

WESTERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES

October 16, 2009

Resolution No. 09.10/3 FY2011 Appropriated Operating Budget Recommendations

Resolution:

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

WHEREAS Fiscal Year 2011 appropriated operating budget recommendations require Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2011 Appropriated Operating Budget Recommendations* presented today advance the goals of the University's Strategic Plan, *Higher Values in Higher Education*, on both Western Illinois University campuses, and statewide strategic planning goals for higher education, identified in The Illinois Board of Higher Education's *Illinois Public Agenda for College and Career Success*:

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2011 appropriated operating budget recommendations as presented in the *Fiscal Year 2011 Appropriated Operating Budget Recommendations*, and be it further resolved that the President be authorized to make technical adjustments in the operating budget recommendations if necessary.

Fiscal Year 2011 Appropriated Operating Budget Recommendations
Western Illinois University

Western Illinois University begins Fiscal Year 2010 with a \$123.9 million base appropriation (48.3 percent from general revenue and 51.7 percent from income fund). The University recommends a \$10.6 million (8.5 percent) general revenue increase in funding for Fiscal Year 2011 operations.

Through meaningful state support, internal reallocations, and successful implementation of the University's Strategic Plan, *Higher Values in Higher Education*, Western Illinois University continues to advance the four goals of The Illinois Board of Higher Education's *Illinois Public Agenda for College and Career Success*.

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

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

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

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

Illinois Board of Higher Education guidelines divide operating recommendations into two categories: salary and cost increases and support for program priorities. Almost 62 percent of the University's recommendation is for salary and cost increases. This includes funding for salary increases, related Social Security contributions, and other inflationary increases associated with University operations (utilities, library materials, and all other institutional operations). The remaining 38 percent of the University's recommendation supports programs identified in *Higher Values in Higher Education*.

Western Illinois University Fiscal Year 2011 Appropriated Funds Operating Budget Request			
	Dollar Increase	Percent Increase	Priority
Salary and Cost Increases			
Salaries (on 95% of Base)	\$ 5,751,300	6.0%	
Social Security/Medicare	79,500	6.0%	
Library Materials	157,100	10.0%	
Utilities	158,500	3.0%	
Other General Costs	<u>445,200</u>	3.0%	
Total Salary and Cost Increases	\$ 6,591,600	5.3%	
Program Priorities			
Deferred Maintenance	\$ 1,500,000	NAP	1
Student Financial Aid	\$ 1,000,000	NAP	2
Health Care Professional Education	750,000	NAP	3
Engineering Program	<u>750,000</u>	NAP	4
Total Program Priorities	\$ 4,000,000		
Total All Increases	\$ 10,591,600	8.5%	

Salary Increases for Faculty and Staff. As stated in *Higher Values in Higher Education*, Western Illinois University's highest priority is to increase faculty and staff salaries to meet and exceed the mean of peer institutions. The \$5.8 million request for salary increases is 87 percent of the University's salary and cost increase recommendation. Western Illinois University's Fiscal Year 2002 average weighted faculty salaries were 97.5 percent of our peer group; the value is now 94.6 percent (*AAUP Faculty Salary Survey*). Salary erosion is a critical issue facing Western Illinois University. The ability to recruit and retain high achieving and diverse faculty and staff is directly related to ensuring educational quality. While internal reallocations provide some level of salary increase for faculty and staff, enhancing competitiveness remains the highest institutional priority, particularly in light of reduced salary competitiveness.

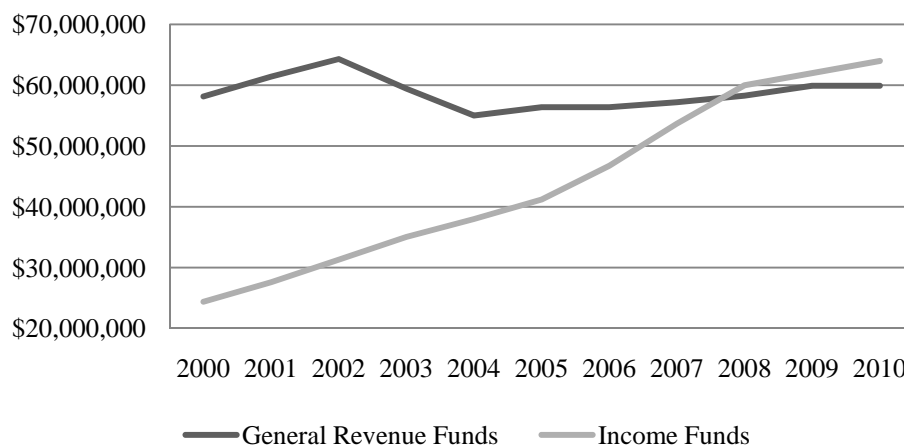
Support for Program Priorities. Western Illinois University is seeking \$4.0 million in funding for program priorities identified in *Higher Values in Higher Education*. These include:

- **Permanent improvements and campus infrastructure enhancements (\$1,500,000)** to reduce the deferred maintenance backlog of \$500 million.
- **Student Financial Aid (\$1,000,000)** to support access and affordability to higher education.
- **Health Care Professional Education (\$750,000)** to provide a bachelor of science in nursing/BN degree completion at Western Illinois University-Macomb. The program will be offered in partnership with regional community colleges and health care providers to reduce the critical shortage of registered nurses in west central Illinois.
- **Engineering Program (\$750,000)** to provide a bachelor of science in Engineering at the Quad Cities campus to help address the shortage of engineers and provide graduates with strong multidisciplinary fundamentals.

The requested \$10.6 million will help restore Western Illinois University's status as a state-supported institution of higher education. Between Fiscal Years 2002 and 2010, state general revenue support for the University decreased by \$5.1 million or 7.9 percent. During this same time period, unfunded cost increases have been incurred for utilities (\$2,750,000), Illinois Veterans Grants (\$1,200,000), and CMS health insurance (\$1,944,800). Decreased funding, increased costs, and required university expenditures total almost \$11 million.

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

**Western Illinois University
Appropriated Funds Operating Budget**



Changes from Fiscal Year 2010 Operating Recommendation Request

Consistent with the University's Strategic Plan, salary increases are the University's highest priority. Cost increases for utilities, library material and other operating expenses are also important. Western Illinois University has not received funding for increased costs in 14 years.

Western Illinois University is also requesting over \$4.0 million in state funding to support its Strategic Plan, *Higher Values in Higher Education*. Funds to support deferred maintenance, student financial aid, healthcare professional education, and the engineering program will improve economic development, educational partnerships, access, diversity, affordability, productivity, and accountability in Illinois public higher education.

Changes from Fiscal Year 2010 Operating Increase Recommendation (Dollars in Thousands)				
	Fiscal Year		Difference	
	<u>2010</u>	<u>2011</u>	<u>Amount</u>	<u>Percent</u>
Total Recommended Increase	<u>\$10,399.2</u>	<u>\$10,591.6</u>	<u>\$192.4</u>	1.9%
Salary and Cost Increases	<u>\$6,849.2</u>	<u>\$6,591.6</u>	<u>(\$257.6)</u>	-3.8%
Salary Increases	5,529.0	5,751.3	222.3	
Social Security	132.5	79.5	(53.0)	
Cost Increases				
Library Materials	157.1	157.1	-	
Utilities	528.4	158.5	(369.9)	
Other General Materials	502.2	445.2	(57.0)	
Program Priorities	<u>\$3,550.0</u>	<u>\$4,000.0</u>	<u>\$450.0</u>	12.7%
Deferred Maintenance	1,500.0	1,500.0	-	
Student Financial Aid	-	1,000.0	1,000.0	
Health Care Professional Education	1,000.0	750.0	(250.0)	
Engineering Program	750.0	750.0	-	
Teacher Training and Development	300.0	-	(300.00)	

**Western Illinois University's Fiscal Year 2011 Operating Recommendations
To the Illinois Board of Higher Education**

Western Illinois University's Fiscal Year 2011 operating budget request will be submitted to the Illinois Board of Higher Education October 16, 2009, pending board approval.

**FY2011 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Faculty and Staff Salaries

AMOUNT REQUESTED: \$5,751,300

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

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

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

Recruiting and retaining high-achieving and diverse faculty and staff are directly related to improving the quality of academic and co-curricular programs and services. Such actions in the competitive job market necessitate faculty and staff salaries that meet and exceed the mean of peer institutions. Western Illinois University's Fiscal Year 2002 average weighted faculty salaries were 97.5 percent of our peer group; the value is now 94.6 percent (*AAUP Faculty Salary Survey*). Salary erosion is a critical issue facing Western Illinois University. The ability to recruit and retain high quality faculty and staff is directly related to ensuring educational quality.

JUSTIFICATION FOR BUDGET REQUEST

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

**FY2011 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Deferred Maintenance

AMOUNT REQUESTED: \$1,500,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

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

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

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

In addition to operating funds, Capital Renewal funds are used to address deferred maintenance needs on campuses. Western Illinois University has not received Capital Renewal funding since fiscal year 2004. This has resulted in over \$7.2 million in lost funds that would have been used to address elevator maintenance, utility infrastructure repairs, and other critical needs on campus.

JUSTIFICATION FOR BUDGET REQUEST:

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

**FY2011 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Student Financial Aid

AMOUNT REQUESTED: \$1,000,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

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

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

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

Western’s students have a large unmet need, and consequently an increasing amount of indebtedness by the time they graduate. Current unmet need is over \$20.0 million annually with average student indebtedness upon graduation of \$19,805. Unfortunately, students have turned to non-federal sources of educational loans which carry a much higher interest rate and must either be paid while attending school, or capitalized while in school.

JUSTIFICATION FOR BUDGET REQUEST:

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

**FY2011 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Health Care Professional Education

AMOUNT REQUESTED: \$750,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Addressing the critical regional shortage of nurses in West Central Illinois (i.e., Galesburg through Quincy), Western Illinois University-Macomb is partnering with local community colleges and area health care providers to provide a new baccalaureate of science in nursing and an RN degree-completion program for community college transfer students and practicing nurses. The participating institutions and health care providers in this collaborative relationship with Western are Spoon River College, McDonough District Hospital, Carl Sandburg College, John Wood College, Graham Hospital School of Nursing, and Blessing-Rieman College of Nursing.

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

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

The BSN *comprehensive* program will provide a four-year baccalaureate degree leading to the BSN and providing the requisite education for students to practice as registered nurses. This program provides opportunities to students who have no prior nursing education.

JUSTIFICATION FOR BUDGET REQUEST:

The first year of the RN to BSN completion program has six students enrolled and is expected to double by fiscal year 2011. The four-year program has 17 students enrolled for fiscal year 2010 with anticipated enrollment in fiscal year 2011 of 30 students. This is based on current pre-nursing enrollment and anticipated transfer students. There are 90 pre-nursing students in the current fiscal year, and based on state-wide program trends, enrollment is expected to increase to 200 students in fiscal year 2011.

Funding requested for the Health Care Professional Education program will provide support for four full-time faculty and provide funds to purchase laboratory equipment and instructional materials.

**FY 2011 OPERATIONS AND GRANTS
DETAIL OF RESOURCES REQUESTED FOR NEW PROGRAMS
AND PROGRAM PRIORITIES**

NAME OF INSTITUTION: Western Illinois University

TITLE OF REQUEST: Bachelor of Science in Engineering

AMOUNT REQUESTED: \$750,000

SOURCE OF FUNDS REQUESTED: Appropriated Funds

BRIEF DESCRIPTION OF REQUEST:

Western Illinois University received authorization on October 7, 2008 from the Illinois Board of Higher Education to offer a Bachelor of Science in Engineering degree program at the WIU Quad Cities campus. The WIU Bachelor of Science in Engineering addresses the need for broadly educated engineers who have a strong grounding in multidisciplinary engineering fundamentals. The integrated course of study will prepare graduates to provide cross-discipline design solutions for the wide range of demands encountered by today's practicing engineers in consulting offices, manufacturing businesses, industrial companies, and government agencies. The degree program requires students to complete 133 s.h., including a 22 s.h. core in engineering graphics/CAD, manufacturing processes, engineering economics, project management, an internship, and a senior design project; a 27 s.h. option in either manufacturing/mechanical engineering or electrical/computer engineering; and 54 s.h. of support courses in chemistry, mathematics, physics, computer science, economics, and management.

The program was designed to meet the Accreditation Board for Engineering and Technology (ABET) standards and is currently being offered at the Caxton Block Building in Moline, IL, as part of the WIU Quad Cities campus. The Engineering program will eventually be delivered at the WIU Quad Cities Riverfront campus in Moline, Illinois. The Engineering program is a 2+2 degree completion program (the junior and senior years) and will be articulated with pre-engineering transfer programs at the WIU Macomb campus and community colleges in Illinois, Iowa, and Missouri.

According to U.S., Illinois, Iowa, and Missouri labor agencies, there is a strong labor market demand for engineering graduates in western Illinois and eastern Iowa, with an 11-percent increase in employment demand between 2004 and 2014.

JUSTIFICATION FOR BUDGET REQUEST:

The University estimates that 30 students will be enrolled in the Engineering program during its first two years of operation. By the fifth year of operation, the program will grow to 120 program majors with 40 degrees awarded annually.

The funds will be used to provide salaries for the Engineering program director, three full-time professors, a technician and a secretary. Funds will also be used to support operations and purchases of laboratory equipment.