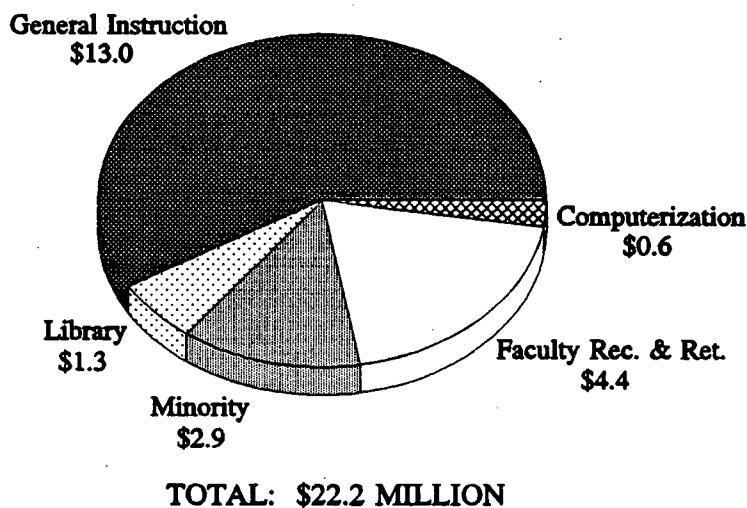
The University has responded to these fluctuations in State support in two ways. Major redirection of resources has occurred annually, including the tax increase year of FY 1990. Beginning then, a four-year \$40 million internal reallocation program was introduced to help fund key academic program priorities and to supplement inadequate State support for salary advances and other unavoidable support expenses. Base budget reductions by the State in FY 1992 and FY 1993 brought the total amount of budget reallocation/reduction to more than \$70 million in the four target years of the program, as outlined in Figure 1.

FIGURE 1
USES OF REALLOCATED FUNDS
FY 1989 TO FY 1993



Significant internal reallocation has also been achieved for the current year, with most attention devoted to improving undergraduate instructional programs. For example, more than \$1.5 million was reallocated at Urbana-Champaign to continue implementation of new undergraduate general education requirements. At Chicago, \$850,000 was redirected to establish a pool of funds to renovate classrooms and instructional labs and to expand computer labs and equipment available for student use. These uses of reallocated resources are quite consistent with the allocation of funds from earlier assignments, as shown in Figure 2.

FIGURE 2
REALLOCATION FOR ACADEMIC PROGRAMS
FY 1989 TO FY 1993

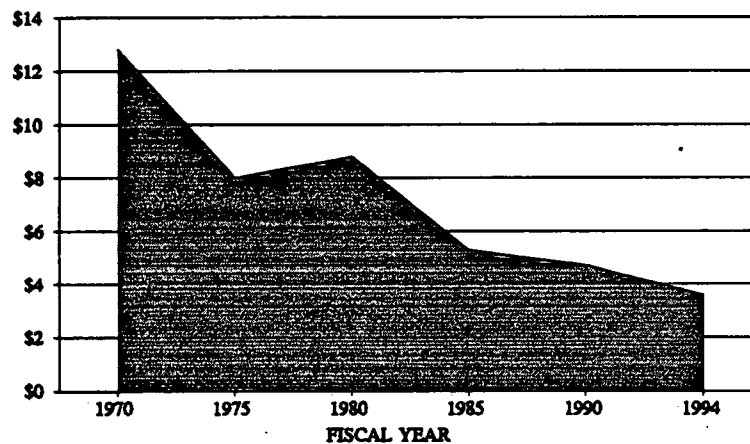


The University has also asked students and their families to help share the burden of declining State support. With the temporarily strong improvement in State support brought by the tax increase in FY 1990, tuition levels were held flat for two years, and general tuition increases since FY 1989 remain approximately 5% below inflation. And while tuition increases were necessary in FY 1992 and FY 1993, University-wide belt tightening and streamlining efforts have generated more than \$2.75 in internal reallocation for every dollar raised from all tuition increases since FY 1990.

Over the longer term, tuition income has become a much more central component of the University's total budget, and its importance is certain to grow in the near future, given the continuing strain on State support. As illustrated in Figure 3, as

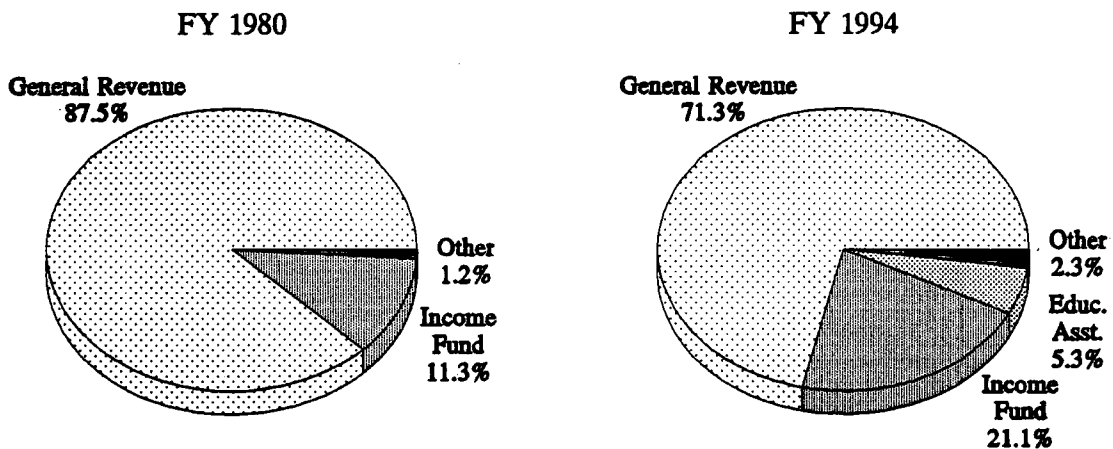
recently as FY 1980 the University received nearly nine dollars in State support for every one dollar in tuition income. By FY 1994 that figure fell to less than four dollars received for every one dollar of tuition income.

FIGURE 3
STATE SUPPORT PER TUITION DOLLAR
FY 1970 TO FY 1994



Despite this shift in support, the University remains heavily dependent upon State tax resources. As illustrated in Figure 4, tuition represented about 11% of the University's total State appropriation in FY 1980, and that fraction has nearly doubled, to more than 21% for the current year. Nevertheless, it still requires a tuition increase greater than 4% to recover the loss of just 1% in State tax support.

FIGURE 4
SOURCES OF APPROPRIATED FUNDS
FY 1980 TO FY 1994



Tuition Increases for FY 1995

Tuition policies and practices are reviewed at every level of the University of Illinois, most recently by the Board of Trustees in July 1993. At that time the Board's discussion indicated a concern that the University's tuition structure become more understandable and, if possible, be simplified, particularly for undergraduates. The Board also expressed a desire that tuition actions become more predictable, and that the timeliness of the tuition process be improved so that students and their families, the Student Assistance Commission, and others be allowed as much time as possible to plan effectively. The Board reiterated its preference for general tuition increases to be implemented on a regular, annual basis at roughly the rate of inflation, instead of more widely fluctuating peaks and valleys of the past decade, recognizing that serious disruptions in State tax support might require more dramatic action.

For well over a decade, University tuition decisions have been addressed nearer the end of the budget process than the beginning, limiting planning time for many affected by those decisions. For FY 1995, that process is being changed significantly, and tuition actions are incorporated within this budget request. Consistent with the policy directions discussed by the Board of Trustees last July, a general increase of 5.5% is recommended, with a commitment to address student financial assistance needs for low-income students. Action at this time should allow maximum opportunity for students and families to plan for tuition needs, and for the Board of Higher Education to address student assistance requirements for the Illinois Student Assistance Commission.

In addition to the general tuition proposal, these FY 1995 operating budget recommendations include completion of the special tuition programs approved a year ago for Urbana-Champaign students in chemistry/life sciences and fine and applied arts. To help simplify the undergraduate tuition structure, closure of the present differential between lower division and upper division charges is recommended over a two-year period beginning in FY 1995. As outlined in the academic program section, all revenue provided by closure of the differential will support instructional improvements for undergraduates, with a particular concentration on the freshman year. Finally, the tuition recommendations for FY 1995 include increases in professional programs in law, medicine, dentistry, and veterinary medicine which will provide resources to improve academic programs, classrooms and instructional labs and equipment, and provide student assistance support for these programs. As outlined more completely in the program

section of this document, tuition proposals for medicine, dentistry, and law cover multi-year periods (three years for medicine and dentistry, two for law). With one exception, no further tuition increases for the coming year are contemplated unless a serious drop in State support occurs. Possible tuition action for the professional MBA (Masters of Business Administration) program remains under review and may be brought forward at a later point.

Capital Budget Request

The University's FY 1995 capital budget request includes an array of projects ranging from repair and renovation of existing facilities to land acquisition. The opportunity to acquire and begin to develop property adjacent to the Chicago campus represents the University's top priority. This project will benefit both the campus and the surrounding community and will enhance economic development options for the City of Chicago. Repair and renovation and infrastructure improvements highlight several of the University's next highest priority projects, along with the opportunity to attract significant private gifts which would match State funds for a new library and information center for the College of Agriculture at Urbana-Champaign.

Stated most simply, the twin objectives of the FY 1995 capital budget request are to preserve and protect the significant investment the State of Illinois has already made in teaching and research facilities at the University of Illinois, and to respond to special opportunities to enhance and expand the facilities which support academic programs at both University campuses. Whether in the sciences, social sciences, or humanities, today's academic programs require adequate facilities in which to teach and learn. The linkages between high quality academic program and adequate space in which to conduct them has never been clearer. Failure to provide adequate facilities and equipment will diminish the academic quality of a program nearly as rapidly as the loss of key faculty members or the failure to attract top-quality students.

The specific list of projects in the University's FY 1995 capital budget request is included in a separate section of this document, along with more detailed descriptions of individual projects.

FISCAL YEAR 1995 OPERATING BUDGET REQUEST

FISCAL YEAR 1995 BUDGET REQUEST FOR OPERATING FUNDS

Planning Parameters for FY 1995

The FY 1995 operating budget request must address a range of fiscal needs which confront the University, while at the same time recognizing that the State's overall economic condition remains fragile and that competing budget needs exist in every other social and human service area. Without question, the paramount priority for the coming year will be to address salary competitiveness for every employee group within the University. In the sections which follow, detailed comparisons for faculty and staff peer groups are presented. Although peer groups vary, the conclusion for each employee group is the same: competitiveness has deteriorated, and if allowed to continue will erode the academic quality of the University.

A second priority for the operating budget request will be to achieve a modest amount of new support for academic program enhancements, to complement the significant internal reallocation which has taken place and which will continue. In some cases dedicated tuition support can be realized to enhance academic programs, but additional State support will also be required. The large majority of these program enhancements will be directed toward undergraduate instruction, with special emphasis on the freshman year. Instructional laboratory and equipment needs must also be addressed.

The University's academic support base will face certain unavoidable cost increases to cover inflationary growth and mandatory increases such as Medicare. Modest but critically important budget increases are required to help meet these inevitable cost factors. In addition, the opportunity to open and begin to utilize new space at both campuses will be available in FY 1995, with relatively modest cost increase requirements which must be met.

Budget Request Summary

Table 2 summarizes the components of the University's Fiscal Year 1995 operating budget request. Consistent with the overwhelming need to address faculty and staff salary competitiveness, nearly two-thirds of the entire request is devoted to salary support, which averages 5%. Another \$7.7 million is targeted to unavoidable or inflationary cost increases and opening new facilities. Another \$7 million is sought for

academic program improvements, with the vast majority of these funds coming from special-purpose tuition increases.

The overall request totals \$40.5 million, or 5.7% above the current year's operating budget. If the tuition recommendations which are a part of this budget request are implemented, however, the balance of the request could be funded in its entirety with an increase of 5.2% in general State support.

TABLE 2
FY 1995 OPERATING BUDGET REQUEST
(Dollars in Thousands)

I. CONTINUING COMPONENTS				
A. Salary Improvement	5.00%			\$25,862.9
B. Other Payroll Costs - Social Security and Medicare				925.0
C. Price Increases				4,864.3
1. General Price Increase	3.00%	\$	2,821.2	
2. Utilities Price Increase	3.85%		1,614.0	
3. Library Price Increase	4.00%		429.1	
D. Operation & Maintenance Requirements--New Areas				1,904.1
Subtotal, Continuing Components				\$33,556.3
% of FY 1994 Base*				4.77%
II. ACADEMIC PROGRAM IMPROVEMENTS				
A. Instructional Advancements			\$2,000.0	
B. Instructional Improvements from Special Purpose Tuition Sources			4,999.3	
Subtotal, Academic Program Improvements				\$ 6,999.3
% of FY 1994 Base*				0.99%
III. TOTAL BUDGET REQUEST				\$40,555.6
% of FY 1994 Base*				5.77%

*FY 1994 Base = \$703,020.0

CONTINUING COMPONENTS

SALARY AND BENEFIT INCREASES

(\$25,862,900)

The overall quality of the University of Illinois' academic programs, as measured by numerous national assessments, places it among the nation's top institutions of higher education and among the top three Big Ten institutions. For a number of years, the University has established the latter strategic benchmark as a minimum objective for its faculty compensation plan. However, in FY 1994, the University's competitive position will not improve. Several consecutive years of budgetary constraints dramatically reversed progress made in FY 1990; and the gap to third place for faculty salaries, which was 1.6% in FY 1990, reached 6.4% in FY 1993. Budgetary constraints faced by other Big Ten institutions have softened--but by no means eliminated--the blow of inadequate funding by the State, and the University's salary competitiveness has been seriously damaged.

Although the University has worked to supplement State funding levels through stringent financial management and the internal reallocation of resources, these efforts alone are not sufficient to achieve salary competitiveness. In past years, the University's last place ranking in total compensation (salary plus benefits) has been offset by a greater degree of competitiveness in cash salary; however, the University may no longer be competitive on either measure. As a result, many departments have lost the ability to compete with top schools, and the ability to attract and retain faculty has been eroded across the entire breadth of the University.

The total compensation package provided to University employees consists of numerous components, each of which serves specific employee needs. These components include (1) direct compensation (cash income) which enables employees to establish a standard of living and make base rate comparisons with other employers, and (2) indirect compensation (benefit programs) intended to protect employees when their income stream is interrupted or burdened by certain types of expenses. Erosion in the competitiveness of salaries or of fringe benefits increases the likelihood that talented employees will accept more attractive offers at other institutions or in the private sector; it reduces the ability of the University to attract the best qualified candidates to new or vacant positions; and it undermines the productivity and morale of current staff. It is

critical to the successful operation of the University to keep all compensation program components at competitive levels.

To assess competitive standing, numerous salary and compensation analyses are performed annually to determine the University's overall ranking among its peers. Due to the varied nature of the University workforce, separate analyses are performed for academic employees and staff. Cash salary and employer contributions to fringe benefits for academic employees are assessed through comparisons with Big Ten and other peer institutions, while staff salary and benefits comparisons are made with appropriate employee groups in the local, State, and regional markets. The discussion which follows provides background information concerning the University's competitive position.

Faculty Salaries

As explained in the introduction to this section, the University has established third place in the Big Ten as its benchmark for salary competitiveness. Unfortunately, little progress has been made toward achieving this benchmark since FY 1990. The following table displays the University's average cash salary relative to third place in the Big Ten for FY 1987 through FY 1993. Salaries displayed represent nine-month salaries for full-time budgeted faculty and are for all academic ranks combined, weighted to the University of Illinois' distribution of faculty by rank and term of appointment. Boosted by a tax increase in FY 1990, the gap to third place narrowed to 1.6%. However, several consecutive years of budgetary constraints resulted in the gap widening to 6.4% in FY 1993.

UNIVERSITY AVERAGE SALARY RELATIVE TO THIRD PLACE IN THE BIG TEN				
<u>Fiscal Year</u>	<u>Illinois</u>	<u>Third Place</u>	<u>Dollar Difference</u>	<u>Percent Difference</u>
FY 1987	\$42,448	\$43,481	\$ 1,033	2.4%
FY 1988	42,572	45,878	3,306	7.8
FY 1989	45,763	48,862	3,099	6.8
FY 1990	49,649	50,462	813	1.6
FY 1991	51,078	53,570	2,492	4.9
FY 1992	52,172	54,939	2,767	5.3
FY 1993	54,337	57,811	3,474	6.4

The following table compares FY 1992 and FY 1993 average faculty salaries for the Big Ten universities. The relative ranking of each Big Ten institution is provided, as well as the percent increase in weighted average cash salary. The average faculty salary at the University of Illinois increased by 4.2% in FY 1993, compared to an average increase of 3% at the other Big Ten universities. Although the gap to third place widened, the University was able to recapture its fifth place ranking. Progress was also made in FY 1993 toward distancing the University from the bottom-ranked institutions. The University now trails the fourth place institution by only \$500 compared to \$1,555 in FY 1992 and leads the seventh place institution by \$1,223.

AVERAGE SALARIES FY 1992 - FY 1993 BIG TEN UNIVERSITIES					
University	FY 1992 Weighted Average Salary	Rank	% Incr.	FY 1993 Weighted Average Salary	Rank
Illinois	\$52,172	6	4.2%	\$54,337	5
I	49,409	10	3.5	51,128	11
C	53,727	4	7.6	57,811	3
F	58,250	2	0.5	58,513	2
H	51,454	7	0.9	51,918	10
A	51,078	8	1.9	52,042	8
X	62,897	1	4.9	65,949	1
E	54,939	3	-0.2	54,837	4
B	51,053	9	4.0	53,114	7
J	49,341	11	5.3	51,935	9
M	52,923	5	2.0	53,981	6
MEAN	\$53,386		3.1%	\$55,051	
MEAN LESS ILLINOIS	\$53,507		3.0%	\$55,123	
Distances to 3rd Place--Average Salaries					
	FY 1992			FY 1993	
Illinois	\$52,172			\$54,337	
3rd Place	\$54,939			\$57,811	
\$ Difference	\$2,767			\$3,474	
% Difference	5.3%			6.4%	

Figure 5 displays the actual FY 1993 ranking of Big Ten faculty salaries graphically. Note the clustering of the fourth, fifth, and sixth ranked institutions, and the wide gap between these institutions and the top three ranked institutions. As illustrated in Figure 6, the gap to third place continued to widen in FY 1993, seriously negating progress achieved in FY 1990.

FIGURE 5
WEIGHTED AVERAGE SALARY
AMONG BIG TEN UNIVERSITIES
(Dollars in Thousands)

FY 1993

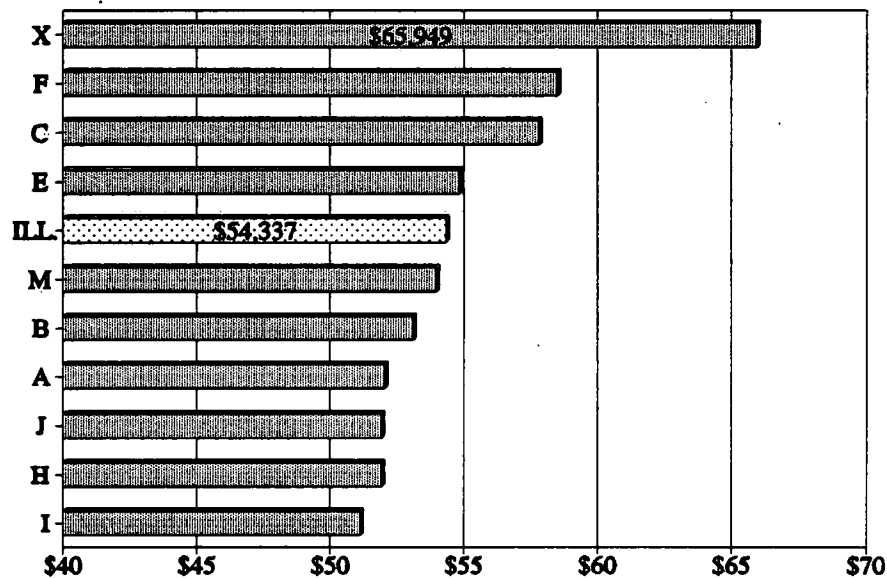
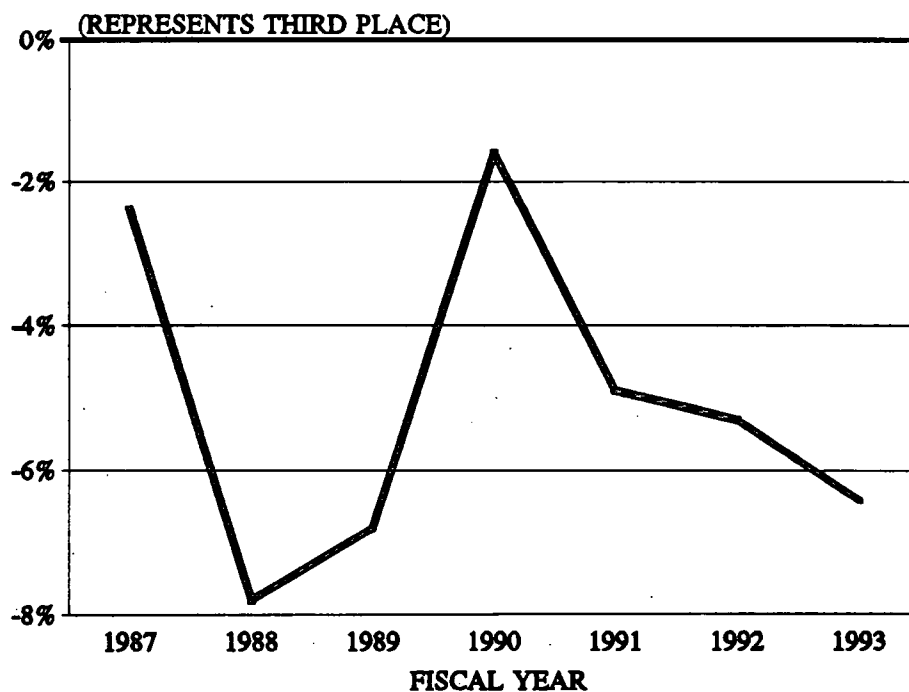


FIGURE 6
AVERAGE FACULTY SALARIES
VS. THIRD PLACE BIG TEN AVERAGE
WEIGHTED SALARY



Current projections indicate that the University will continue trailing the top-ranked institutions in FY 1994. The budget passed by the General Assembly and approved by the Governor, provides .7% in incremental funding for faculty and staff salary increases. Although the University will be able to reallocate additional resources to provide a 1% salary program, FY 1994 salary increases at other Big Ten universities are expected to average 3.1%. Projections indicate the University will drop back to the sixth place ranking, and will move closer to the seventh place institution than the fifth place institution in FY 1994.

Faculty Salaries By Discipline

Of particular concern is a study of faculty salaries by discipline from FY 1987 through FY 1993, years in which salary levels were affected dramatically by funding fluctuations. Competition for top quality faculty has become particularly intense in high demand disciplines. The University has experienced increased difficulty both attracting and retaining key faculty in these high demand areas, as well as in areas of lesser demand which are experiencing shortages of trained scholars.

The study compares faculty salaries by academic discipline for institutions in the American Association of Universities Data Exchange (AAUDE) peer group. The AAUDE serves as a consistent reference group for which detailed salary data by discipline are available and by which changes in salary competitiveness over time can be gauged. Institutions included in the study include:

Arizona	Illinois-Chicago	Maryland	North Carolina	Texas
Colorado	Illinois-Urbana	Michigan	Oregon	Virginia
Florida	Iowa State	Minnesota	Ohio State	Washington
Indiana	Michigan State	Missouri	Penn State	Wisconsin
Iowa	Kansas	Nebraska	Purdue	

Tables 3 and 4 summarize average salary data by discipline reported for FY 1987 (prior to the "no salary" increase policy of FY 1988), FY 1989 (the year immediately after), and FY 1993. Also summarized is the University's comparative ranking relative to other AAUDE institutions for each year of the study. For each discipline category, only those institutions reporting data in all three years of the study are included. Table 3

TABLE 3
FACULTY SALARY STUDY BY DISCIPLINE
UNIVERSITY OF ILLINOIS AT CHICAGO
AND AAUDE INSTITUTIONS

WEIGHTED TO UIC DISTRIBUTION OF FACULTY
FY 1987 TO FY 1993

	Number of Schools	FY 1987		FY 1989		FY 1993		Change In Rank
		UIC Salary	Rank	UIC Salary	Rank	UIC Salary	Rank	
Architecture	19	\$34,233	16	\$38,135	17	\$47,701	14	2
Business	23	45,451	11	51,362	16	64,504	18	-7
Education	23	33,773	10	37,602	11	48,875	7	3
Engineering	20	47,921	2	51,635	7	59,755	13	-11
Foreign Language	23	33,250	11	36,239	13	43,619	13	-2
Letters	23	34,622	11	38,295	13	47,576	15	-4
Life Sciences	23	42,794	3	47,944	4	55,854	4	-1
Mathematics	23	42,184	12	46,840	18	54,453	20	-8
Philosophy	23	41,405	4	42,607	5	50,852	4	0
Physical Sciences	23	42,846	6	46,071	13	55,194	17	-11
Psychology	23	41,351	9	45,962	12	52,689	18	-9
Social Sciences	23	37,882	14	41,535	17	50,079	18	-4
Social Work	17	36,274	9	37,289	12	45,842	13	-4
Visual & Perf. Arts	23	33,340	7	35,326	11	41,703	12	-5

TABLE 4
FACULTY SALARY STUDY BY DISCIPLINE
UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN
AND AAUDE INSTITUTIONS

WEIGHTED TO UIUC DISTRIBUTION OF FACULTY
FY 1987 TO FY 1993

	Number of Schools	FY 1987		FY 1989		FY 1993		Change In Rank
		UIUC Salary	Rank	UIUC Salary	Rank	UIUC Salary	Rank	
Agriculture	15	\$40,698	6	\$44,356	7	\$54,368	9	-3
Architecture	19	38,858	8	41,661	12	45,590	15	-7
Business	23	52,341	3	55,543	16	72,066	8	-5
Communications	22	36,213	6	40,189	5	47,232	8	-2
Computer & Info.	21	50,285	7	53,986	11	64,439	11	-4
Education	23	41,424	5	43,767	7	50,744	12	-7
Engineering	20	53,995	2	56,316	5	66,946	5	-3
Foreign Language	23	38,917	6	41,137	7	48,128	9	-3
Home Economics	15	32,947	6	35,881	10	44,427	7	-1
Law	18	69,147	3	71,327	5	85,518	7	-4
Letters	23	35,365	7	38,298	14	46,110	17	-10
Life Sciences	23	43,427	9	46,177	13	52,579	13	-4
Mathematics	23	46,480	11	49,127	18	55,955	16	-5
Philosophy	23	33,758	12	35,970	16	43,140	19	-7
Physical Sciences	23	51,512	1	54,429	4	65,594	1	0
Psychology	23	44,929	3	51,132	2	59,955	1	2
Social Sciences	23	41,945	9	44,330	17	53,732	15	-6
Social Work	17	38,342	7	39,883	10	43,156	13	-6
Visual & Perf. Arts	23	36,360	7	38,945	12	42,928	16	-9

displays data for 14 disciplines at the Chicago campus. Table 4 displays comparable data for 19 disciplines at the Urbana-Champaign campus.

As clearly shown by the data, budgetary constraints have had a detrimental impact on the competitiveness of salaries for all disciplines. Although the level of State funding provided in FY 1990 enabled a degree of recovery in most disciplines, funding levels in the subsequent years were severely limited and many disciplines suffered a relapse.

At UIC, only two disciplines improved their ranking between FY 1987 and FY 1993; Architecture gained two rankings and Education three. Salary rankings continue to lag FY 1987 levels for eleven disciplines. Hardest hit areas include Engineering and the Physical Sciences. Each currently rank 11 places lower than in FY 1987. Whereas UIC held three "top five" rankings in FY 1987, only two rank in the top five in FY 1993.

At UIUC, only one discipline improved its FY 1987 ranking; Psychology gained two rankings. Although 6 disciplines have made some progress since FY 1989, 17 of the 19 disciplines have not recovered their FY 1987 levels of competitiveness. Letters and Visual and Performing Arts have suffered the most dramatic declines; Letters ranks 10 places lower than in FY 1987; while Visual and Performing Arts ranks 9 places lower. Other hard hit areas include Architecture, Education, and Philosophy; each rank 7 places lower than in FY 1987. Whereas UIUC held six "top five" rankings in FY 1987, only three disciplines rank in the top five in FY 1993.

It is clear past declines in State funding have had a negative impact on the University's ability to remain competitive for high quality faculty and staff, although this impact has been greater in some disciplines than in others. Most disciplines, however, continue to suffer from a loss of competitiveness. It is critically important for the University to shorten the road to recovery in these disciplines and to improve overall salary competitiveness.

Faculty Compensation

Total compensation represents the combination of average cash salary and employer contributions to fringe benefits. The following table compares the University's ranking among the Big Ten universities for FY 1993 based on weighted average salary and weighted average compensation. Weighted average compensation is calculated by adding the dollar value of the employer's contribution to fringe benefits to weighted

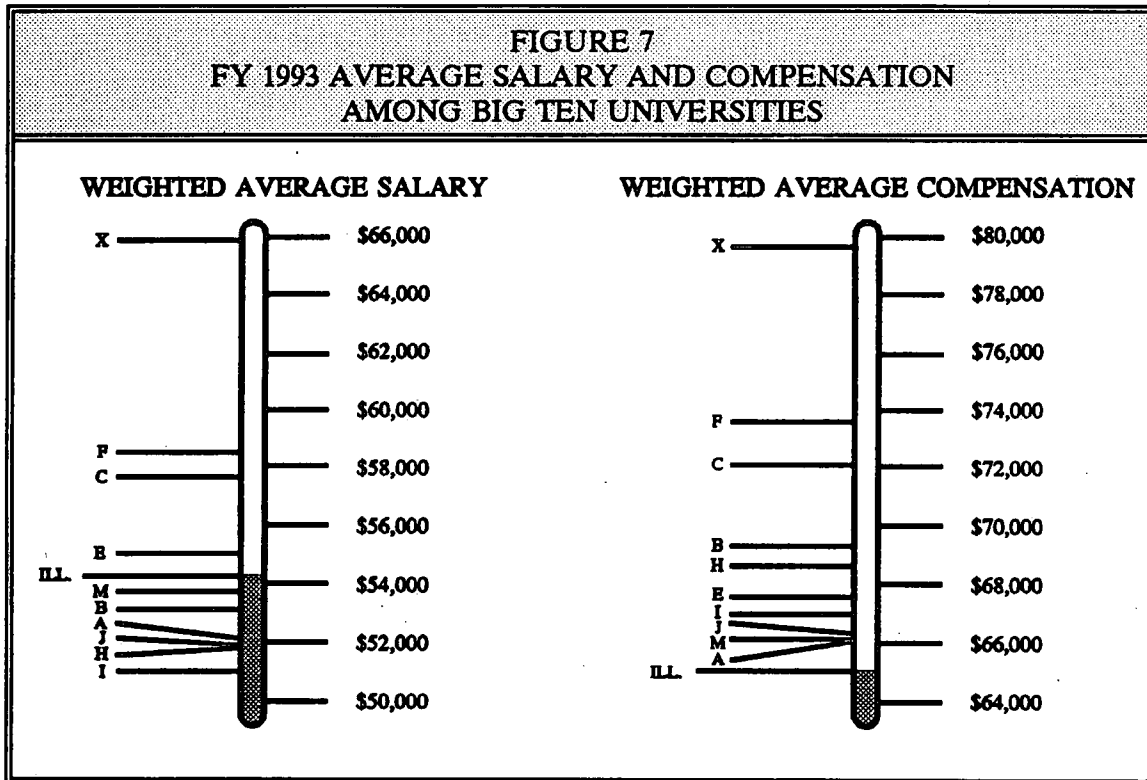
average cash salary. The employer contribution to fringe benefits is reported as a percent of average salary.

AVERAGE COMPENSATION FY 1993 BIG TEN UNIVERSITIES						
University	FY 1993 Weighted Average Salary	Rank	FY 1993 Weighted Average Compensation	Rank	Benefits As a Percent of Average Salary	Benefits As a Percent of Average Salary Excluding Social Security
Illinois	\$54,337	5	\$65,000	11	19.6%	19.6%
I	51,128	11	66,990	7	31.0	23.9
C	57,811	3	72,188	3	24.9	18.2
F	58,513	2	73,643	2	25.9	19.1
H	51,918	10	68,690	5	32.3	25.1
A	52,042	8	66,062	10	26.9	19.8
X	65,949	1	79,545	1	20.6	14.5
E	54,837	4	67,584	6	23.2	23.2
B	53,114	7	69,376	4	30.6	23.7
J	51,935	9	66,299	8	27.7	20.6
M	53,981	6	66,181	9	22.6	15.0
MEAN	\$55,051		\$69,233		25.9%	20.3%
MEAN LESS ILLINOIS	\$55,123		\$69,656		26.6%	20.3%
Distances to 3rd Place—Average Compensation						
			FY 1992		FY 1993	
Illinois			\$61,784		\$65,000	
3rd Place			\$67,393		\$72,188	
\$ Difference			\$5,604		\$7,188	
% Difference			9.1%		11.1%	

Ranking last in total compensation in FY 1993, the University currently lags the third ranked institution by 11.1% compared to 9.1% in FY 1992. The current gap to third place exceeds \$7,100. The University's contribution toward fringe benefits as a percent of average salary was 19.6% in FY 1993, compared to a Big Ten average contribution of 26.6%. When adjusted for Social Security, the average Big Ten contribution equals 20.3%, still above the University of Illinois contribution level.

Figure 7 displays the University's relative ranking in both average cash salary and total compensation for FY 1993. Note that while most other institutions retain the same relative position in the total compensation comparisons as in the salary comparisons, the University of Illinois' competitive position drops dramatically. The University's lack of competitiveness in providing essential elements of the fringe benefits package substantially weakens its overall competitive standing in total compensation. Although some benefit improvements have been made, a FY 1992 comparison of fringe benefits in the

Big Ten ranked the University of Illinois last in employer contributions to retirement and dependent health insurance and in the percent of salary ensured under the long term disability plan.



One option for remaining competitive in terms of total compensation is supplementing deficiencies in fringe benefits with above-average cash salary increases. However, the optimal strategy alleviates the need for high cash salary increases by complementing increases in cash salaries with improvements to fringe benefits.

Budgetary constraints endured by the University in recent years have crippled the cash salary competitiveness of the University and have forced the University to remain in last place in total compensation. Clearly the University must strengthen its competitive position. Funds are requested for a 5% salary program in FY 1995 to begin the recovery process. Additional funds for continued recovery will be required beyond FY 1995.

Staff Salary Comparisons

Salary comparisons for staff employees are conducted on an annual basis and vary depending on the recruiting area for particular classes of University employees. In some cases, comparisons are made with local employers; in other cases, broader comparisons are made if the market for a particular function or skill is Statewide or greater. Resolutions passed by the Illinois State Legislature and the University of Illinois Board of Trustees in FY 1993 have placed increased emphasis on salary equity with employees of State agencies and peer institutions throughout the State. Comparative analyses of staff salaries are therefore focused in each of these areas.

Local Regional Comparisons

Depending on position classification, the recruitment market for staff positions varies considerably. Therefore, the University examines data from local, regional, and statewide market sources. Local data are obtained annually from such sources as the Champaign-Urbana Personnel Association, Chicago Compensation Association, and Metropolitan Healthcare Council Surveys. Regional data are obtained from other sources including Pay Data Services and the American Compensation Association.

The table which follows compares salary increase data as reported by Pay Data Services and the American Compensation Association, both recognized sources of comparative market information. The table compares market range changes as well as actual salary increases that occurred in FY 1992 and FY 1993, and includes projections for market changes in FY 1994. Data are reported separately for office occupations and professional/mid-management positions.

In FY 1993, market average salaries increased at a greater rate than did comparable salaries at the University of Illinois, continuing a trend seen in prior years. Market actual salaries increased by approximately 5% in FY 1993, compared to an average increase of 4% at the University of Illinois. Although market ranges increased by only 3.5%, University actual salaries declined relative to market sources.

**MARKET RANGE AND ACTUAL SALARY CHANGES
COMPARED TO UNIVERSITY OF ILLINOIS SALARY INCREASES**

Salary Range Changes/Projections

<u>Office Occupations:</u>	<u>1993 Actual</u>	<u>1994 Projected</u>
Pay Data Service	3.7%	3.5%
American Comp Assoc (Central)	3.0	3.3
University of Illinois	4.0	--*

Professional and Mid-Management:

Pay Data Service	3.4%	3.5%
American Comp Assoc (Central)	3.2	3.5
University of Illinois	4.0	1.0

*Under negotiation.

Actual Salary Changes/Projections

<u>Office Occupations:</u>	<u>1993 Actual</u>	<u>1994 Projected</u>
Pay Data Service	4.8%	4.4%
American Comp Assoc (Central)	4.5	4.6
University of Illinois	4.0	--*

Professional and Mid-Management

Pay Data Service	4.6%	4.5%
American Comp Assoc (Central)	4.7	4.7
University of Illinois	4.0	1.0

*Under negotiation.

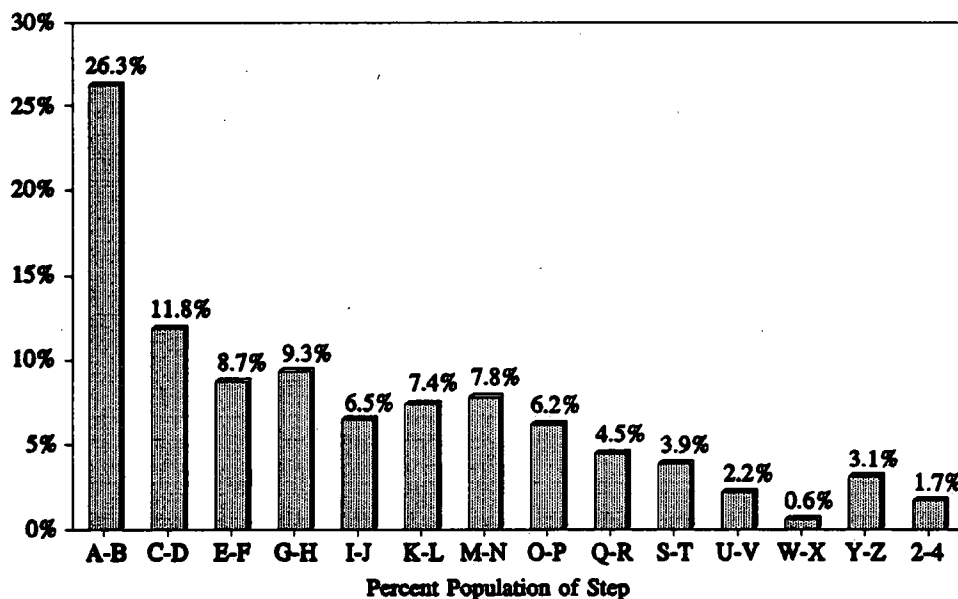
The University's FY 1993 salary program, generated through internal reallocation, provided some relief from the decline in salary competitiveness experienced in prior years. However, in FY 1994 the University will see a further decline in market competitiveness. Based on projections for FY 1994, market ranges are expected to increase approximately 3.5% with projected changes in actual average salaries expected to be 4.5%. In contrast, the University's salary program for FY 1994 will consist of a 1% market movement program for open range employees with a comparable percentage made available to negotiated groups. For employees on the open range pay plan, the merit program is expected to generate another .8%.

State Comparisons

Comparisons of University of Illinois pay rates in relation to those of their State counterparts produce varying results, depending on position classification and the State comparison made. In general, University pay ranges are significantly broader than State pay ranges for comparable classes, resulting in University pay rates that are competitive at the maximum but significantly behind minimum rates paid to State employees.

Exacerbating the problem is the compression that has occurred at the bottom steps of the open range pay plan. Due to insufficient State funding, the University has been unable to grant step increases in six of the last seven years. While movement through the steps has occurred for some employees as the result of promotions and merit increases, the majority of University employees have experienced no movement through the steps. Approximately 55% of University employees are currently compressed in the first quarter of their respective ranges, with 83% in the first half of the range. In contrast, more than 50% of State workers are paid at the top of the range. This compression has resulted in University average salaries that fall substantially behind State salary levels. It has also resulted in salary compression between newly hired University of Illinois employees and those with longer service.

OPEN RANGE STEP DISTRIBUTION BOTH CAMPUSES



Tables 5 and 6 that follow compare pay ranges for selected University classes to those of their State counterparts. Shown for each class is a comparison of minimum, maximum, and midpoint rates for the State code title most closely matching the UI class based on position responsibility. Also displayed is the average salary for University of Illinois employees. Data are reported as of July 1, 1993, and include the 5% market movement increases granted to State employees on July 1. In FY 1994, eligible State employees will also receive a step increases (approximately 4%) on the anniversary date of their employment.

TABLE 5 CHICAGO CAMPUS JOB MATCHES TO CMS Ranges as of July 1, 1993							
Open Range Classifications							
	Class Code	Title	Grade	Minimum	Midpoint	Maximum	UI Average Salary
UI:	0010	Accountant I	19	\$22,889	\$29,768	\$36,646	\$27,216
CMS:	00122	Accountant II		24,746	28,400	32,054	
% Diff:		Percent UI to CMS		-8.1%	4.6%	12.5%	
UI:	0103	Data Processing Analyst I	24	\$29,183	\$38,888	\$48,592	\$31,456
CMS:	34712	Programmer-Analyst II		28,476	32,905	37,334	
% Diff:		Percent UI to CMS		2.4%	15.4%	23.2%	
UI:	0510	Equipment Attendant	10	\$15,387	\$19,536	\$23,684	\$17,012
CMS:	34791	Property & Supply Clerk I		16,783	18,648	20,513	
% Diff:		Percent UI to CMS		-9.1%	4.5%	13.4%	
UI:	4095	Medical Technologist	17	\$22,172	\$28,836	\$35,499	\$29,500
CMS:	08220	Clinical Laboratory Technologist I		30,013	34,745	39,476	
% Diff:		Percent UI to CMS		-35.4%	-20.5%	-11.2%	
Negotiated Classifications							
	Class Code	Title	Union Code	Minimum	Midpoint	Maximum	UI Average Salary
UI:	0737	Clerk I	73C	\$12,010	\$14,893	\$17,776	\$12,175
CMS:	30005	Office Aide		15,889	17,539	19,190	
% Diff:		Percent UI to CMS		-32.3%	-17.8%	-8.0%	
UI:	3243	Secretary (Transcribing)	73C	\$18,092	\$22,970	\$27,847	\$21,863
CMS:	30015	Office Associate		19,190	21,628	24,066	
% Diff:		Percent UI to CMS		-6.1%	5.8%	13.6%	
UI:	3317	Storekeeper I	308	\$14,089	\$18,382	\$22,674	\$19,280
CMS:	43060	Stores Clerk		17,325	19,253	21,181	
% Diff:		Percent UI to CMS		-23.0%	-4.7%	6.6%	
UI:	2736	Licensed Practical Nurse II	LPN	\$19,302	\$23,161	\$27,019	\$24,217
CMS:	23552	Licensed Practical Nurse II		20,954	23,782	26,611	
% Diff:		Percent UI to CMS		-8.6%	-2.7%	1.5%	
UI:	3880	Audio-Visual Aids Technician I	134	\$15,834	\$17,862	\$19,890	\$15,834
CMS:	3501	Audio-Visual Technician I		17,942	20,047	22,151	
% Diff:		Percent UI to CMS		-13.3%	-12.2%	-11.4%	

TABLE 6
URBANA-CHAMPAIGN CAMPUS
JOB MATCHES TO CMS
Ranges as of July 1, 1993

Open Range Classifications							
	Class Code	Title	Grade	Minimum	Midpoint	Maximum	UI Average Salary
UI:	0010	Accountant I	19	\$22,892	\$29,772	\$36,651	\$25,051
CMS:	00122	Accountant II		24,746	28,400	32,054	
% Diff:		Percent UI to CMS		-8.1%	4.6%	12.5%	
UI:	0308	Purchasing Assistant II	22	\$26,478	\$35,285	\$44,091	\$29,445
CMS:	05901	Buyer I		23,600	26,996	30,391	
% Diff:		Percent UI to CMS		10.9%	23.5%	31.1%	
UI:	0103	Data Processing Analyst I	24	\$29,184	\$38,891	\$48,597	\$32,239
CMS:	34712	Programmer-Analyst II		28,476	32,905	37,334	
% Diff:		Percent UI to CMS		2.4%	15.4%	23.2%	
Negotiated Classifications							
	Class Code	Title	Union Code	Minimum	Midpoint	Maximum	UI Average Salary
UI:	0771	Library Clerk I	3700	\$13,012	\$16,136	\$19,259	\$13,012
CMS:	23421	Library Aide I		16,317	18,075	19,833	
% Diff:		Percent UI to CMS		-25.4%	-12.0%	-3.0%	
UI:	0913	Head Cook	119	\$16,869	\$19,978	\$23,088	\$19,628
CMS:	09602	Cook II		19,127	21,489	23,852	
% Diff:		Percent UI to CMS		-13.4%	-7.6%	-3.3%	
UI:	3243	Secretary IV	3700	\$17,368	\$22,587	\$27,805	\$20,244
CMS:	30025	Office Coordinator		19,921	22,510	25,099	
% Diff:		Percent UI to CMS		-14.7%	0.3%	9.7%	
UI:	3318	Storekeeper II	698	\$23,670	\$24,346	\$25,022	\$24,882
CMS:	43051	Storekeeper I		21,433	24,255	27,077	
% Diff:		Percent UI to CMS		9.5%	0.4%	-8.2%	
UI:	3965	Electronics Technician II	601	\$25,750	\$31,117	\$36,483	\$26,707
CMS:	13360	Electronics Technician		25,830	27,197	28,564	
% Diff:		Percent UI to CMS		-0.3%	12.6%	21.7%	

For FY 1995, the University seeks funding to close the gap between University of Illinois salaries and the competitive market as measured by various sources. Particular emphasis will be placed on competitiveness with State employees and on mechanisms for relieving compression at the lower end of the University pay scale.

Staff Fringe Benefits

The fringe benefits offered to University staff are compared to the benefits provided to employees in the private sector and to those provided at Big Ten institutions and peer institutions throughout the State. To assess its competitive standing in the market, the University participates in several surveys. Results of these studies indicate that benefits for University staff are generally equal to or greater than other Big Ten and

local employers for "time-off" related benefits (holidays, vacation, sick leave). However, University benefits are less competitive in regard to insurance related benefits.

The competitiveness of the University's compensation program varies for the wide range of classifications and salary levels, and the University is more competitive in the markets for some employee classifications than for others. However, salary comparisons indicate the University's position in the market continues to erode and that the University's fringe benefits program continues to be deficient in some components of the benefits package. When combined with staff salaries (which are generally less competitive than the salaries of academic employees), it is clear that the University's overall compensation program lacks competitiveness for staff as well as academic employees.

State Universities Retirement System (SURS)

Among the benefit comparisons cited above, the health of the State Universities Retirement System (SURS), as well as the University's relative competitiveness among peer institutions with respect to retirement benefits, has been a matter of prime concern for several years for both individual employees and for leaders within higher education institutions and the SURS system. Any discussion of fringe benefits improvements for higher education in Illinois must include a strong call for adequate funding of the SURS program to ensure that existing benefits will remain secure. Appendix I contains a more complete discussion of the SURS funding situation.

It should be understood, however, that while achieving adequate funding for SURS remains a key concern for FY 1994 and for future years, funding improvements for SURS will not, in and of themselves, improve either the benefits available to University employees or the University's competitive position among peer institutions. It is urgent that the University move forward on both fronts. The adequacy of SURS fiscal support must be assured. So, too, must improvements in the University's competitive position in total compensation be achieved.

PRICE INCREASES

Introduction

The University requests funding each year to keep pace with expected price increases in the commodities and services required for operation. Insufficient funding for these price increases requires the University to reallocate already limited internal resources, which inhibits efforts to enhance quality academic programs and services. In formulating its annual request for price increase funding, the University prepares four separate price increase components, tailoring each to the unique characteristics of the commodities or services under consideration:

General Price Increase

Although the State has for some time recognized the need for general price increase support, appropriations for this purpose have been inconsistent over the last decade. Inflation and its concomitant indicators drive the magnitude of the request for a general price increase. Although inflation has abated in recent years, general price increase funding, when provided at all, has continued to lag inflation putting increased pressure on the University's ability to purchase needed goods and services.

Utilities Price Increase

While the inflationary run up of prices has similarly slowed for most utilities components, boiler fuels costs continue to outpace general inflation. Strong national demand for natural gas and a corresponding dissolution of the gas "bubble" surplus have contributed to identify this fuel as the component with the greatest rate of increase in the University's utilities budget. While the typical price of natural gas is competitively priced, sharp market driven increases in its cost are mitigated by the ability of our Chicago utilities plant to switch to fuel oil.

Library Price Increase

Price increases for library acquisitions have been particularly severe in recent years, far outpacing general inflation. In particular, the steep increases in the prices of U. S. Periodicals and College Books have caused a precipitous drop in the Libraries' purchasing power. The State has recognized the need for a differential library price increase with special funding in 7 of the last 14 fiscal years, including a 10% increase in FY 1993. Despite these efforts, the Libraries of the University of Illinois are struggling to maintain the current quality of their collections.

Other Payroll Costs

The University has faced increasing requirements for specialized payroll-related expenditures without receiving commensurate funding to cover them. Payouts for federally mandated Medicare and Social Security

contributions payments have placed additional stress on the University's budget in recent years. An increase in funding is necessary to provide for these increased expenditures.

In the sections that follow, each of these price increase needs is discussed in greater detail, including the analytical methods used to determine the amount of each request.

General Price Increase (\$2,821,200)

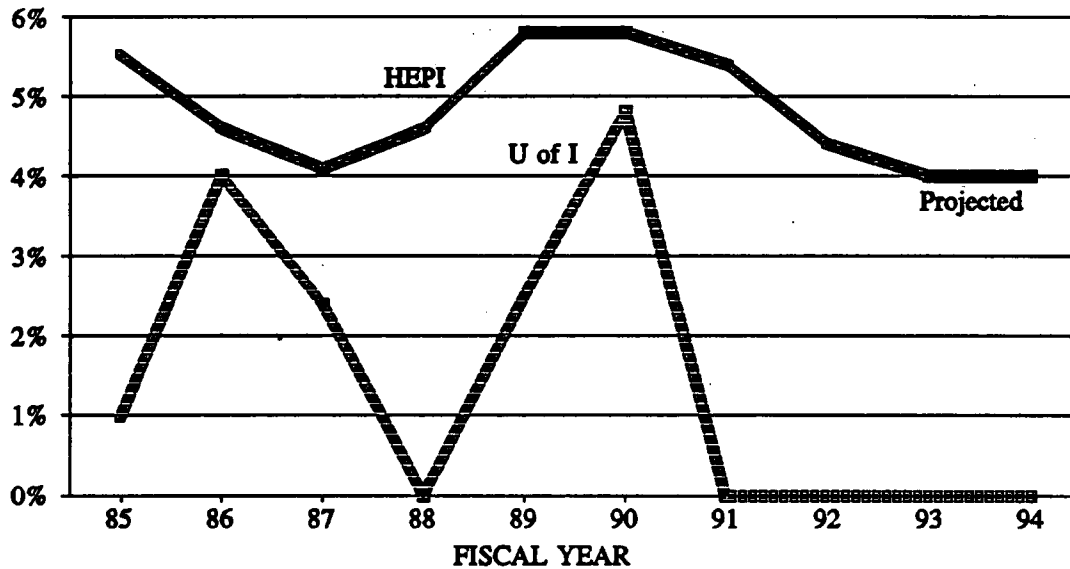
The University's requirements for general price increase funding are determined through a comparison of past funding levels with inflation and several quantified economic indicators. In addition to using historical comparisons which show cumulative gains and losses to inflation, economic forecasts are used to project the impact of inflation for the coming budget year.

The diversity of University activities suggests that no single market indicator can adequately predict the effect of price increases on the University as a whole. For the purpose of the general price increase request, three inflationary measures are presented to assess the impact of price increases on University activities. All of these indicators are of the "market basket" variety, combining differentially weighted cost components into a single index. Holding the type and quantity of a commodity in the market basket constant over time provides an indicator of changes in the resources required to maintain a constant level of consumption over the period.

1. Gross National Product (GNP) Implicit Price Deflator
Defines that portion of the overall GNP growth which is attributable to factors other than real growth in the production of goods and services in the economy.
2. Consumer Price Index (CPI) (Less Energy)
Measures the change in actual prices paid by urban households for items such as food, housing, and transportation. Energy costs are excluded since a separate utilities cost increase request is defined in the following section.
3. Higher Education Price Index (HEPI)
Measures changes in the level of general expenditures made by colleges and universities from current funds for items supporting instructional programs and departmental research activities. Sponsored research and auxiliary enterprise expenditures are excluded from the HEPI.

A comparison of University funding levels to these measures shows a strong positive relationship among these inflation indices, and considerable differences between the price increases estimated by these indicators and University appropriations over the last decade. Specifically, the University has received no general price increase funding in five of the past ten years. Since FY 1988 the University has received only two general price increases and in no year has the general price increase exceeded the HEPI, as shown in Figure 8.

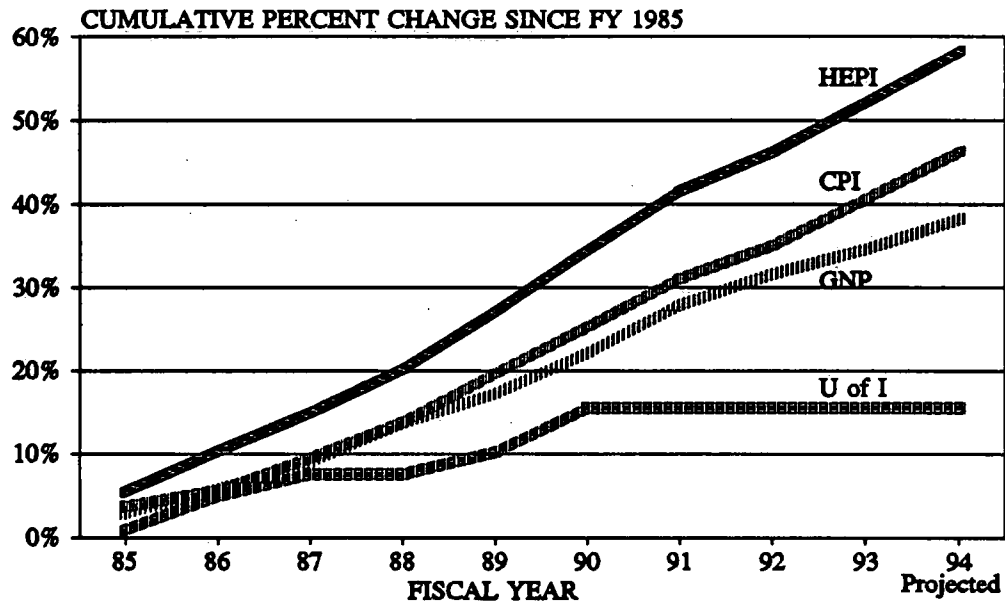
FIGURE 8
ANNUAL INFLATION INCREASES
VERSUS GENERAL PRICE INCREASE APPROPRIATIONS



Over the past five years the University has received one general price increase increment, 4.8% in FY 1990. The disparity between State appropriation levels and the University's price increase needs has widened dramatically during this period. In FY 1988 the University's General Revenue Fund support was reduced by 4%, and in FY 1989 and FY 1991 the University received funds for salary increases only. In FY 1992 the University did not receive a general price increase. The FY 1992 budget recision reduced the University's operating appropriation by \$16.4 million. The recision was made permanent and reduced the base appropriation for FY 1993. Again in the FY 1994 budget the University received no general price increase allocation.

A review of the widening gap between inflation and University appropriations is displayed in Figure 9. This graph illustrates the wide disparity between actual general price increase appropriations to the University and inflation levels as estimated by the GNP, CPI, and HEPI indicators for FY 1985 through FY 1994. Projections of increases for FY 1995 result in estimates of 3.4% for the CPI and 2.6% for the GNP deflator. For FY 1995 the general price increase segment of the budget request seeks to obtain funding sufficient to prevent further losses to inflation. Based on these projections a general price increase of 3% or \$2,821,200 is requested.

FIGURE 9
CUMULATIVE INFLATION INCREASES
VERSUS GENERAL PRICE INCREASE APPROPRIATIONS



Utilities Price Increase (\$1,614,000)

The FY 1995 utilities funding requirements are formulated from expected costs for the individual components which comprise the total utilities budget of the University of Illinois. These projected commodities and utilities rate increases yield a composite increase of approximately 3.85% for FY 1995, a \$1.6 million increment above the University's FY 1994 direct utilities base.

Strong national demand for natural gas because of expanded cogeneration technologies, clean air legislation obliging the use of clean burning fuels, dissolution of the gas "bubble" surplus, and delayed drilling activities because of previous regulation and surplus have all contributed to increased prices for this fuel. Despite this situation, natural gas remains a prime choice for the University's power plants because it is low cost in comparison to fuel oil; competitive in price with coal; and it has reasonable administrative costs associated with transport, storage, and boiler maintenance. Overall, the projected increase in cost for this fuel and the related boiler fuel, coal, is 5%.

Price increases for the purchase of electricity are projected to be 3%. This rate represents fuel adjustment costs attributable to generally inflationary increases in the costs of the fuels used by the electric generating companies, not because of capital expansion and the inclusion of these costs in the customer paid rate base.

A final area of remarkable increase is the water rate in Urbana. The implementation of proposed 1994 water rates will have a resulting effect of increasing the rate in Urbana in FY 1995 by 6%.

It is important to mention that during 1993 the imposition of an energy tax at the federal level has been discussed. The initial tax as proposed by President Clinton's administration was to be levied on the heat content of purchased fuels. This "BTU" tax, as applied directly to natural gas, coal, oil, and indirectly applied as a pass-through on the cost of energy products such as electricity and steam represented a potential \$2 million of additional costs that would need to have been funded by the utilities budget. After much debate, a congressional alternative to this tax, an increase in the federal gasoline tax, has been authorized. This tax will have no direct impact on the utilities budget. If the federal government gives the BTU tax further consideration and eventual implementation, a supplemental utilities budget request will be submitted.

Library Price Increase (\$429,145)

The State of Illinois can no longer expect University of Illinois Libraries to meet their institutional obligations and serve as key players in the State's resource sharing network without protecting with special support the collections upon which sister institutions have come to rely. Future increases must provide for the higher funding required by the Libraries for their larger proportions of costly journals, especially in science, technology, and medicine, and for their collections of monographs in specialized fields and from foreign countries which serve Statewide as well as University needs.

Limited resources have prevented the University from offsetting inconsistent State funding (zero increases in FY 1988, FY 1991, and FY 1993) causing a precipitous drop in the Libraries' purchasing power. These factors in conjunction with the steep increases in the prices of U. S. Periodicals (13.4% in 1991) and College Books (6% in 1992) have contributed to the following:

- Since 1986 the Library at Urbana-Champaign (UIUC) has had to cancel 6,867 titles worth \$1,037,554. In the last two years 1,345 titles were canceled, 941 being unique titles.
- Book orders which annually averaged 40,140 for 1982-1986 at UIUC dropped by 50% to an average of 20,100 for the last five year period 1987-1992.
- Book receipts at UIUC dropped from an annual average of 47,349 for 1983-1986 to 37,107 for the period 1988-1992 (21.6%). In 1992-1993 the UIUC Library acquired only 27,067 books. Book receipts at Chicago (UIC) went from an average of 34,626 between 1988-1992 to 30,242 in 1992-1993.

Two main factors other than inflation have contributed to the Libraries' declining purchasing power and continue to plague their budgets. First is the policy of differential prices charged to North American and foreign libraries by European publishers which dominate the science and technology serial publishing industry. Secondly, the fluctuation in the value of the dollar against Western European and other foreign currencies left a residual mark on the Libraries budgets. The combined reduction in expenditures for all library materials, the reduced flow of monographs and books into the collections, and the high level of serial cancellations have had a serious impact upon the ability of the faculty members to carry out their research.

In their attempt to serve University needs, the Libraries maintain high-use facilities, respond to a diverse clientele ranging from undergraduates to research and clinical faculty, and work to make an ever-increasing amount of information available in a variety of formats. In addition the Libraries act as primary resources for both on-site and remote users of the State's vast interlibrary loans system.

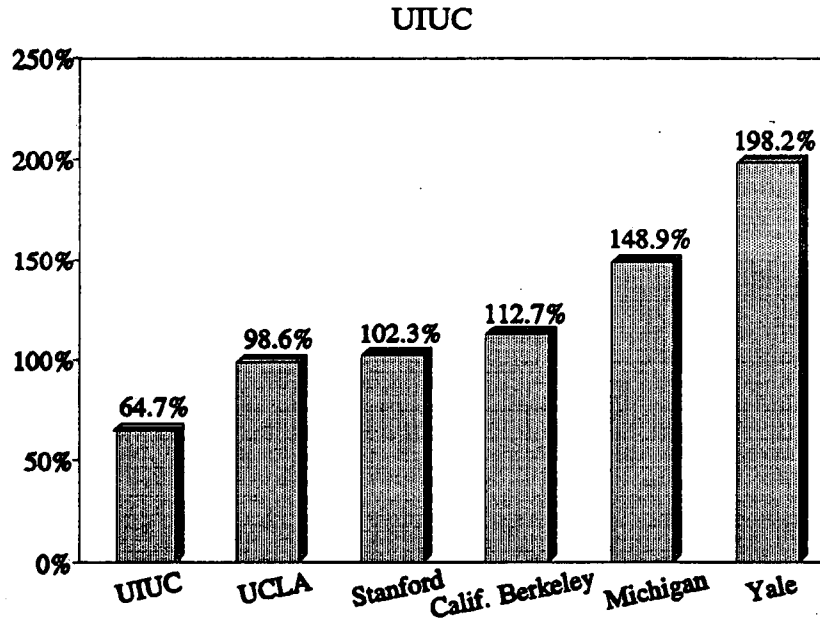
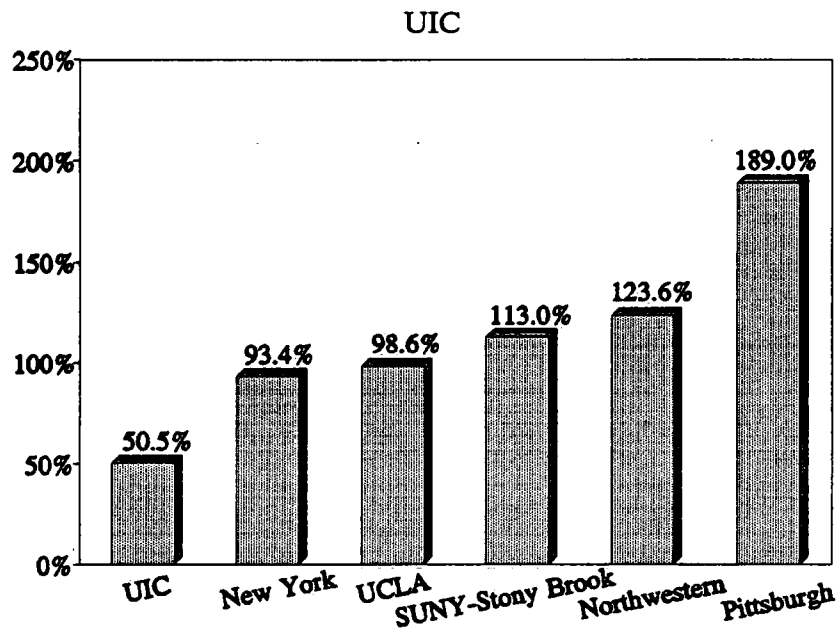
The UIC Library which serves the largest university in the Chicago area, holds approximately 1.7 million volumes including 21,400 serials. UIC's Library houses many special collections with historical significance to the Chicago area. The Library of the Health Sciences, one of the largest such units in the nation, is the regional medical library for 2,200 medical libraries in 10 states.

The UIUC Library with more than eight million volumes in its collections, is the third largest academic library in the country behind Harvard and Yale. This Library supports an institution which in FY 1992 granted the second largest number of doctoral degrees in the nation and in FY 1991 received \$110.5 million in federal research and development funds.

The University of Illinois Libraries reach out through the Illinois Library Computer System Organization (ILCSO), a computerized network composed of 42 libraries linking with 18 regional library system offices which in turn serve every citizen in Illinois. There are extraordinary interlibrary loan demands on their collections. The Libraries have consistently been ranked among the top five ARL libraries in items loaned. In spite of their top level national leadership in resource sharing, the UIC and UIUC Libraries in FY 1992 ranked 80 and 16 among libraries in materials expenditures, a fundamental measure of the degree to which existing collection quality and size are maintained. It is most unfortunate that Libraries with such a consistent record of leadership in interlibrary lending, rank so low in materials expenditures.

While similar problems are being faced by other institutions, we should be alarmed that the Libraries continue to lose ground to their peers. Figure 10 illustrates that from FY 1982 through FY 1992 both campuses lost ground to their peers. The increase funding in actual dollars compared to peers as shown in Figure 10 ranges from a low of \$1,231,000 (50.5%) at UIC to a high of \$4,136,000 (98.6%) at UCLA; from a low of \$2,601,000 (64.7%) at UIUC to a high of \$6,789,000 (198.2%) at Yale.

FIGURE 10
LIBRARY MATERIAL EXPENDITURE INCREASE
FY 1982 - FY 1992



For the Libraries to meet their local and Statewide mission in FY 1995 an increase of 4% is necessary to maintain an adequate, consistent level of support for library material price increases.

Other Payroll Costs (\$925,000)

In recent years, the University of Illinois has faced increasing expenditure requirements related to payroll. While some of the extreme stress on Workers' Compensation has been relieved, pressure remains on Medicare and Social Security contributions. Currently, the University is required by federal law to match new employees' contributions to Medicare and Social Security. Additionally, pending federal legislation could result in increased Medicare and Social Security payouts.

Medicare and Social Security Contributions

Effective April 1, 1986, the federal government required mandatory participation in the Medicare system by all newly hired State and local government employees not covered under the Social Security system. These employees and their employers are responsible for equal portions of the FICA Medicare Tax of 1.45% of gross pay. Additional legislation, effective July 1, 1991, requires employees not covered by the State University Retirement System to have Social Security withheld.

New federal legislation pending would remove the current cap on the FICA Medicare Tax. The current tax of 1.45% is capped at \$135,000 of gross pay. Legislation introduced removes the cap and allows the 1.45% tax on the entire gross payment. This action with an effective date of January 1, 1994, would increase expenditures for the second half of FY 1994 and subsequent years.

Since FY 1987, expenditures have grown at a rapid rate with a substantial increase in FY 1992 as a result of the new Social Security requirement. Although appropriations for these costs also have increased, they have been insufficient in the last three years to meet full needs. The following table details annual appropriations and expenditures along with each year's percentage growth rate.

APPROPRIATIONS AND EXPENDITURES FOR MEDICARE AND SOCIAL SECURITY COSTS FY 1987 to FY 1994 (Dollars in Thousands)			
	<u>Appropriation</u>	<u>Expenditures</u>	<u>% Change in Expenditures</u>
FY 1987	\$ 620.0	\$ 407.9	--
FY 1988	858.4	813.8	99.5%
FY 1989	1,108.4	1,206.4	48.2
FY 1990	1,718.0	1,740.5	44.3
FY 1991	1,718.0	2,261.7	29.9
FY 1992	2,743.7	3,323.5	46.9
FY 1993	3,473.7	3,644.0	9.6
FY 1994	3,492.3	3,930.0 (est)	7.8 (est)

Projections for FY 1995 are currently estimated to be in the range of \$4,292,300 to \$4,400,000 for the combined Social Security and Medicare requirements. An increment of \$925,000 is requested for FY 1995.

OPERATION AND MAINTENANCE FOR NEW AREAS
(\$1,904,100)

When new or remodeled facilities are brought into use, it is important to secure adequate operation and maintenance funds, so that new space does not begin its useful life with a built-in deficiency. Given the continuing need to provide adequate facilities to support academic programs at both campuses, operation and maintenance costs for new space have been and will remain an important budget component. Funding requirements for new areas support in FY 1995 total \$1,904,100.

Nine projects, comprising approximately 600,000 gross square feet (GSF) of new or significantly remodeled space, require either full or partial funding of the annual costs of operation and maintenance. Each project is described in the following narrative and is listed in the cost summary shown on Table 7.

TABLE 7 FY 1995 OPERATION AND MAINTENANCE REQUIREMENTS TO SUPPORT NEW AREAS						
<u>Project</u>	<u>GSF</u>	<u>Total Annual Cost</u>	<u>\$/GSF</u>	<u>Date of Occupancy</u>	<u>Months</u>	<u>FY 1995 Amount</u>
<u>Urbana-Champaign</u>						
Grainger Engineering Library	140,400	\$1,049,400	\$7.47	11-93	4	\$ 349,800
Horticulture Field Lab	12,000	56,400	4.70	7-94	12	56,400
Illini Bookstore	50,050	296,200	5.92	4-94	9	222,200
Police Facility	12,225	82,525	6.75	11-93	4	27,500
Special Materials Storage Facility	14,000	90,850	6.49	3-93	8	60,600
Temple Hoyne Buell Hall	76,848	510,700	6.65	10-94	9	383,000
DOE Renov. (ESB, MRL, Loomis)	100,000	297,500	2.98	6-94	12	297,500
Mechanical Eng. Lab Remodeling II	67,677	237,200	3.50	6-93	12	237,200
Subtotal						\$1,634,200
<u>Chicago</u>						
Neuropsychiatric Institute Remod.	127,000	\$ 539,800	\$4.25	1-95	6	\$ 269,900
TOTAL						\$1,904,100

Urbana-Champaign Campus**Grainger Engineering Library**

The Grainger Engineering Library and Information Center will contain 140,400 gross square feet. Scheduled for completion in November 1993, the FY 1995 operation and maintenance support request funds the final four months at a cost of \$349,800.

Horticulture Field Lab Remodeling

There are four floors of interior space within the Horticulture Field Lab that are ideal for University Archives storage. The remodeled space will provide offices, public service areas, conservation/preservation work areas as well as storage for archival material. Scheduled for completion in July 1994, the FY 1995 operation and maintenance support request is to fund the annual cost of \$56,400.

Illini Bookstore

The inclusion of 50,050 GSF in the auxiliary facilities bookstore construction provides space for administrative support units that are currently located in rental space. Scheduled for completion in April 1994, the FY 1995 operation and maintenance support request funds the final nine months at a cost of \$222,200.

Police Facility

Allowing efficient coordination of 24-hour police operations, 12,225 GSF is scheduled for completion in November 1993, with the final four funding months being requested at a cost of \$27,500.

Special Materials Storage Facility

The Special Materials Storage Facility, creating new space for the campus Chemical Waste program, enables the campus to hold a Part B Permit from the Illinois Environmental Protection Agency for the temporary storage of waste chemicals. The FY 1995 operation and maintenance support request funds the final eight months at a cost of \$60,600.

Temple Hoyne Buell Hall

Temple Hoyne Buell Hall, funded by a gift of \$6 million from architecture alumnus Temple Hoyne Buell and matching funds from the State, is envisioned as a dynamic center for advanced study and professional education for the School of Architecture and the Departments of Landscape Architecture and of Urban and Regional Planning. Focusing on the built and natural environments, the Hall will incorporate studios, a lecture hall, exhibit spaces, conference and seminar spaces, and related offices. With a scheduled completion date of October 1994, nine months of operation and maintenance support is requested at a cost of \$383,000.

DOE Renovation (ESB, MRL, Loomis)

This project funded by grants from the Department of Energy will completely update the ventilation, heating, and cooling of the Engineering Sciences Building (formerly the Coordinated Sciences Laboratory). New air handling units are needed to ventilate the facility which includes a clean room. Additionally, chiller capacity will be required at Loomis Laboratory because of its systems support of the three building loop of Engineering Sciences, Materials Research Laboratory and Loomis Laboratory. Within Engineering Sciences, the old perimeter radiator system will be removed and a new steam to hot water heat exchanger will be installed. A final area of work is the correction of a foundation flooding problem. Affecting approximately 100,000 GSF of remodeled space and with a scheduled completion date of June 1994, the FY 1995 request for operation and maintenance support represents the total requirement of \$297,500.

Mechanical Engineering Lab Remodeling II

The Mechanical Engineering Laboratory was used originally as a part of the University Physical Plant and served in that capacity until the early 1950s. Major space and systems remodeling has been accomplished through this phase with a realignment of the floor levels. On the second floor the remodeling has provided offices and small laboratory test cells each consisting of an experimentation area and a separate, but adjacent, area for controls and instrumentation. With a completion date of June 1993, the annual operation and maintenance support requirement is requested at a cost of \$237,200.

Chicago Campus**Neuropsychiatric Institute Remodeling**

The remodeling of the Neuropsychiatric Institute for the College of Medicine focuses on exterior and building systems improvements, code corrections, and on internal areas in the north tower. Roof and window replacement, tuck-pointing, renovation of offices, computer labs and support areas, and remodeling of existing and proposed labs is just a portion of the work that has been undertaken to restore the first building in the United States to be designed and constructed solely for use by the neurosciences. The FY 1995 support request for operation and maintenance of this 127,000 GSF facility represents one-half the annual request at a cost of \$269,900.

EXPANDED/IMPROVED PROGRAMS

EXPANDED/IMPROVED PROGRAMS

For much of the early 1980s, significant physical and programmatic growth took place on each of the University of Illinois campuses. Supported by new State funds, enriched by federal and private sources of funding, and augmented by the realignment of existing institutional resources, these successes created a base from which further efforts to expand and improve instructional, research, and public service programs could be accomplished.

However, State funding in recent years has presented a difficult challenge to the University in its efforts to initiate and support new programmatic emphases. In four of the last six years, virtually no incremental resources were available for academic programs. Indeed, in FY 1988, FY 1992, and FY 1993 base budget reductions occurred. Although an infusion of funding from the income tax surcharge in FY 1990 gave a momentary boost to the University's resources, this progress was stalled in FY 1991 and was reversed in both the FY 1992 and FY 1993 budget years.

A small amount of programmatic funding is available in FY 1994. These funds are targeted towards undergraduate programs and are the result of the P•Q•P initiatives. The budget reductions of FY 1992 and FY 1993 have placed a severe strain on academic programs and services, as the University has worked to redirect resources through internal reallocation efforts. This small increment of funding will not regain the ground that was lost due to base reductions of previous years.

Although budget cuts have been absorbed so as to protect instructional activities to the extent possible, the University has been forced to make difficult choices concerning programmatic priorities in all areas. Both campuses are continuing comprehensive reviews of academic programs to determine where reductions might occur. The philosophy behind these reviews has been the optimization of resources and coordinated planning at all levels to avoid duplication, with a focus on centrality, quality, demand, and cost. Through these efforts, the University has been able to target program enhancement in high priority areas. At both campuses the highest programmatic priority is strengthening instructional efforts, especially at the undergraduate level.

EXPANDED/IMPROVED PROGRAMS
I. PROMOTING INSTRUCTIONAL EXCELLENCE

PROMOTING INSTRUCTIONAL EXCELLENCE

(\$2,000,000)

Throughout the past decade numerous calls have been made for reform and upgrading of the quality of education being offered in the United States. The focus of the reform movement has ranged from preschool, primary, elementary, and secondary education to the general quality of the undergraduate educational experience. Regardless of the level of focus, the educational enterprise has been subject to intense criticism for its lack of rigor. In a focussed attempt to address national, state, and regional concerns, many colleges and universities have engaged in academic program planning and assessment activities.

The initiatives proposed by both the Chicago and Urbana-Champaign campuses to promote academic excellence will meet a variety of instructional needs that will strengthen the quality of education offered throughout the University of Illinois. They will enhance basic skills of undergraduates, enrich curricular offerings through the augmentation of instructional support, and allow continued implementation of the revised undergraduate General Education requirements and instructional reforms.

These efforts to promote instructional excellence are integral to the continuing economic development of the State. With changes in society taking place at an increasingly rapid pace, it is important that the citizenry of the State be prepared not only to carry out the working demands of the current economy, but also to adapt to the continuously changing world and economy around them.

Promoting instructional excellence at the University of Illinois is a significant means by which this end may be realized. The vast majority of the University's 60,000 students are Illinois residents. Upon graduating, a significant proportion of these students will remain in Illinois to begin their careers. Providing these students with quality undergraduate, graduate, professional, and continuing education programs that prepare them in technical competencies, as well as in broader, more transcendent skills, will help to ensure the State's ability to meet the developing challenges of the future.

FY 1994 will see a continuation of these University efforts through the difficult route of internal reallocation. Substantial progress has been made in upgrading the quality of the instructional program, however, further progress will require new programmatic funds.

Promoting Instructional Excellence through the Enhancement of Basic and Fundamental Skills

First and foremost among the needs for improving the quality of educational opportunities at the university level are initiatives that enhance and improve undergraduate curricula. The critical importance of basic, fundamental skills that transcend disciplinary expertise--thinking and problem solving; clear, cogent, and concise writing; and critical reading and analysis--are integral to the undergraduate educational experience. These skills and practices must be nurtured along with the development of technical/professional expertise in a particular discipline.

Efforts to date have shown the effectiveness of both computer-assisted writing laboratories and "writing across the curriculum" programs. Yet more must be done to integrate these types of programs more fully throughout the undergraduate curriculum. Continued development of interactive and cross-disciplinary efforts to enhance the abilities of students to communicate effectively in all disciplinary specialties is imperative. Both campuses are continuing programs that will incorporate expanded writing instruction into the entire body of the University's curricula. Faculty with special expertise in writing and communication skills are working in conjunction with faculty from the cognate disciplines to improve student writing within various discipline clusters.

Promoting Instructional Excellence Through Improving Teaching Effectiveness

While there is no doubt that learning and teaching are inextricably linked, each of the elements of the education process carry a set of independent issues and concerns. The special focus on teaching reaches beyond institutional concerns to a national reexamination of the role of teaching. During the past year the American Association for Higher Education held its first national forum focusing on faculty roles and rewards. It has been noted in a number of post forum reviews that while teaching has always held an important place in the discussion of the balance between faculty roles, this meeting reflected a new sense of urgency about the teaching role. Even higher education leaders from prominent research institutions agreed that the time and resources focused on research versus teaching endeavors must be reexamined.

The UIC Council for Effective Teaching and Learning was formed during the last academic year. The central goal of the council is "to create a framework for a long-term effort to support our institutional commitment to strengthen teaching and improve

learning." During the past year, one subgroup of the Council has closely examined the national focus on multidimensional excellence--the thorough examination of each of the roles of faculty (teaching, research, professional service, and campus citizenship). This investigation has resulted in the submission of a grant to support the reexamination of UIC department level mission statements, faculty evaluation criteria, and faculty rewards. The UIC grant is part of a CIC coordinated multi-institutional grant submission to the Kellogg Foundation. The major product goal for the UIC grant is the development of written mission statements, evaluation criteria, and reward systems that accurately reflect unit values and characterize the desired manifestation of multidimensional excellence on the academic department level.

To accomplish the product goal, a project coordinator will work with a UIC project team to provide guidance to the department level efforts, provide advice regarding programs and process, and ensure that project plans, programs, and results are communicated within the institution and between UIC and other participating institutions. The model that has been developed by UIC has been employed successfully at another public research university. As a result, there are high expectations for successful results. A critical element in the review of the proposal by the granting agency is evidence of future long-term institutional commitment to the continual intentional update, reward, and reexamination of the relationship between teaching, research, and service.

Promoting Instructional Excellence Through Augmenting Current Instructional Support Activities

The academic community must adopt new information technologies in the classroom as well as technical assistance support to faculty. As resource constraints continue to loom, national dialogue has revealed some of the potential benefits that could accrue to universities that adopt new technologies for the purpose of improving classroom instruction. Some of the benefits listed have potential long-term positive effects on the bottom line:

- Extend the use of research tools to the classroom setting. Encourage the use of computer hardware and software that will ease the transition to the technology that students will use in the workplace.
- Introduce students to technology that assists in improving their composition, computation, and other skills.

- Provide nontraditional students better access to learning. Create an opportunity for faculty to vary classroom meeting times and groupings.
- Enable more students to earn degrees in less time.
- Provide high quality instruction at a lower cost.

An unique opportunity to make the infrastructure changes to support cutting edge instructional equipment at UIC exists, but there is a realization that there must be both technical assistance support and equipment support components. During the past academic year, UIC has spent considerable time and effort discussing these two issues. The renovation of the campus core has created an opportunity for serious consideration of installation of high technology equipment in lecture center classrooms.

If new computer technologies are going to be used effectively in the classroom, faculty are going to require appropriate equipment, instruction development, and technical support. Phase one of augmenting current instructional support activities encompasses installation of equipment in four to six classrooms per year. The campus goal is to have approximately 25 classrooms in use by the year 2000.

Promoting Instructional Excellence Through Implementation of Revised Undergraduate General Education Requirements/Instructional Reforms

The national dialogue on critical needs in undergraduate education highlights a number of areas: writing skills; mathematics, statistics, and symbolic logic skills (basic to the preparation of the next generation of scientists); broadening of parochial perspectives with knowledge of second languages and cultures, including minority cultures and understanding of gender issues; and understanding of science and preparation of scientists and mathematicians for the twenty-first century.

Since 1985, the UIUC Senate Committee on Educational Policy has been discussing recommendations for the enhancement of undergraduate education, attending particularly to the quality of undergraduate instruction, the quality of undergraduate advising, and the nature of the campus General Education requirements for baccalaureate degrees. In October 1988, the Educational Policy Committee presented the Senate with a "Proposal for Revision of Undergraduate General Education Requirements" which was adopted by the Senate after extensive revisions.

The Senate determined that baccalaureate degree programs at UIUC should be characterized by a common, campus-wide commitment to General Education. That commitment is guided by the concepts reflected in the following paragraphs.

Undergraduate education at the University of Illinois at Urbana-Champaign includes General Education as an essential complement to major fields of study. General Education uses the theories, concepts, and methods of the disciplines to broaden students' understanding and appreciation of human thought and achievement--and to provide a richer context within which to understand their own specialized fields. The campus General Education component is intended to help students understand and appreciate diverse areas of scholarship, to develop and enhance a wide range of intellectual abilities, and to strengthen students' abilities to develop and communicate ideas effectively and responsibly.

Courses satisfying the General Education requirements should engage students in modes of inquiry and analysis appropriate to the respective disciplines, should be intellectually challenging, and must be approved by a faculty-student committee charged with overseeing the quality of the General Education component of undergraduate programs. While some degree programs may require additional General Education coursework, all undergraduates will be required to fulfill the minimum set of eight requirements in the following areas: English composition, quantitative reasoning, foreign languages, natural sciences and technology, humanities and the arts, social and behavioral sciences, cultural studies, and perspectives on women and gender.

Additional steps to be undertaken with the assistance of new State funding will, along with those initiated through reallocation, accomplish the most important aspects of the General Education requirements. With the completion of these program improvements, UIUC will have strengthened the quality of undergraduate education through improved and additional writing instruction; greater attention to quantitative reasoning; common definitions and campus-wide quality control in the distribution of requirements; and the introduction of all students to materials about women, gender, and non-western or minority cultures. Through these enhancements, all students will be offered rigorous courses in writing, quantitative reasoning, and all three major areas of study (humanities, social and behavioral sciences, and natural sciences.) All students will have the opportunity, as well, to broaden their understanding of the human condition through the study of other cultures.

In 1988, the College of Liberal Arts & Sciences faculty at UIC passed undergraduate instructional reforms. These reforms attempt to: improve writing skills, expand

quantitative understanding, broaden cultural understandings, mandate student advising, increase the number of teaching assistants, and improve teaching assistant training. These skills are core mechanisms by which all other learning occurs. While students come to UIC with a foundation of such skills, the intention of these reforms is to introduce a higher level of academic rigor. The expectation is that better developed skills in these areas will lead to enhanced learning across the full program of courses taken by students.

Research indicates that one of the significant effects of college on students is the mathematical ability that is retained through continued use and development of computational skills. A graduation requirement within the College of Liberal Arts and Sciences (LAS) is that all students must demonstrate competency in quantitative reasoning. While all science majors and some social science majors currently meet these requirements, about half of the students in LAS do not. With approximately 3,000 freshmen every year, 1,500 registrations in math, philosophy, sociology, psychology, and criminal justice courses can be expected. An example of the commitment to core skills in undergraduate education was demonstrated by the decision to increase the composition requirement from two quarters to two semesters. This change amounts to a 12% increase in actual classroom contact, which requires a commensurate increase in staffing. During the past year, UIC has invested campus funds to support programs related to curricular reform or improvement of instruction. These campus sources are temporary, even in the best fiscal times, and in the present uncertain environment, increasingly represent a funding source that is no longer available.

For the past six years, there has been a concerted effort to address student diversity through improved student enrollment, retention, and graduation rates. In the Spring of 1992, the UIC Senate mandated that all baccalaureate recipients be required to take a course from a list of identified cultural diversity courses. This requirement is an avenue for raising the consciousness of students, and, over time, has the potential for impacting the culture of the campus as well as the development of each student.

It is clear that the proposed upgrade and improvement of General Education/ undergraduate instructional reforms will require substantial additional resources. It is expected that the implementation of the proposed changes will cost several million dollars.

EXPANDED/IMPROVED PROGRAMS
II. TUITION-BASED PROGRAM IMPROVEMENTS

TUITION-BASED PROGRAM IMPROVEMENTS (\$4,999,300)

As outlined in the introduction to this document, the FY 1995 operating budget request includes tuition increase actions for the coming year. Moving these actions to the start of the State-level budget review process (Board of Higher Education review and recommendation, Bureau of the Budget review, legislative examination and action, gubernatorial action) will provide considerably more time for students and their families and other State agencies to make their own financial plans. A general tuition increase of 5.5% is proposed for FY 1995, with the revenue it generates used to support regular salary, cost, and programmatic increases and student assistance needs.

Beyond the general tuition program, several special-purpose increases are proposed, to provide funds for more specific academic advances as described below. These special-purpose increases meet three objectives:

1. Simplify undergraduate tuition by eliminating the differential between lower division and upper division students over a two-year period.
2. Conclude special tuition programs approved and funded last year.
3. Improve the quality and scope of several professional school programs by moving tuition levels more nearly in line with those at peer institutions.

Undergraduate Differential

Currently, upper division students (juniors and seniors) pay \$260 more than lower division students (freshmen and sophomores). To help make undergraduate tuition charges simpler and more understandable, the University will return to a single general tuition rate for all undergraduates. Lower division rates will be adjusted over a two-year period, with an additional \$130 charged for Fiscal Year 1995 and the balance of the differential eliminated the following year.

Pending final enrollment projections, this change is expected to generate approximately \$2,416,600 in FY 1995. All of these resources will be used for undergraduate instructional improvements, with the large majority of funds devoted to improved programs in the freshman year. Additional courses will be developed to provide freshmen with greater opportunities to interact with senior faculty. Additional sections of

high-demand introductory courses will also be added, instructional equipment will be acquired, and other program enhancements implemented.

Special Tuition Programs

For the past two years the University of Illinois has implemented special tuition charges for high-cost and high student demand programs in engineering, the sciences, and related areas. The engineering component of this program is complete. At Urbana-Champaign, programs for chemistry and life sciences students and those in fine and applied arts will be complete in FY 1995. Chemistry and life science students will pay an additional \$250 in FY 1995, while lower division fine and applied arts students will pay an additional \$100 and upper division students will pay an additional \$200. Funds from these increases will generate approximately \$910,000 and will be used to acquire state-of-the-art equipment for instructional uses, to improve instructional facilities, to expand the course offerings available in these areas, and for faculty recruitment and retention.

Professional Program Tuition

Like most institutions the University of Illinois has a long history of differential tuition charges for professional schools, based on cost factors and peer comparisons. For FY 1995, additional charges will be implemented for four professional schools: medicine, dentistry, law, and veterinary medicine. A review of program needs and current tuition levels is still underway in the Masters in Business Administration. Additional tuition charges may be recommended for that program later in the year. Descriptions of proposals for the four programs now recommended are provided below.

Medicine

The Illinois Board of Higher Education recently reported on key policy issues for health professions education, identifying a number of program areas for expanded emphasis. Those areas include expansion of primary care specialties, delivery of health care in underserved areas, improvements in regional program delivery including the use of regional telecommunications based instructional delivery systems, and a commitment to increased support for minority enrollment.

Medical schools across the country recognize the need to expand and improve education in primary care specialties which will become the building blocks of an expanded health care delivery system. Major curricular and organizational changes are required, along with substantial new voice and

video instructional delivery systems. These are key elements of instructional advances which must be made in the University of Illinois College of Medicine at all locations, along with a growing emphasis on rural health issues at the regional sites.

At the same time the College of Medicine faces a serious backlog of equipment and facility improvement requirements. Classrooms and instructional laboratories are in great need of renovation and technological upgrades.

Tuition and fees for medicine at the University of Illinois now rank last in the Big Ten, more than \$3,000 below the mean of the public Big Ten institutions, and the other public medical school in Illinois, and nearly \$3,800 below the third place benchmark. Medical tuition and fees for resident students at the University of Illinois are less than one-third the charges at the private medical schools in the Chicago area.

In FY 1995 the University of Illinois will begin a three-year program to bring medical tuition more in line with charges at comparable public universities. In addition to the general tuition increase for all students, medical tuition will be increased by \$1,350 per year. Revenue from this increase will approximate \$1.2 million for FY 1995, and will be used to upgrade instructional equipment and facilities, to expand coursework in primary care specialties, and for student assistance programs which will help ensure continued success in attracting minority student enrollment.

Dentistry

As in medicine, significant curriculum changes are underway in the field of dentistry. Increasingly, dental education and research are turning to soft tissue diseases such as oral cancer, AIDS, salivary disorders, along with developmental problems such as growth aberrations, genetic disorders of the teeth and gums, the problems of aging, etc. At the University of Illinois, dental school applications have grown by 50% since 1990, with more than 12 applicants for each currently available student position. Tuition and fees for the University are more than \$1,600 behind the third-place public Big Ten institution.

For FY 1995 a three-year effort to raise dentistry tuition to the third-place target will begin. Additional revenue produced by this effort will be used to expand clinical opportunities for students, to revise curricular offerings, to upgrade instructional computing services and course applications, to make available to students some of the equipment they are now required to purchase themselves, and to expand student assistance opportunities. Approximately \$140,000 will be available for these uses in FY 1995.

Law

The College of Law needs to expand course offerings in such academic areas as environmental law, the law and medicine, and legal history. Expanded coursework is also necessary in "skills" oriented areas such as advanced legal research and writing and drafting, negotiation training, client counseling, pro

bono clinical service, etc. In addition, improving student diversity in law requires additional funds for new scholarship opportunities. To help provide resources to meet these needs, the University proposes a 10% tuition increase for the next two years, generating approximately \$210,000 each year. An increase of this magnitude will not alter the current third-place ranking of University of Illinois law tuition and fees.

Veterinary Medicine

As in many other academic areas the "computerization" of the curriculum continues at a significant rate in veterinary medicine. The increasing application of computer simulations in courses and the ever-growing use of the computer as a diagnostic tool make computer access critical in the teaching and practice of veterinary medicine. Additional resources for student assistance uses would improve the opportunity to expand student diversity in veterinary medicine as well. To help meet these needs, the University proposes a two-year tuition increase program. For FY 1995 a 5% increase is proposed, providing approximately \$90,000 in additional revenue.

APPENDIX

RETIREMENT

The level of funding of the State Universities Retirement System (SURS) has been a source of significant concern during the past several years. Although legislation passed in 1967 requires that annual appropriations for the System cover the projected costs of future benefits plus interest on the System's existing unfunded liability (i.e., future pension costs for employees still working), this statutory level of funding has never been reached and, in effect, part of the State's obligation to cover the retirement costs of current employees has been shifted to future years.

There was, however, some movement towards an improved level of retirement funding from FY 1979 through FY 1981. In each of those years the State's contribution was at or above the "gross payout" level of funding--covering all of that year's benefits and administrative expenses. The System was then able to add all employee contributions, as well as interest and dividend income, to the System's assets to help offset the costs of future benefits earned by current employees.

This improved funding, unfortunately, was short-lived. As the State's economy worsened, so did funding for the Retirement System. From FY 1982 through FY 1993 funding dropped significantly below the "gross payout" level. While these reductions were seen as necessary to prevent disastrous cuts in operating funds, the State has in effect been borrowing against the future. Eventually the State will have to compensate for these cuts; the longer it waits to meet these obligations, the more it will cost and the greater the impact on all sectors of the higher education operating budget, including the University of Illinois.

It is a matter of long-standing policy of the Board of Trustees of the University of Illinois that the request for incremental funds for Retirement be set at the amount needed to achieve the statutory funding level. The University's FY 1994 Retirement appropriation is \$32,266,000. According to SURS officials, the estimated statutory level for FY 1995 is \$93,020,300, based on the six-year phase-in provision of Senate Bill 095 (PA 86-0273). Therefore, an increment of \$55,812,200 is required to meet this target for FY 1995.

FISCAL YEAR 1995 CAPITAL BUDGET REQUEST

FISCAL YEAR 1995 BUDGET REQUEST FOR CAPITAL FUNDS

Background for FY 1995

To understand the direction and emphasis of the FY 1995 request, it is important to view them in the context of recent capital appropriations, especially those which were received for FY 1994. The FY 1994 capital program includes regular capital, and a special program to bring the University into compliance with the Americans with Disabilities Act (ADA).

Projects approved for FY 1994 capital appropriations are summarized below. Table 1 provides a history of actions on capital budget requests from FY 1990 through the FY 1994 appropriation, and Table 2 provides the status of State funded capital projects.

FY 1994 APPROPRIATIONS	
<u>Chicago</u>	
Repair and Renovation	\$ 3,564,900
<u>Urbana-Champaign</u>	
Repair and Renovation	4,357,100
Critical Equipment	4,000,000
<u>University-Wide</u>	
ADA Compliance (Special Program)	*
TOTAL	<hr/> \$11,922,000
*A request for \$31.6 million has been submitted. The allocation of a State-wide lump sum appropriation is pending.	

FY 1994 Regular Capital

Included in the FY 1994 regular capital are repair and renovation funds for infrastructure repair and maintenance and equipment purchase funds for the Temple Buell Architecture Building and Law Building addition. The regular capital portion of the FY 1994 capital program represents a very low level of capital funding making it exceedingly important that the University achieve its most important capital priorities for FY 1995.

University ADA Compliance Program

The Americans with Disabilities Act (ADA) became law on July 26, 1990. The ADA is a civil rights act, not a building code. This legislation guarantees people with disabilities equal access to employment, transportation and public services, public accommodations, services, and telecommunications. The University goal will be to make services, programs and activities accessible to persons with disabilities. Title II of the Act, effective January 1992, covers public universities and requires that all necessary physical facility modifications be completed by January 26, 1995.

When the original University of Illinois budget request for FY 1994 was submitted, the campuses were in the process of surveying all facilities to determine the level of modification needed to comply with this new law. At this time projects were identified for various modifications that included remodeling of ramps, doorways, restrooms, and many other items that totaled \$2,312,000. These projects assumed a prominent position in the FY 1994 capital budget request.

As the budget process for FY 1994 unfolded and as the University's own survey of facilities progressed, it became clear that ADA compliance was going to be a much bigger problem. As a result of the University survey, an additional \$29,273,000 of needed improvements were identified. The scopes of these improvements were shared with the Board of Higher Education and the Bureau of the Budget to define the magnitude of the University problem. The University was not unique in this dilemma; all state agencies were finding similar problems with their facilities. In response to such significant facility deficiencies and the need to accelerate the remedial process, for FY 1994 the State of Illinois appropriated \$100 million dollars as a lump sum for all State facilities to survey and modify buildings to meet requirements of the ADA. Available funding will be directed to the highest priority projects first. It is anticipated that funding for this program will be released in the fall of 1993 with a targeted completion date for all ADA projects by January 1995.

The University's continuing objective is to undertake all remodeling activities necessary for compliance with the ADA. It is unknown at this time how much of the roughly \$31.6 million in ADA requirements will be funded in the first year of the State program. Consequently, for FY 1995, the University requests funding for all of its ADA projects not funded by the FY 1994 State-wide ADA program.

TABLE 1
HISTORY OF RECENT CAPITAL BUDGET ACTIONS
 FY 1990 - FY 1994
 (Dollars in Thousands)

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
Campus Requests					
Chicago	\$38,085.5	\$ 83,872.3	\$48,635.6	\$ 40,309.90	\$25,231.0
Urbana-Champaign	44,439.0	96,980.3	46,597.4	77,895.60	32,698.0
TOTAL	\$82,524.5	\$180,852.6	\$95,233.0	\$118,205.50	\$57,929.0
IBHE Recommendations					
Chicago	\$31,010.3	\$ 51,996.8	\$28,116.8	\$ 22,989.90	\$15,594.0
Urbana-Champaign	36,672.7	81,346.3	21,448.9	26,110.00	19,060.0
TOTAL	\$67,683.0	\$133,343.1	\$49,565.7	\$ 49,099.90	\$34,654.0
Regular Capital Appropriation^(a)					
Chicago	\$ 4,597.0		\$ 7,100.0	\$ 8,722.46	\$ 4,114.9
Urbana-Champaign	6,000.0	\$ 8,412.0	4,824.4	11,079.00	7,807.1
TOTAL	\$10,597.0	\$ 8,412.0	\$11,924.4	\$ 19,801.46	\$11,922.0
Appropriations for Special Projects					
Asbestos Abatement		\$ 4,050.0			
Energy Conservation	\$ 564.2	777.4			
Build Illinois R & R	7,834.0	15,668.0			
Build Illinois - Science and Technology	31,734.0	107,407.3			
Multi-University Center	3,000.0				
Underground Storage Tanks		62.0			
Americans With Disabilities ^(b)					
TOTAL	\$43,132.2	\$127,964.7			
TOTAL APPROPRIATION	\$53,729.2	\$136,376.7	\$11,924.4	\$ 19,801.46	\$11,922.0

^(a)Excludes appropriations for special projects.

^(b)A request for \$31.6 million has been submitted for FY 1994. The allocation of a State-wide lump sum appropriation is pending.

TABLE 2
STATUS OF STATE FUNDED CAPITAL PROJECTS

Project Name	Fund Source	Fiscal Year	Project Budget	Est. Compl.	Project Status
URBANA-CHAMPAIGN:					
Animal Sciences Lab Remod - Phase III	CDB	87	\$ 3,175,000	09/93	Substantially Compl
Noyes Lab Remod	CDB	90	2,233,000	N/A	A/E Selection
Superconductivity (Interpass) Facility	Federal/CDB	90	4,912,300	12/94	Contract Documents
Armory Remod for OIR	CDB-BI	91	915,000	12/93	Bidding
Bevier & Turner Remod	CDB-BI	91	1,050,000	09/93	Construction
Chemical & Life Sciences	CDB	91	60,992,900	08/95	Construction
Davenport Hall Second Floor East Wing	CDB-BI	91	750,000	11/93	Construction
Education Building Basement Remod	CDB-BI	91	379,000	09/93	Construction
Grad School of Library & Info Sciences	CDB-BI	91	980,500	12/93	Construction
Gregory Hall Stair Enclosure	CDB-BI	91	315,000	09/93	Construction
Law Building Addition	UI Fdn/St	91	11,708,000	09/93	Construction
Law Building Ventilation Improvements	CDB-BI	91	480,000	N/A	Contract Documents
Library Elevator	CDB-BI	91	225,000	N/A	Design
Library Stairwell Enclosure	CDB-BI	91	360,000	11/93	Construction
Mechanical Engineering Bldg Auto Sys Lab	CDB-BI	91	445,000	11/93	Construction
Temple Buell Hall	UI Fdn/St	91	13,600,000	12/94	Construction
Special Materials Storage Facility	CDB	92	2,900,000	12/94	Contract Documents
Engineering Quad - Phase II (demo & utility)	State	93	3,999,500	11/94	Construction
MRL/CSL/Loomis Renovations	Federal/CDB	93	3,394,519	12/94	Design
CHICAGO:					
Relocate Instructional & Fluidization Labs	CDB-BI	86	\$ 857,910	09/93	Construction
Remod Periodontal Center Lab	CDB-BI	88	122,000	N/A	Program Analysis
Remod Physics High Bay - Phase II	CDB-BI	88	655,494	09/93	Construction
Remod Rooms 260 & 265 for Biophysics	CDB-BI	88	413,671	11/93	Construction
Renovate Bioinstrumentation Facility	CDB-BI	88	537,300	01/94	Design
Remod Floors 4-14, Clin Sci Bldg	CDB	89	9,814,870	10/95	Construction
Provide Masonry Repairs	CDB-BI	90	164,562	10/93	Design
Purchase Equipment - ERF	CDB	90	6,026,800	N/A	Program Analysis
Remod Architectural Studios	CDB-BI	90	303,286	12/93	Design
Remod Microbiology Lab - 8th Floor	CDB-BI	90	146,000	N/A	Program Analysis
Remod Pharmacodynamics Research Facility	CDB-BI	90	385,000	09/93	Construction
Remod Rooms 124-125 Collaborative Research	CDB-BI	90	499,075	10/93	Construction
Repair Roofing	CDB-BI	90	300,000	N/A	Design
Replace Roofs on Buildings 908 & 909	CDB-BI	90	1,040,820	11/93	Design
Construct Molecular Biology Research Facility	CDB	91	48,658,400	06/95	Bidding
Remod 2nd Floor for Nursing	CDB-BI	91	275,000	02/94	Design
Remod Alumni Hall - Phase II	CDB	91	4,597,000	N/A	Frozen
Remod Resource Cntr Anatomical Visualization	CDB-BI	91	186,800	12/93	Design
Remod Rooms 3209-3210 Organic Chemistry	CDB-BI	91	950,000	01/94	Design
Remove Asbestos-Containing Materials	CDB	91	681,626	03/95	Design
Renovate Elevators	CDB-BI	91	838,068	09/93	Construction
Renovate North Tower - Phase II	CDB	91	5,500,000	08/94	Design
Renovate Service Area and Driveway	CDB-BI	91	150,000	10/93	Design
Upgrade Campus Fire Alarm System - Ph II	CDB-BI	91	500,000	10/93	Design
Upgrade Campus Security System	CDB-BI	91	165,600	12/93	Design
Upgrade HVAC Systems	CDB-BI	91	503,806	N/A	Project Analysis
Demolish Upper Level and Walkways	CDB	92	899,744	90/93	Construction
Electrical Service Improvements	CDB	92	285,000	02/94	Design
Remod for Clinical Research Center	CDB	92	2,384,900	04/95	Design
Remod for Medicinal Chemistry	CDB	92	484,400	N/A	Program Analysis
Remod Organic Chemistry Lab	CDB	92	300,000	N/A	Program Analysis
Renovate Campus Core	CDB	92	6,200,256	04/95	Construction
Renovate Passenger Elevators	CDB	92	750,000	10/94	Design
Remod Entrance Lobby	CDB	93	200,000	N/A	Program Analysis
Remod for Computer Center	CDB	93	159,000	N/A	Program Analysis
Remod for Electronic Visualization Lab	CDB	93	212,000	N/A	Program Analysis
Remod for Kinesiology Labs	CDB	93	128,060	N/A	Program Analysis
Remod Molecular Physiology Lab	CDB	93	212,000	N/A	Program Analysis

FY 1995 Capital Budget Request

The University's FY 1995 Capital Budget Request is comprised of 14 projects at a total cost of \$116.9 million. Table 3 represents a priority listing of the proposed projects for FY 1995, combined for the two campuses.

TABLE 3 FY 1995 COMBINED CAPITAL PRIORITY LIST (Dollars in Thousands)					
Priority	Campus	Project Title	Category	Budget	Total Cumulative
1	Chicago	South Campus Development ^(a)	LAND,SITE,BLDG	\$19,700.0	\$ 19,700.0
2	University	Repair and Renovation ^(b)	REMD	7,922.0	27,622.0
3	Urbana	Campus Flood Control	SITE	6,880.0	34,502.0
4	Urbana	Utilities Infrastructure Upgrade	UTILITIES	2,900.0	37,402.0
5	Urbana	Agriculture Library ^(c)	BUILD	7,000.0	44,402.0
6	University	SURS Acquisition	BUILD	1,379.0	45,781.0
7	Chicago	AAUP Remodeling/Addition	REMD/BLDG	22,652.0	68,433.0
8	Urbana	Freer Hall Remodeling	REMD	5,750.0	74,183.0
9	Chicago	College of Medicine West Remodeling	REMD	10,000.0	84,183.0
10	Urbana	English Building Remodeling, Ph.IV	REMD	4,685.0	88,868.0
11	Chicago	Chemistry Building	PLAN	1,674.0	90,542.0
12	Urbana	Library Seventh Stack Addition	BUILD	19,700.0	110,242.0
13	Urbana	Incinerator	BUILD	2,970.0	113,212.0
14	Chicago	East Campus Entry Improvements	SITE	3,710.0	116,922.0

^(a)Includes \$6.9 million for land purchase, \$2.1 million for utility and site work, \$7.7 million for a Public Safety and Transportation Building, and \$3 million for recreational fields.

^(b)Includes \$3.565 million for Chicago and \$4.357 million for Urbana-Champaign.

^(c)The total project cost is \$14 million which includes matching gift funds of \$7 million.

The first University priority includes land acquisition and development of the south campus expansion zone at University of Illinois at Chicago (UIC). The official UIC Master Plan, adopted in 1990, identified this area as an essential expansion zone, and land acquisition was initiated with limited local funds. State support is now requested to complete the acquisition program to begin its development with the construction of support facilities including utility and site work, a Public Safety and Transportation Building, and recreational fields for campus and community use.

The second priority is the Repair and Renovation request which is comprised of seven projects at the Chicago campus and twelve projects at the Urbana-Champaign

campus. As in previous years, these projects address smaller scale renovation needs, not large enough to compete with major remodeling requests, but which in aggregate represent a critical priority for capital funding. The Repair and Renovation request is vital for the continued renewal of existing University facilities. Institutions with facilities the size, scope complexity and age of the University of Illinois campuses must place a high priority on renovation and renewal efforts each year.

Included in the Repair and Renovation request are energy conservation measure projects. Since FY 1982, the University has requested funding from the U. S. Department of Energy's Institutional Building Grant program for energy conservation capital improvements. These grants have been matched by the State to maximize the investment of State capital dollars. For FY 1995, the State share of the federal provision includes \$54,844 for the Chicago campus and \$95,703 for the Urbana-Champaign campus.

The third University priority is a project to provide for campus flood control at the Urbana-Champaign campus. This project will help alleviate storm water drainage problems created by the lack of drainage capacity during major storms. Provided in this project are drainage improvements to the Boneyard Creek including a deeper channel and limited water retention.

The fourth University priority is an Urbana-Champaign East Campus Utility Upgrade project. This project will extend and improve the utility infrastructure along East Gregory Drive. The project will increase the steam, chilled water, and electrical distribution systems along Gregory Drive and will provide added utility capacity for existing and future buildings in the southeast campus area.

The fifth University priority, the UIUC Agriculture Library, will provide space to allow the Agriculture and Home Economics library holdings to be consolidated in one site. The building will also provide space for a centralized computer center and much needed meeting and conference rooms serving the College of Agriculture. The \$7 million in State support requested for this project will be matched dollar for dollar by private gifts.

Priorities 6 through 14 are outlined in Table 3. Table 4 provides a breakdown of projects by category and by campus. Table 5 provides the future funding implications of the proposed projects, and Table 6 details the cost per square foot that is anticipated for new buildings and major remodeling projects requested for FY 1995. Following these

tables are project descriptions for the 14 projects which comprise the University's capital request for FY 1995.

TABLE 4
FY 1995 CAPITAL BUDGET REQUEST
SUMMARY BY CAMPUS AND CATEGORY
 (Dollars in Thousands)

Category	Chicago	Urbana-Champaign	Total
Building, Additions, and/or Structures	\$32,876.9	\$31,049.0	\$ 63,925.9
Land Acquisition	6,900.0		6,900.0
Movable Equipment			
Utilities	2,100.0	2,900.0	5,000.0
Remodeling	11,040.0	14,792.1	25,832.1
Site Improvements	6,710.0	6,880.0	13,590.0
Planning	1,674.0		1,674.0
TOTAL	\$61,300.9	\$55,621.1	\$116,922.0

TABLE 5
FY 1995 CAPITAL BUDGET
FUTURE FUNDING IMPLICATIONS OF PROPOSED PROJECTS
(Dollars in Thousands)

Priority	Campus	Project Title	Budget Category	FY 1995 Request	FY 1996 Costs	Costs for 1997 and Beyond
1	Chicago	South Campus Development ^(a)	LAND,SITE,BLDG	\$19,700.0		
2	University	Repair and Renovation ^(b)	REMD	7,922.0		
3	Urbana	Campus Flood Control	SITE	6,880.0		
4	Urbana	Utilities Infrastructure Upgrade	UTILITIES	2,900.0		
5	Urbana	Agriculture Library ^(c)	BUILD	7,000.0		
6	University	SURS Acquisition	BUILD	1,379.0		
7	Chicago	AAUP Remodeling/Addition	REMD/BLDG	22,652.0		
8	Urbana	Freer Hall Remodeling	REMD	5,750.0		
9	Chicago	College of Medicine West Remodeling	REMD	10,000.0		
10	Urbana	English Building Remodeling, Ph.IV	REMD	4,685.0		\$ 4,100.0
11	Chicago	Chemistry Building	PLAN	1,674.0		16,740.0
12	Urbana	Library Seventh Stack Addition	BUILD	19,700.0		
13	Urbana	Incinerator	BUILD	2,970.0		
14	Chicago	East Campus Entry Improvements	SITE	3,710.0		

^(a)Includes \$6.9 million for land purchase, \$2.1 million for utility and site work, \$7.7 million for a Public Safety and Transportation Building and \$3 million for recreational fields.

^(b)Includes \$3.565 million for Chicago and \$4.357 million for Urbana-Champaign.

^(c)The total project cost is \$14 million which includes matching gift funds of \$7 million.

TABLE 6
FY 1995 CAPITAL BUDGET REQUEST
COST PER SQUARE FOOT OF NEW BUILDING & MAJOR REMODELING PROJECTS BY CAMPUS

	Project Cost	Gross Square Feet	Net Assignable Sq. Feet	Efficiency NASF/GSF	\$/GSF	\$/NASF
CHICAGO:						
<u>New Buildings</u>						
South Campus ^(a)	\$ 7,700,000	44,400	32,457	73%	\$173.42	\$237.24
AAUP ^(b)	15,176,900	92,721	55,633	60	163.68	272.80
<u>Major Remodeling</u>						
College of Medicine West	\$10,000,000	229,200	121,800	53%	\$ 43.63	\$ 82.10
AAUP ^(b)	7,475,100	134,167	82,414	61	55.71	90.70
URBANA-CHAMPAIGN:						
<u>New Buildings</u>						
Agriculture Library	\$14,000,000	65,730	42,700	65%	\$212.99	\$327.87
Library Seventh Stack Addition	19,700,000	110,000	80,000	73	179.09	246.25
Incinerator	2,970,000	8,000	7,000	88	371.25	424.29
<u>Major Remodeling</u>						
Freer Hall	\$ 5,750,000	62,585	40,680	65%	\$ 91.88	\$141.35
English Building Phase IV	4,685,000	28,800	17,280	60	162.67	271.12

^(a)Represents allocation for new building only.

^(b)New addition and remodeling will be combined for a total cost of \$22,652,000.

REGULAR CAPITAL PROJECTS

CHICAGO CAPITAL BUDGET REQUEST FY 1995*South Campus Acquisition and Development - (\$19,700,000)***Background**

The first priority of the University of Illinois at Chicago (UIC) campus, and the top project in the University's overall FY 1995 capital budget priority list, is the acquisition and development of the largely vacant area located directly south of the east side of the UIC campus. Expansion in this area has been a consideration in UIC's long-range plans since the former Circle campus opened in 1965. The Provisional Long-Range Campus Planning Report, prepared in 1970 and updated in 1977 and 1985, noted a growing space shortage for academic and research programs and stressed the need for additional land acquisition south of Roosevelt Road.

The current Master Plan, adopted in 1990, continues to target the area south of Roosevelt Road for future research facilities and to accommodate essential support functions, thereby freeing up space on the current campus for expanding academic programs. The proposed land acquisition and development will provide space for current and future growth-related needs such as parking, housing, recreation, research, service, and administrative functions.

UIC's east campus (the former Circle campus) was designed as a four-year, undergraduate institution for commuter students. More recently, UIC has added housing for nearly 3,000 students and has taken on increasing responsibilities for research, graduate and professional education. Today, UIC has become one of the nation's top 70 research universities, with an annual research budget exceeding \$92 million, while continuing to serve more undergraduate students than any other Chicago area university. This expanded academic mission also carries promise for future collaboration with private businesses, enhancing the campus' already significant contribution to the Chicago economy.

The University must carefully assess the most viable alternatives for accommodating present and future resource needs, including the availability of land for growth. Unlike other Chicago universities, which have expanded into the suburbs, UIC wants to expand within the city, strengthening both the campus and the city. The only logical

direction for UIC to expand is south, since the campus is bounded on the north and east by expressways, and on the west by an established residential neighborhood.

The improvements proposed in this budget request will serve community interests as well as University interests in several ways. The expansion will contribute to the Chicago area economy through construction jobs and research advances and will improve facilities available both for students and neighborhood residents. Initially, the University plans to build open recreational fields for student and community use, a new university police station, and a vehicle and equipment maintenance facility. Land acquisition east of Halsted street will also create a "gateway" site for the entire near west side of the city.

The City of Chicago and the University have reached an agreement in principle regarding property acquisition and the South Campus Development Plan. This development opportunity must be given immediate priority since delays in acquiring the property may give rise to other development, making it more difficult for UIC to advance its full potential.

At its present location, the commercial activity of the Maxwell Street Market is not compatible with the South Campus Development Plan. Both the City of Chicago and the University wish to preserve the commercial opportunities provided by the Market. The mutually beneficial plan includes an improved market at an alternative location, provided by the City, that will better serve the needs of its patrons by providing quality accommodations with more amenities.

The Development Plan

1. **Land Acquisition:** Over the past three years the campus has acquired a modest amount of land in the development area using non-State funds. Additional funds are required for the purchase of properties in the area bounded by Roosevelt Road, Union Street, the B&O Railroad tracks and Morgan Street; and in particular the "gateway" area bounded by Roosevelt Road, Union Street, Liberty Street and Halsted Street; and the recreational/support facility area bounded by Morgan Street, Maxwell Street, Halsted Street and the railroad tracks. Approximately \$6.9 million is required for land purchase activities.
2. **Public Safety and Transportation Facility:** UIC Police are currently housed in very crowded space at the Campus Services Building. Demand for campus security services are increasing, particularly as the campus takes on more residential housing, making it ever more difficult to carry out day-to-day operations in the existing police facility. UIC's vehicle and equipment

maintenance functions are currently housed in the basement of the Campus Services Building. The existing space is poorly configured, inadequately ventilated, and in need of significant renovation to meet current code requirements.

An allocation of approximately \$7.7 million will provide a 44,400 GSF facility combining University Police and transportation operations into a single facility. The presence of the Campus Police in the south campus area will provide improved security services for the University and nearby residents. The transportation portion of the facility will provide a safe, modern environment in which to carry out the vehicle and equipment maintenance role for the UIC campus.

3. **Athletic Recreation Fields:** Enhancement of recreational facilities for University students, staff and community residents is a major objective of the proposed program. UIC is severely short of campus recreation facilities to meet the demand of current and potential users. These users include those in physical education classes, intramural programs, intercollegiate athletics, informal recreational users and community groups. Proposed improvements include several multi-purpose fields and tennis courts. An allocation of \$3 million has been established for this purpose.
4. **Utility/Infrastructure/Site Work:** The University's objective is to secure and enhance the appearance of the newly acquired land as soon after acquisition as is feasible. Approximately \$2.1 million will be allocated for land clearance, site preparation, and extension of the University utility distribution system which will service the proposed Public Safety and Transportation facility, and future infrastructure development.

Repair and Renovation - (\$3,564,900)

The Repair and Renovation request is comprised of the following seven projects.

FY 1995 REPAIR AND RENOVATION	
Project	Budget Request
BSB/SEL Computer Instruction Facilities	\$ 650,000
Lecture Center Interior Upgrades Phase I	601,856
AAUP Studio and Office Remodeling	770,000
Energy Conservation Measures	54,844
Peoria Masonry and Window Repair Phase II	440,200
Rockford Masonry and Window Repair Remodeling	110,000
Fire Alarm Upgrades Phase IV	938,000
TOTAL	\$ 3,564,900

BSB/SEL Computer Instruction Facilities - (\$650,000)

The Computer Center's five-year development program places considerable emphasis on expanding efforts to provide computer support workstations for students and faculty. Proposed improvements in the BSB facility (Rooms B-001, B001A, and B-002) will include electrical, mechanical upgrades, HVAC upgrades and extensions, installation of PC workstations and wall partitions to create classrooms and labs. Improvements in the SEL space (Rooms 2082-88, 2257A-F, and 2263/5) will include painting and acoustical tile ceilings in the office areas, installation of PC workstations, and painting and duct cleaning in the computer labs.

Lecture Center Interior Upgrades - Phase I - (\$601,856)

The Lecture Center Buildings include 39,225 NASF of space, configured as lecture halls with seating capacities ranging from 50 to 500 students. Few improvements have been made in Lecture Center Buildings since their initial construction. The proposed project scope calls for basic renovation work, including cleaning, painting, installation of new lighting fixtures, replacement of HVAC components, and replacement of single pane glazing with energy efficient glass.

Necessary code correction work will include fire alarm connections to the City of Chicago and UIC alarm system, and replacement of electrical outlets with code-approved devices. The existing spaces will be upgraded by installation of new acoustical materials and/or ceiling treatments, flooring, seating, and media systems.

AAUP Studio, Office and Building Improvements - (\$770,000)

Major improvements are necessary to upgrade the facilities of the College of Architecture, Arts and Urban Planning. Although a major program of remodeling and construction is being developed for this purpose, certain basic improvements in existing facilities are urgently needed to support the core programs. These include the creation of a studio for the Photo area of the School of Art and Design, the upgrading of existing classroom space for the School of Architecture, remodeling of facilities for the Communications Design area of the School of Art and Design, installation of new windows, lighting improvements, and creation of faculty offices.

Energy Conservation - Cycle XIV - (\$54,844)

- **College of Medicine West - 908/909 - (\$29,517)**
Existing steam traps in the buildings are inefficient, leading to high steam loss. New technologies can now achieve higher effectiveness in heat transfer from steam. This project replaces all steam traps and drips with new, more efficient units. A payback of 2.65 years is anticipated.
- **College of Medicine at Rockford - 947 - (\$25,327)**
The fume hoods presently used in the research laboratories are constant volume hoods, feeding roof exhaust fans. In meeting the laboratory standard, the current process is to exhaust a constant volume of air for all operations. This project proposes to install variable speed

drives on the exhaust fans and the necessary sash sensors and controls to vary the exhaust air through the hoods, depending on use. The new control will insure a negative pressure in the room relative to the corridor. Cost avoidance will be realized by eliminating unnecessary cooling and heating. A payback of 2.54 years is anticipated.

Peoria Masonry and Window Repair - Phase II - (\$440,200)

This project will provide for masonry and window repairs on the south and west faces of the Peoria College of Medicine Building. The building has experienced extensive cracking and water permeation to its exterior walls, water leakage into the building's lower level, and window seal corrosion.

Rockford Masonry and Window Repair - (\$110,000)

The College of Medicine at Rockford consists of five buildings. Several buildings suffer masonry cracking and water penetration to their exterior walls and windows. Priority renovation projects for this campus include masonry and window repairs.

Fire Alarm System and Code Correction - Phase IV - (\$938,000)

In 1991, UIC initiated a fire alarm system upgrade program to achieve the objectives of early fire detection and development of a secure system for communicating with building occupants and fire fighters in case of emergency. Improvements under this program include: new fire detectors; annunciator panels; alarm bells; pull boxes; and related electrical improvements; exit signage; fire door installation; and other building modifications. This project is the continuation of an ongoing program.

A&A Laboratories Remodeling and Building Addition - (\$22,652,000)

The Architecture and Art Building is a multi-story brick structure of approximately 82,000 gross square feet. The programs of the College have expanded significantly since construction of the existing building in 1968. The proposed Architecture and Art Building Remodeling and Addition will help provide the space required to accommodate the College's programs and will facilitate the relocation of the College's dispersed faculty, students, and administration from six different locations to two campus locations. The proposed building additions will satisfy the College's most urgent space needs and help to promote greater program efficiency and effectiveness for AAUP. The major elements of the proposed program of remodeling and construction are improvement of instructional space, provision of office space, rationalization of circulation patterns, improvement of vertical circulation, upgrading of power and telecommunications/computer system distribution, and code compliance.

The proposed remodeling/construction will provide facilities to serve students and faculty in the School of Art and Design's programs in Communication Design, Photography, Film and Electronic Visualization, Industrial Design, and Photography; the School of Architecture; and the Department of History of Art and Architecture. It will provide space for the College's slide library, resource library, and Art Study Collections, all of which are currently located in other campus buildings. The program will also provide for the consolidation of administrative office space.

College of Medicine West Remodeling - (\$10,000,000)

The College of Medicine West Building and College of Medicine West Tower (Buildings 908 and 909) were built in 1924 and 1931, respectively. The buildings contain 229,200 GSF and 121,800 NASF of space and are located on the Health Sciences Center campus, at Polk and Wolcott Streets.

The proposed remodeling project is an essential component of the campus plan for improving the programs of the College of Medicine. The project will upgrade mechanical services and utilities for each floor of the building including heating, air-conditioning equipment, special exhaust, laboratory utilities systems, water and waste systems, and electrical power. Local floor distributions of the systems will be accomplished as the individual floors are remodeled. The proposed scope of work includes installation of a variable air volume central heating and cooling system; new electrical circuitry; a new piping, treated water system; and automation of the existing manual elevators. Interior remodeling will be addressed in subsequent phases of the project. The feasibility of the proposed project has been demonstrated in a comprehensive renovation plan prepared by John Victor Frega and Associates.

Chemistry Research Building Planning - (\$1,674,000)

The Chemistry Department currently occupies space in the Science and Engineering South Building and the Science and Engineering Laboratory Building. The Department moved into its present space in the SES building in 1969 at a time when its graduate and research programs were in their infancy.

A new Chemistry Research Facility is required to accommodate state-of-the-art research activity by UIC faculty and graduate students. The proposed facility will accommodate 36 faculty members with active research programs, 180 graduate students and 40

postdoctoral research associates. The plan for the Chemistry Research Building is to provide a free-standing building located close to the SES classroom complex and to the proposed Science and Engineering Library Building, and connected to both of these buildings by all-weather covered bridges or walkways. The building will provide space equivalent to that currently occupied by the Chemistry Department in the SES building, plus that currently used for research in the SEL building, plus space for future expansion of the current areas of the department, and finally additional space for the introduction of some critically needed new areas of chemistry.

East Campus Entry Plaza Improvements - (\$3,710,000)

The proposed East Campus Entry Plaza Improvement project will implement plans for major improvements in the area to the north and west of the Campus Core project. The proposed project will focus on (a) the renovation of the plaza located between University Hall and the Behavioral Sciences Building and (b) the creation of an Academic Way to connect the Student Residence and Commons to the area adjacent to the Behavioral Sciences Building at the intersection of Vernon Park and Morgan Streets. The renovation of the plaza will create a major entry point to the campus at Harrison Street and the now-closed right-of-way of Morgan Street. The Academic Way will provide an integrated pedestrian circulation system to connect the plaza to the Chicago Circle Center, the Student Residence and Commons, the Lecture Centers, Grant, Douglas, and Burnham Halls, University Hall, and the Behavioral Sciences Building. The project will also include the reconfiguration of service access to minimize conflicts between pedestrians and motor vehicles.

Proposed project work will include removal of existing asphalt walks and brick walls, the relocation of parking lot #2, correction of drainage, installation of improved lighting, reconfiguration of University Hall and Behavioral Sciences Building service access, removal of the overhead walkway between University Hall and the Behavioral Sciences Building, and construction of a major entry plaza on the closed portion of Morgan Street. Planning and construction for this project will be coordinated with ongoing work on the Campus Core Renovation Project, the Student Residence and Commons addition and revisions of plans for the expansion of the Architecture and Art Building.

URBANA-CHAMPAIGN CAPITAL BUDGET REQUEST FY 1995

Repair and Renovation - (\$4,357,100)

The Repair and Renovation request is comprised of the following twelve projects.

FY 1995 REPAIR AND RENOVATION	
Project	Budget Request
Materials Science Laboratory Remodeling Phase II	\$ 525,000
Environmental and Agricultural Science Bldg. Remod. Phase II	500,000
Library 4th Floor Remodeling	800,000
Henry Administration Building Replace Cooling Tower	220,000
Armory Flat Roof Replacement	260,000
Metallurgy and Mining Replace Fascia, Gutters, and Downspouts	500,000
Armory HVAC Improvements Phase II	554,297
Fire Alarm Systems Upgrade Phase III	232,100
Rogers Adams Laboratory and Mumford Hall Exit Improvements	180,000
Architecture Building Remodeling Room 120	240,000
David Kinley Hall General Classroom Upgrade	250,000
Energy Conservation Measures	95,703
TOTAL	\$4,357,100

Materials Science Laboratory Remodeling Phase II - (\$525,000)

This is second phase of a remodeling project to completely renovate the old Ceramic Department Kiln House where various ceramic materials were fired. The College of Engineering is in the process of completely gutting the Ceramics Kiln House and adding a floor. The first phase installed the structural steel and second floor slab while renovating the ground floor to provide an instructional area for metals and polymers. The second floor will be shelled space with 3,400 GSF and 2,400 NASF which will need basically all construction categories to be converted into finished space. The space will be renovated into office space and instructional laboratories for electronic materials and ceramic materials. These will be dry laboratories with extensive electrical requirements and some fume hoods to give the students a safe working environment. An elevator was provided in the first phase eliminating that as a need for the second phase in order to meet ADA requirements.

Environmental and Agricultural Sciences Bldg. Remodeling Phase II - (\$500,000)

This request involves funds to complete remodeling of the former Veterinary Medicine Building. The demolition and third floor completion was funded by State funds. A federal grant has been used to remodel the lower three floors to house the National Soybean Center. This request will complete remodeling of offices and laboratories on the ground and first floor in the connecting link and the old diagnostic laboratory areas. Federal grants have covered more than half of the \$9 million necessary to completely renovate this building.

Library - Fourth Floor Remodeling, Phase I - (\$800,000)

The current configuration of the fourth floor does not make efficient or effective use of the available space. In addition to space reconfigurations, this remodeling will address fire code deficiencies such as existing walls constructed of cellulose wall board over wood studs that do not meet current fire codes and steel columns supporting the roof that are not covered with fire retardant materials as required by current codes.

Approximately one-third of the space (6,948 NASF) on the fourth floor will be remodeled as a part of this project. The remodeling must be completed in phases to keep the library areas open and usable and to allow for the relocation of staff and books around the construction area. This project will implement the remodeling plan developed by the Library Fourth Floor Remodeling feasibility study. There will be two more phases to this project.

Henry Administration Building Cooling Tower Replacement - (\$220,000)

This project involves the replacement of eight cooling towers at the Henry Administration Building with four towers of modern design. The existing counterflow towers have spray nozzles, 64 fan bearings, and metal parts subject to deterioration making the existing cooling towers very maintenance intensive. The existing towers will be replaced with four low profile cross flow towers which do not have the clogging or drifting problems associated with spray nozzles. The new towers will be equipped with an electrostatically bonded coating to reduce corrosion and propeller fans to reduce the number of moving parts which will reduce maintenance problems.

Armory Flat Roof Replacement - (\$260,000)

The north and south classroom/office sections of the Armory were constructed over 65 years ago with flat roofs. These roofs have not had any major repair work since 1960 and are now completely deteriorated. Numerous leaks are causing permanent interior damage to ceilings and walls and very often interfere with classroom use.

This project will remove the existing damaged roof and replace it with a built-up bituminous roofing system which will withstand problems created by ice falling during thaw periods from the upper roofs.

Metallurgy and Mining Building - Replacement of Fascia, Guttering, and Downspouts - (\$500,000)

The guttering system at the Metallurgy and Mining Building has failed beyond repair. Because of this failure, the structure of the building is threatened, presenting a potential hazard to the general public and resulting in leaks that are impacting teaching, research, classroom, and office activities. This project will replace the fascia, soffit, gutters, downspouts, and supporting structural members thereby preventing further structural damage.

Armory - HVAC Improvement, Phase II - (\$554,297)

This project will improve the ventilation and cooling of interior classrooms and offices on the west end of the Armory. The existing system is so noisy that in

many cases the room fans must be shut off during class sessions in order for students to hear the instructor. Improvements will include removing room fan units, enlarging ducts to chases in each room, and installing large supply fans on the mezzanine to provide adequate air movement to these interior rooms. In addition, temperature controls throughout the entire building will be upgraded.

Fire Alarm System Upgrade, Phase III - (\$232,100)

Numerous campus buildings are equipped with substandard fire alarm/evacuation systems or no fire alarm systems at all. The Urbana campus has developed a program which addresses this serious deficiency in a systematic manner by upgrading the alarm system in a few buildings each year. The approach is to upgrade the alarm system in buildings with a relatively high occupancy level or buildings that will have remodeling or renovation activities in them. This program will install the new Pyrotronics main sensing panel, replace existing detectors, and add additional detectors where applicable, but will probably not install a complete detection system in each building. The buildings to be upgraded with this request are: Altgeld Hall, Turner Hall, and the Rehabilitation Center.

Exit Improvements - Rogers Adams Lab and 103 Mumford Hall - (\$180,000)

This project will solve two of UIUC's most critical exiting problems. Roger Adams Laboratory was built in the late 1940s with an addition anticipated directly south of the first addition; therefore, an exterior metal fire escape was constructed as a temporary measure during construction. Some 45 years later the temporary fire escape is still in use and there are no plans to build an addition to Roger Adams Laboratory at that location. This project will construct an enclosed stairwell on the south side of Roger Adams Lab first addition to provide a code complying means of egress replacing the existing stairs which would be very dangerous to use during winter months.

Room 103 Mumford Hall is a 225 seat auditorium used approximately 30 hours a week for instruction with only one legal means of egress. The best solution to this problem involves construction of an exit directly to the outside of the building. The new stairs would have to be constructed of materials compatible with the exterior appearance of the building.

Architecture Building - Room 120 - (\$240,000)

This 143-seat lecture room is regularly used by the College of Fine and Applied Arts for lectures and slide presentations. This room, constructed in 1927, has seen few improvements, and is without air conditioning, which is a serious deficiency during warm periods when windows and shades must be pulled to use slides during lectures. The improvements would address the most serious deficiencies by providing an HVAC system, a dual lighting system, a projection room, audio visual system, and new interior finishes including new auditorium seating. A modern teaching station will be created at the front of the room.

General Classroom Upgrade - David Kinley Hall - (\$250,000)

David Kinley Hall is one of the two main instructional locations for the College of Commerce. The building has 24 classrooms with only the large lecture room air conditioned. Currently, there is a source of chilled water available which will

allow the University to air-condition an additional 10 classrooms at a nominal cost. These rooms are located on the first, second, and third floors of the building. In addition to air conditioning, the rooms would receive new lighting, new floor tile, acoustical ceiling, light control of windows, and painting. The campus will provide new movable tablet arm chairs and audio visual equipment. This improvement will provide a much better learning environment in these 10 rooms.

Energy Conservation Projects Cycle 15 - (\$95,703)

- Bevier Hall - 158 - (\$46,765)

This project provides for the installation of fan motor speed controls on 30 fans which run 24 hours per day at this hall. The project includes a central control system (MACS). The object of this effort is to reduce electricity and steam usage by running fans at reduced speeds at night, weekends, and through the winter months. The estimated payback is 2.1 years.

- Psychology Building - 76 - (\$48,938)

This project provides for the installation of fan motor speed controls on 36 fans which run 24 hours a day at this facility. The project includes a central control system (MACS). The object of this effort is to reduce electricity and steam usage by running fans at reduced speeds at night, weekends, and through the winter months. The estimated payback is 2.2 years.

Campus Flood Control - (\$6,880,000)

This project deals with storm water detention for the storm water line that runs along Gregory Drive beginning at Fourth Street and connecting to a large line that runs along Lincoln Avenue to the Boneyard Creek. This project will create a 2.75 acre storm water detention reservoir near Dorner Drive and Gregory Drive. This reservoir will intercept storm water from approximately one-fourth the drainage basin served by the Lincoln Avenue storm sewer and allow that water to slowly drain away after the major impact of a storm has passed, thereby significantly reducing the storm water flooding problem along Lincoln Avenue. The estimated cost for this portion of the project is \$1.1 million.

The second portion of this request provides drainage improvements to the Boneyard Creek along its route from Wright Street to Lincoln Street. The project calls for elimination of barriers to the creek's flow, deepening its channel and provision of limited water retention. The objective is to alleviate conditions which have resulted in flooding and property damage. The estimated cost for this portion of the project is \$5.78 million.

Utilities Infrastructure Upgrade - (\$2,900,000)

It is necessary to extend and improve the utility infrastructure along East Gregory Drive. This project will increase the steam, chilled water, and electrical distribution systems along Gregory Drive. The construction of a new steam tunnel with steam and condensate line running along Gregory Drive from Sixth Street east to the existing north/south tunnel at the Animal Sciences Laboratory will provide added steam capacity to all existing buildings located in the southeast area of campus while providing capacity for future buildings to be constructed in the area. The construction of an addition to the Animal Sciences Laboratory air conditioning center will allow the orderly addition of chilled water equipment as the need arises for proposed buildings such as the Agriculture Library or major remodeling projects in the immediate area. The electrical improvement portion of the project will extend duct and cable from Distribution Center #6 near the corner of Pennsylvania Avenue and Dorner Drive to a new load center located in the Animal Sciences Laboratory to supply electrical power to existing buildings in the immediate area plus proposed new buildings such as the Agriculture Library. This portion of the project will provide needed utilities to this section of the campus in a planned manner instead of a crisis situation.

Agriculture Library - (\$7,000,000)

Estimated Total Project Cost	\$14,000,000
Estimated Bond-Eligible Funds Required in FY 1995	\$7,000,000
Estimated Non-State Funding (Gift)	\$7,000,000
Gross Square Feet	65,730
Net Assignable Square Feet	42,700
Building Efficiency	65%

The current Agriculture and Home Economics Libraries house a remarkable collection of books, periodicals, and other materials that serve as a center for scholarly research and study. The holdings cover all areas of agriculture and home economics, with special strengths in agricultural economics, biotechnology, foods and nutrition, forestry, textiles and apparel, international agriculture, animal sciences, horticulture, and soil sciences.

The present library, located for more than 65 years on the second floor of Mumford Hall, suffers from structural and spatial problems. Currently, the 7,800 square

foot library facility can house little more than one-third of the College's collection of 200,000 books and other materials. In addition to storage of library holdings, the Library affords seating for only fifty people, despite the fact that the students and faculty in the College total more than 3,200. There are no available areas for meetings and conferences. Also, the Library has no space for new computer facilities essential to a modern information center.

The proposed College of Agriculture Library provides flexibility for expansion and will enable the College to unify its agriculture and home economics collections and its information and computer services into a centralized location. Included in the project is room for all the current holdings of the College plus growth space for library material in the stack areas. The new Agriculture Library will also provide modern up-to-date computer facilities for the College as well as a large meeting room and several small conference rooms. Moveable equipment costs are included in the current request; there will be no future equipment request for this project.

The Agriculture Library is programmed to contain the following types and amounts of space:

Room Type	NASF
Laboratory	3,000
Office	7,250
Stack	27,470
Exhibition/Lounge	4,980
TOTAL	42,700

	Estimated Total Project Cost	Requested for FY 1995	Requested for FY 1996 and Beyond
Basic Building Cost (including Fixed Equipment, Utilities, Professional Fees, and Movable Equipment)	\$14,000,000	\$7,000,000*	
Utilities (Included in Basic Building Cost above)	(1,384,500)	(692,250)	
Planning (Included in Basic Building Cost above)	(1,654,490)	(827,245)	
TOTAL	\$14,000,000	\$7,000,000	\$0
*This project will be a shared funding project, using private donor funds (solicited by the College of Agriculture) and Capital Request funds.			

SURS Acquisition - (\$1,379,000)

The availability of the State University Retirement System (SURS) facility presents an opportunity to address persistent space problems at the Urbana-Champaign campus. Consolidating Administrative Information Systems and Services (AISS) operations in a single location will improve working conditions, enhance operating efficiency, and release some central campus space for reassignment to other units. The University administration has reached an agreement with SURS for the sale of their property to the University for the sum of \$1,379,000.

Freer Hall Remodeling - (\$5,750,000)

The College of Applied Life Studies (ALS) is currently accommodated in Huff Hall, Freer Hall, and the Armory. Although decentralization is a problem, Huff Hall in particular presents the College with conflicts involving incompatible activities--administrative and academic activities--in uncomfortably close proximity to the gymnasium. By creating an infill floor in Freer Hall and converting the first floor from office space to classrooms and computer laboratories, it will be possible to consolidate ALS into this facility--and allow the College to vacate all permanently-assigned space in both Huff Hall and the Armory.

Conceptually, the remodeling of Freer Hall will involve removing the main dividing wall within the third floor gymnasium and construction of a fourth floor. To effectively isolate dissimilar activities, the first floor will be modified to accommodate high-traffic public spaces such as classrooms and general-use computer laboratories. New first floor spaces will include six classrooms, one large computer laboratory, and several high-ceiling research laboratory spaces. The office space now on the first floor of Freer Hall and in Huff Hall will be moved to the upper floors in Freer Hall along with support spaces, conference rooms, computer laboratories and graduate assistant office space.

English Building Remodeling, Phase IV - (\$4,685,000)

In 1975 a master plan was developed to convert the English Building to its new and permanent use. In total, 61,940 NASF (118,140 GSF) will undergo remodeling. The entire program involves: the addition of a new heating and air conditioning system for the building; construction of a new fire-rated stair and enclosure of two existing stairs;

installation of an elevator (completed in Phase III); and addition of restrooms, new plumbing, and new structural flooring in the west half of the building, as well as typical partitioning, lighting, and ceiling improvements associated with office and classroom remodeling. To date, only the first three phases of the remodeling have been completed in the English Building. The unremodeled portion of this building is in deplorable condition because of the extended delays in funding this important project.

The fourth phase of the work, which is currently proposed, involves the renovation of the north section of the building on all floors (21,000 GSF) as well as the east side of the third floor (7,000 GSF). The remodeling will involve the complete gutting and the construction of new floors in 10,000 GSF of the area to be remodeled. A total of 28,800 GSF of space will be converted into modern office space and classrooms as a result of this project.

Library Seventh Stack Addition - (\$19,700,000)

Estimated Total Project Cost	\$19,700,000
Estimated Bond-Eligible Funds Required in FY 1994	19,700,000
Gross Square Feet	110,000
Net Assignable Square Feet	80,000
Building Efficiency	73%

This project will provide urgently needed space for the growing University General Library collection. To meet the instructional and research needs of students and faculty, the University Library adds approximately 120,000 to 150,000 bound volumes a year to its collections, as well as an additional 50,000 items of other Library material such as maps, photographs, sound recordings, music scores, audio-visual cassettes, microtexts, newspapers, etc.

The Main Library bookstack, which houses approximately 80% of the collection of over 13,000,000 items, is 100% full. The 34 departmental libraries, which house the remaining 20% of the collection, have reached capacity and can no longer transfer their less frequently used materials to the main book stacks to make room for new material in their working collections. This severe overcrowding has occurred in spite of the fact that the Library has been conducting an extensive review of the collections to eliminate unnecessary duplication.

During FY 1990, the Library requested that the University lease space at a remote location in order to house Library books and journals it no longer can shelve in the Main Library bookstacks. This need represented about 500,000 volumes in FY 1991, and continues to grow at a rate of approximately 200,000 volumes per year. The use of remote storage for Library books and journals is both expensive and inefficient. To provide service for a remote location puts a severe strain on the Library's budget and staff. Inaccessibility of material in remote storage is a handicap to faculty and students alike.

The proposed Library Seventh Stack Addition will alleviate the present overcrowded conditions and improve the operating efficiency of the entire Library. The project's planned 80,000 NASF will accommodate 3,000,000 volumes (growth beyond the year 2000).

The Library Seventh Stack Addition is programmed to contain the following types and amounts of space:

Room Type	NASF
Stack	80,000
TOTAL	80,000

	Estimated Total Project Cost	Requested for FY 1995	Requested for FY 1996 and Beyond
Basic Building Cost (including Fixed Equipment, Utilities, Professional Fees, and Movable Equipment)	\$19,700,000	\$19,700,000	
Utilities (Included in Basic Building Cost above)	(300,000)	(300,000)	
Planning (Included in Basic Building Cost above)	(1,826,000)	(1,826,000)	
TOTAL	\$19,700,000	\$19,700,000	\$0

Incinerator - (\$2,970,000)

Estimated Total Project Cost	\$2,970,000
Estimated Bond-Eligible Funds Required in FY 1996	2,970,000
Gross Square Feet	8,000
Net Assignable Square Feet	7,000
Building Efficiency	87.5%

Regulatory and legislative changes have accelerated the need for this proposed project. The Incinerator project will improve operator safety, provide for continued safe handling and treatment of certain campus waste streams, and ensure continued compliance with air emission standards and other environmental regulations.

The Federal Clean Air Act Amendments of 1990 (CAAC) and Illinois Public Act 87-752 affect how waste streams may be handled because of new regulatory requirements on incinerators and incineration programs.

The proposed Incinerator will be designed to meet or exceed the known emissions requirements for incinerators of this type and size as regulated by the above acts, probably utilizing both burn length time and scrubbers. In addition, features that will ensure the safety of the operator(s) will be included that address deficiencies in the current unit.

Wastes currently incinerated on-site by the University include clinic and laboratory wastes, animal carcass wastes, and some low-level radioactive wastes. No hazardous chemical wastes are incinerated on-site at this time and there are no plans for the incineration of hazardous chemical wastes in the proposed facility. The Incinerator is programmed to contain the following types and amounts of space:

Room Type	NASF
Service Lab	7,000
TOTAL	7,000

	Estimated Total Project Cost	Requested for FY 1995	Requested for FY 1996 and Beyond
Basic Building Cost (including Fixed Equipment, Utilities, Professional Fees, and Movable Equipment)	\$2,970,000	\$2,970,000	
Utilities (Included in Basic Building Cost above)	(104,700)	(104,700)	
Planning (Included in Basic Building Cost above)	(345,300)	(345,300)	
TOTAL	\$2,970,000	\$2,970,000	\$0