Budget & Salary Guidelines

Fiscal Year 2026

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Contents

Budget Guidelines

Fiscal Year 2026 Milestones

Milestone	Date
Board of Trustees approves FY26 preliminary operating budget (to allow spending to occur effective July 1)	May 21, 2025
Legislature passes FY26 University appropriation bill	May 30, 2025
Budget Development "Phases" open in the Budget Development System	June 6, 2025
The Budget Development System is opened to units to begin data entry for State and Institutional budgets	June 6, 2025
Information on Institutional Funds budgeting is distributed to colleges / units	June 6, 2025
Final "Green Sheets" and "Budget Shares" that detail UIC's state revenue estimates are issued by the System Budget Office	June 26, 2025
Final FY26 Permanent State budget bases communicated to college / units (Allocation Sheets)	June 30, 2025
Final day for units to enter data in the Budget Development System for Institutional budgets (the System is closed and locked for end-users)	June 20, 2025
The Budget Office performs Institutional reconciliation and finalizes Budget Development data for Institutional funds	June 27, 2025
Final "Growth / Decrease Factors" due to the Budget Office (and communicated to the University System Budget Office.	June 27, 2025
Final day for units to enter data in the Budget Development System for State budgets (the System is closed and locked for end-users)	**July 18, 2025**
The Budget Office performs State reconciliation and finalizes Budget Development data for State funds	July 25, 2025
System Office receives UIC Budget Development Data and begins incorporation into the Budget Summary for Operations	August 6, 2025
Board of Trustees approve FY2026 Budget Summary for Operations	September 18, 2025

Introduction

Overview

The Fiscal Year 2026 (FY26) Budget & Salary Guidelines provide a comprehensive framework to support the University of Illinois Chicago's budget development, salary planning, and resource allocation for the year ahead. These guidelines are designed to align with the University's commitment to academic excellence, student success, cutting-edge research, and accessible healthcare—while addressing the ongoing fiscal challenges we face.

FY26 presents both opportunities and financial pressures. Although UIC received a modest increase in our State appropriation, persistent economic uncertainties and rising operational costs require us to be thoughtful and disciplined in our planning. As in prior years, we are implementing targeted measures—including unit-level budget reductions, controls on administrative spending, and selective investment in strategic priorities—to ensure long-term financial sustainability.

This document outlines the parameters for budget planning across State, Institutional, and Restricted funds; tuition and fee allocations; salary program guidelines; and other critical planning assumptions. The content reflects decisions approved by the Board of Trustees, University leadership, and state officials as of July 2025, and is intended to guide colleges, units, and departments in preparing accurate and responsible budgets for FY26.

Although the Big Beautiful Bill has been enacted, the federal budget has not been enacted and significant uncertainties therefore remain. We will revisit Fiscal Year 2026 budgeting once the implications of federal changes are more clear and we will issue additional guidance as needed to adjust our plans in response to any material impacts.

Thank you for your partnership and stewardship as we work together to sustain UIC's mission during these challenging times.

One Big Beautiful Bill Act (H.R.1)

Overview

President Donald Trump's "One Big Beautiful Bill Act" was introduced in the House on May 20, 2025, by Representative Jodey Arrington (Republican, Texas). It passed the House two days later on May 22, 2025, and was approved by the Senate on July 1, 2025, following a tie-breaking vote cast by Vice President Vance. President Trump signed the legislation into law on July 4, 2025. The bill imposes new costs on universities, and make higher education less affordable and accessible.

Favorable Outcomes: Higher-Education Highlights

The legislation provides $10.5 billion in funding immediately to eliminate the Federal Pell Grant funding shortfall. The final legislation preserves key student aid provisions by rejecting the House's proposed elimination of Pell Grant eligibility for less-than-half-time students and its plan to reduce awards for students taking fewer than 15 credits per semester. Instead, it expands access by allowing Pell Grants to be used for accredited short-term workforce training programs. The bill also maintains undergraduate access to subsidized federal loans and leaves current borrowing limits unchanged. The bill also maintains funding for campus-based programs, which include the Federal Work Study (FWS) program and the Federal Supplemental Educational Opportunity Grant (FSEOG) program.

Unfavorable Outcomes: Higher-Education Highlights

The final bill prevents students who receive scholarships or grants that cover their full cost of attendance from receiving Pell Grants. The legislation eliminates eligibility for Federal Pell Grants for students who have low income, but significant assets. Applicants who have a Student Aid Index (SAI) that is at least double the maximum Federal Pell Grant will lose their eligibility.

The final federal legislation eliminates Graduate PLUS loans, which currently allow graduate and professional students to borrow up to the full cost of attendance. In their place, the bill establishes modified borrowing caps for unsubsidized Federal Direct Stafford Loans. For most graduate students, the new limits are $20,500 annually and $100,000 in total. During Academic Year 2023–2024, 4,491 students across the University of Illinois System received $111.4 million in Grad PLUS loans, with approximately $85 million of that total attributed to UIC students.

At UIC alone, more than 690 graduate students borrowed in excess of the new $20,500 annual cap when combining Grad PLUS and unsubsidized loans. The total amount borrowed by these students above the new limit exceeded $10 million.

Professional students—including those enrolled in programs such as medicine, law, and dentistry—will be subject to a higher annual borrowing cap of $50,000 and a lifetime limit of $200,000. Even with this increased allowance, over 1,400 UIC professional students would have exceeded the new cap based on 2023–2024 borrowing levels. These students collectively borrowed more than $41 million above the new $50,000 threshold. The increased unsubsidized loan cap for professional students is expected to replace only about 20 to 25 percent of the Grad PLUS loan funds currently used to finance these programs, with the most significant impact falling on law, medicine, and dentistry.

The legislation also introduces a new federal student loan lifetime borrowing limit of $257,500, which applies to all federal loan programs combined. Importantly, this cap is absolute—once reached, it cannot be reset through repayment, forgiveness, or discharge.

These changes take effect for new borrowers beginning July 1, 2026. However, students already enrolled in a program as of June 30, 2026, and who have previously received a loan for that program, will be allowed to continue borrowing under the existing rules for the expected duration of their program or for up to three additional years—whichever is shorter. The legislation also eliminates both the Economic Hardship Deferment and the Unemployment Deferment for borrowers who receive their first loan on or after July 1, 2027.

Parent PLUS loans are limited to $20,000 per student per year, with a $65,000 lifetime cap per student. The lifetime limit cannot be restored by paying down the loan balance or having loan amounts forgiven or discharged. However, parents who borrowed before June 30, 2026, receive a three-year grace period before the caps apply.

Based on data from the 2019-2020 National Postsecondary Student Aid Study, their most recent data available, a significant percentage of students graduated with more debt in 2020 than allowed under the new loan limits.

- 59.9% of those in Dentistry programs (DDS, DMD)
- 27.5% of professional school students in MD programs
- 12.7% of those in Pharmacy programs (PharmD)
- 9.3% of those in Law programs (LLB or JD)
- 9.2% of parents of undergraduate students in HBCUs
- 6.0% of students in doctoral degree programs (5.0% for PhD and 9.0% for EdD)
- 4.8% of students in Master's degree programs
- 2.7% of parents of undergraduate students

The legislation eliminates over $300 billion from federal student aid, primarily by repealing the SAVE Repayment Plan. Starting in July 2026, new borrowers will have just two repayment options: a Standard Repayment Plan with fixed payments over 10 to 25 years based on loan amount, and a new Income-Driven Repayment Assistance Plan (RAP). These changes apply only to new borrowers and do not affect existing loan holders. The chart below, based on analysis by the Student Borrower Protection Center, compares monthly payments under RAP to those under the SAVE Plan and earlier repayment programs.

Annual income	***RAP***	*SAVE*	*Post-2014 IBR*	*PAYE*
$10K	$10	$0	$0	$0
$20K	$17	$0	$0	$0
$30K	$50	$0	$54	$54
$40K	$100	$20	$138	$138
$50K	$167	$62	$221	$221
$60K	$250	$103	$304	$304
$70K	$350	$145	$388	$388
$80K	$467	$187	$471	$471
$90K	$600	$228	$554	$554
$100K	$750	$270	$638	$638
$110K	$917	$312	$721	$721

Source: CNBC

The bill establishes new accountability standards that mirror, but expand, prior gainful employment regulations. Academic programs will lose federal loan eligibility if, for two out of three years, the majority of their graduates earn less than the median high school graduate in the same state. The earnings calculation excludes non-completers. Programs failing to meet this threshold will be barred from receiving federal student aid. It does not apply to undergraduate certificate programs. Based upon an analysis by the APLU, UIC has one program with earnings below the threshold and there are seven vulnerable programs System-Wide.

Beginning in 2026, federal taxes on college endowments *at private universities* will increase, with rates tied to the per-student value of each institution's endowment. While endowments are not taxed at the corporate rate of 21%, the new law establishes a graduated tax structure ranging from 1.4% to 8.0%. Private colleges with fewer than 3,000 students are exempt – an increase from the prior exemption threshold of 500 students. While this provision does not directly impact public universities, it may disincentivize charitable giving and make higher education less accessible. The new tax brackets are as follows:

Endowment Per Student	Federal Tax Rate
$500,000 – $749,999	1.4%
$750,000 – $1,999,999	4.0%
$2,000,000 and above	8.0%

The bill allocates $31 billion to expand U.S. Immigration and Customs Enforcement (ICE), including hiring more agents and increasing deportation capacity. It also provides $13 billion in grants to support state and local immigration enforcement. The bill boosts funding for key federal agencies, including ICE and Customs and Border Protection (CBP), which had 2024 budgets of $10.0 billion and $12.1 billion, respectively. Since 2003, overall Department of Homeland Security (DHS) spending has risen 64% (inflation-adjusted), driven by a 137% increase in CBP funding and a 185% increase in ICE funding.

The bill authorizes the Department of Homeland Security to collect a new "Visa Integrity Fee," set to take effect on October 1. The minimum amount under consideration is $250, though the final fee could be higher. This charge would be in addition to the existing SEVIS fee and Visa Application fee already paid by international students and scholars. Compounded, these fees exacerbate barriers to entry.

Uncertain Outcomes: Sponsored Programs

While the Big Beautiful Bill does not specify detailed budgets for individual federal agencies that support research and development (R&D) grants and contracts, the White House released a detailed budget appendix outlining proposed organizational changes and R&D funding reductions at several key agencies in UIC's portfolio. Please note that this section is based on the preliminary Office of Management and Budget (OMB) Technical Supplement to the FY2026 Budget Appendix, which reflects President Trump's original budget proposal. Although the Big Beautiful Bill has been enacted, the federal budget has not been enacted, and significant uncertainties therefore remain.

See also: https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix_fy2026.pdf

The National Institutes of Health (NIH) is by far the largest funder of sponsored programs at UIC. NIH funding accounted for approximately 40% of UIC's sponsored dollars in FY25. The proposed budget reductions the NIH budget for research funding by 36% overall, but the reductions are variable by research area. It condenses some existing NIH institutes and centers into 5 new institutes:

- **National Institute on Body Systems** is formed from the National Heart, Lung, and Blood Institute, National Institute of Arthritis and Musculoskeletal and Skin Diseases, and National Institute of Diabetes, Digestive, and Kidney Diseases, and will receive a 68% reduction compared to its predecessor agencies.

- **National Institute on Neuroscience and Brain Research** is formed from the National Eye Institute, National Institute of Dental and Craniofacial Research, and National Institute of Neurological Disorders and Stroke, and will receive a 69% reduction compared to its predecessor agencies.

- **National Institute of General Medical Sciences** is formed from the National Human Genome Research Institute, National Institute of Biomedical Imaging and Bioengineering, National Institute of General Medical Sciences, and the National Library of Medicine, and will receive a flat budget compared to its predecessor agencies.

- **National Institute of Behavioral Health** is formed from the National Institute of Mental Health, National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse, and will receive a 65% reduction compared to its predecessor agencies.

- **National Institute for Child and Women's Health, Sensory Disorders and Communication** is formed from the National Institute on Deafness and Other Communication Disorders and the National Institute of Child Health and Human Development, and will receive a 38% reduction compared to its predecessor agencies.

The following existing institutes will remain as-is, but with diminished federal appropriations:

- **National Cancer Institute**, receiving a 39% reduction.
- **National Institute of Allergy and Infectious Diseases**, receiving a 36% reduction.
- **National Institute on Aging**, receiving a 40% reduction.
- **Office of the Director**, receiving a 36% reduction.

The following institutes will be eliminated: John E Fogarty International Center, the National Center for Complementary and Integrative Health, the National Institute of Environmental Health Sciences, the National Institute of Nursing Research, and the National Institute on Minority Health and Health Disparities.

The top institutes funding NIH awards at UIC are facing reduction of up to 70%, particularly the National Heart, Lung, and Blood Institute, the National Institute of Diabetes and Digestive and Kidney Diseases (both part of the new National Institute on Body Systems), the National Cancer Institute, the National Institute of Allergy and Infectious Diseases, and the National Eye Institute. Reduced available funding and increased competitiveness at the proposal stage will result in significant decreases to new funding from NIH to UIC.

The Department of Energy (DOE) was UIC's second largest sponsor behind NIH in FY25, accounting for approximately 8% of sponsored funding. It provides significant support for engineering and physics research, including funding from national labs such as Argonne National Laboratory. DOE research programs are estimated to decrease 14% in the proposed federal budget.

Another health science-related federal agency which will receive reduced funding is the Health Resources and Services Administration (HRSA), accounting for approximately 4% of UIC's sponsored funding in FY25. HRSA is proposed to receive a 22% budget reduction as part of reorganization into a new Agency for a Healthy America.

The National Science Foundation (NSF) accounted for approximately 5% of UIC's sponsored funding in FY25 and is a substantial source of support for research fields outside the health sciences. NSF received a significant reduction of 54% in the proposed budget.

Again, please note that this section is based on the preliminary Office of Management and Budget (OMB) Technical Supplement to the FY2026 Budget Appendix, which reflects President Trump's original budget proposal. Although the Big Beautiful Bill has been enacted, the federal budget has not been enacted, and significant uncertainties therefore remain.

See also: Budget Allocations & Planning Parameters for Indirect Cost Recovery.

Unknown Outcomes: UIC's Fiscal Preparedness Strategy

The **Fiscal Preparedness Strategy** is a critical component of UIC's proactive approach to navigating potential financial and operational challenges arising from federal and state policy changes. In response to the shifting policy landscape under the new U.S. Presidential Administration, Chancellor Miranda established Policy Scenario Planning and Implementation Teams to assess and prepare for anticipated impacts in key areas, including healthcare, education, research, immigration, and regulatory affairs. These teams, comprised of faculty, administrators, and subject matter experts, are conducting comprehensive evaluations to ensure UIC remains resilient and well-positioned to support its mission of excellence in education, research, and healthcare.

As an extension of these efforts, the Fiscal Preparedness Strategy specifically focuses on ensuring long-term financial sustainability in the face of evolving external pressures. The strategy outlines a framework for maintaining UIC's financial health by addressing potential risks, leveraging opportunities, and reinforcing the university's commitment to fiscal accountability, efficiency, and strategic resource allocation. It integrates insights from the Scenario Planning Teams, aligning financial planning with anticipated policy shifts, projected funding constraints, and institutional priorities.

Through this strategy, UIC aims to proactively manage budgetary challenges while maintaining broad access to high-quality education, supporting research innovation, and sustaining critical healthcare operations. By combining the policy foresight of the Scenario Planning Teams with data-driven financial planning, this approach ensures that UIC remains prepared to adapt to a rapidly changing environment while upholding its mission and values.

The university is closely monitoring several emerging and active threats that could significantly impact our operations and budget. Chief among these are potential reductions in federal research funding and possible caps on indirect cost recovery.

See also: Budget Allocations & Planning Parameters for Indirect Cost Recovery.

In addition, changes in federal support for graduate education and lifetime borrowing caps may pose risks to our ability to attract and retain graduate and professional students. New compliance requirements tied to federal funding may add further administrative and financial burdens. These threats, combined with state funding uncertainties, rising operational costs, and a looming "enrollment cliff," underscore the need for vigilance, flexibility, and disciplined fiscal planning throughout FY26.

To position the university for resilience, UIC has implemented several proactive measures. These include a 5% general spending reduction across Chancellor, Vice Chancellor, and Vice Provost administrative units; a measure designed to preserve resources for our core academic, research, and clinical functions. Importantly, these reductions do not extend to colleges, the Hospital, Mile Square Health Center, or our clinical operations at this time. Merit increases for senior administrative leadership, including the Chancellor, Vice Chancellors, and Deans, have been suspended for the year. A hiring chill remains in place, with heightened scrutiny applied to filling vacancies and approving large or non-essential investments.

In addition to these actions, UIC is holding contingency reserves centrally. This approach ensures that the university retains flexibility to address any future budget reductions or revenue shortfalls. Although the One Big Beautiful Bill has been enacted, significant uncertainties remain. We will revisit Fiscal Year 2026 budgeting once the implications of federal changes are clearer, and will issue additional guidance as needed to adjust our plans in response to any material impacts.

Fiscal Year 2026 State of Illinois Appropriations Highlights

General Operating Appropriations

The State of Illinois' FY26 budget, as enacted through SB2510, reflects a continued commitment to supporting public higher education, though funding growth remains modest amid broader fiscal constraints. All public universities, including the University of Illinois System, received a 1% increase to their base operating budgets, with an additional 2% held in reserve subject to final approval by the Governor. This translates to a $6,446,404 increase across the universities, with the additional 2% ($12,892,796) held in reserve at the System Level. The release of this reserve is contingent upon written approval by the Governor. For budget planning purposes, UIC leadership is proceeding under the assumption that these funds will not be realized and unit budgets should be managed accordingly.

For UIC, the General Funds base increased by $2,241,100 (1%), while special line appropriations were essentially flat. The only adjustment was an unexplained reduction of $108,000 to the Public Policy Institute's appropriation, bringing its funding to $971,100. Other special appropriations, including funding for the University of Illinois Hospital, Illinois Heart Rescue, College of Dentistry, and the Hispanic Center for Excellence, remain at FY25 levels. A new $100,000 appropriation was added to support UIC's Urban Transportation Center.

System-wide resources also grew, with additional funds set aside for deferred maintenance debt service, liability management, and cybersecurity initiatives. A notable portion of the system-wide appropriation, including the 2% reserve, will be managed at the System level and allocated as conditions allow.

The State's Monetary Award Program (MAP) received a $10 million increase over FY25, providing critical need-based aid to Illinois students, while the AIM HIGH merit-based scholarship program remains funded at $50 million. Other statewide student aid and scholarship programs, including the Minority Teachers of Illinois Scholarship and the Golden Apple Scholarship, remain flat. However, some reductions were implemented, including a 20% decrease for the Nurse Educator Loan Repayment Program and a 66.7% decrease for Social Worker Scholarships. Several small programs, such as the Prepare of Illinois's Future Program, were eliminated or not renewed.

The State's contribution to the State Universities Retirement System (SURS) increased 4.9% to $2.33 billion, consistent with certified requirements. Capital funding saw all prior projects reappropriated, with a notable $136.9 million designated for a Capital Development Board grant supporting the Illinois Quantum and Microelectronics Park.

Overall, the FY26 state budget reflects stable but cautious investments in higher education, with future adjustments possible as reserve funds are released and federal funding outcomes become clearer.

Special State Appropriations

Except as noted, special State appropriations were largely held flat from FY25 levels:

Special Appropriation Item	**FY26 ($'s * 1,000)**	**Source of Funds**
University of Illinois Hospital	$40,380.6	General Revenue Fund
Public Policy Institute (IPCE) – *Reduced*	$971.1	Educational Assistance Fund
Hispanic Center for Excellence	$750.0	Educational Assistance Fund
Illinois Heart Rescue	$500.0	General Revenue Fund
Rockford Pharmacy	$500.0	Professions Dedicated Fund
College of Dentistry Clinics	$302.2	Educational Assistance Fund
Urban Transportation Center – *New*	$100.0	General Revenue Fund
University Logo License Plates – *Increased*	$6.7	University Trust Fund
Special State Appropriations Subtotal	**$43,510.6**	
Fiscal Year 2025 Unrestricted Appropriation	$224,113.6	Educational Assistance Fund
Fiscal Year 2026 Incremental Appropriation	$2,241.1	Educational Assistance Fund
Fiscal Year 2025 Total State Appropriation	**$269,865.3**	

Special funding from the General Professions Dedicated Fund for costs associated with the development, support or administration of pharmacy practice education or training programs for the UIC College of Pharmacy at Rockford remains at $500,000 for FY26. The University Trust Fund is from the sale of university logo license plates. These funds sit in a dedicated account, and expenditures can only be made against available revenue. The maximum spending authority available in the University Trust Fund for FY26 distribution for student aid at UIC is $6,700.

A special appropriation was added during FY22 ($769,000) from the State Coronavirus Urgent Remediation Emergency Fund provided from the American Rescue Plan Act State Fiscal Recovery funds. This was previously handled as a state grant and administered by UIC's Government Finance Research Center within the College of Urban Planning and Public Affairs. Unlike our normal State appropriations, this one-time funding was exhausted in FY25 and will not be renewed.

Capital Budget Appropriations

No new capital projects were approved in the state budget. However, the previously unreleased $68 million appropriation to fund the Advanced Chemical Technology Building has now been recommitted to fund cost escalation in the Drug Discovery and Cancer Research Pavilion.

(Please refer to the chart on the following page.)

Capital - Reappropriations	**FY25**	**FY26**	**Increase**	**Change**
R&R*	146,040,875	142,948,505	-3,092,370	-2.0%
Chem Sciences	68,000,000	68,000,000	-	0.0%
Clinical Dec. Unit*	65,000,000	45,000,000	-20,000,000	-31.0%
Computer Design*	29,201,316	17,809,382	-11,391,934	-39.0%
R&R**	2,645,000	2,645,000	-	0.0%
S&E South Building*	2,399,913	2,345,024	-54,889	-2.0%
Dentistry Upgrade/Renovation**	2,203,905	2,203,905	-	0.0%
Dentistry**	1,874,082	1,874,082	-	0.0%
HVAC Library**	250,000	250,000	-	0.0%
Engineering Roof**	205,000	205,000	-	0.0%
Exterior/Windows**	51,224	46,152	-5,072	-10.0%
Elevators**	1,504	1,504	-	0.0%

**Balances are diminished as funds are expended on capital projects.*
***Smaller balances for completed projects; these funds will not be released to the University.*

It is important to note that the funding for capital projects is not directly appropriated to UIC. When, and if, capital project funding is released, the construction is managed by the State of Illinois Capital Development Board to assure those funds are used only for the designated purpose in the capital budget bill. It is worth noting that many of these capital appropriations, such as the Advanced Chemical Technology Building and Renovations and Repairs funding, have been appropriated and reappropriated several times but the funding has never actually been released to UIC.

It is the intent of the State that all or a portion of the costs of projects funded by appropriations made from the Capital Development Fund and the Build Illinois Bond Fund will be paid or reimbursed from the proceeds of tax-exempt bonds subsequently issued by the State. For this reason, these funds cannot be used for operations.

Salary Program (for Budget Planning Purposes) and Funding

Salary Program Overview

On June 25, 2025, President Tim Killeen announced a 1.0% merit-based salary program for AY 2025-2026. As a merit-based salary program, individual employees are not guaranteed any percentage increase, e.g., 1.0%, as this is not intended to be an across-the-board program. In addition, UIC has authorized an additional 0.5% for Compression, Equity, Merit, and Retention (CEMR) increases. Based on instructions from your vice chancellor or college dean, you are encouraged to vary increases amongst employees to reflect relative differences in performance during the past year. Please refer to the Salary Guidelines for additional information.

See also: Salary Guidelines.

Central Salary Support

Units will not receive funding to cover salary increases in Fiscal Year 2026. The incremental State appropriation received will be utilized strategically to sustain core operations and priorities.

Mid-Year Budget Reductions

Guidance for Unit Level Planning

Given ongoing uncertainties in the broader budget environment, all Colleges and Administrative Units should proactively prepare for the possibility of a mid-year reduction to their recurring State fund budgets in the range of 3% to 5%.

While no final decision has been made, early planning for this potential scenario is strongly advised. Units should begin identifying options to reduce recurring expenditures, prioritize essential operations, and delay or defer non-critical commitments. By doing so, we can preserve flexibility and minimize disruption should a mid-year reduction become necessary.

Planning now—rather than reacting later—will place us in a stronger position to maintain stability and continuity in our core academic, research, and service missions.

Budget Allocations & Planning Parameters for State Funds

State Allocation Sheets

The Budget Office began distributing State Fund Allocation Sheets on June 30, 2025, to unit heads (deans, vice chancellors, associate chancellors and vice provosts) who have the responsibility to:

- determine the amount of budget to be allocated to each of their departments;
- ensure the accuracy of entries made into the Budget Development System;
- ensure that total budgets reconcile to the total allocated operating budget;
- and finalize all data entry in the Budget Development System by July 11, 2025.

Budget Reductions

Units receiving budget reductions were notified via email. These reductions were reflected on the FY2026 Allocation Sheets.

See also: Appendix: Administrative Unit Budget Reductions.

Tuition Revenue

The FY2026 budget reflects a $13.2 million increase in tuition revenue, of which $11.9 million is distributed to various colleges in accordance with the tuition distribution model.

See also: Appendix: Tuition Changes by College.

Undergraduate Base Tuition

Colleges will continue to receive 75% of undergraduate base tuition revenue related to the resident base rate; the non-resident tuition is removed from the tuition distribution pool and supports other centrally funded initiatives. The undergraduate base tuition is pooled and distributed to colleges: 80% based on credit hours delivered and 20% based on headcount enrollment (both figures based on 3-year averages).

Undergraduate Differential, Graduate, Professional and Online Tuition

Colleges will continue to receive 75% of undergraduate differential and graduate base tuition; 85% of graduate differential and professional tuition; and 75% of online tuition based on the enrolled student's academic college.

Graduate Cross Instruction

Because graduate revenue is distributed to the college of enrollment, whenever a graduate student from one college takes a course in another college, funding is transferred between those colleges at a rate of $200 per credit hour. The tuition budget for FY2026 uses FY2025 data to project the amount of these transfers. Adjustments are made during the year-end tuition reconciliation to reflect the current year's results.

Contract Programs

The Office of Global Engagement offers several academic programs to international students through its Programs for International Partnerships (PIP) unit. These include non-degree, undergraduate, and graduate programs: Master of Public Administration (MPA), Master in Public Policy (MPP), Master of Science in Civic Analytics (MSCA), Master of Science in Engineering, and the Master of Education (MEd) in Instructional Leadership, Master of Science in Statistics. Due to the variable nature of enrollments in these programs, the tuition revenue is budgeted centrally, and 75% of the actual earnings are allocated on a non-recurring basis to the college offering the degrees.

UIC Global (Shorelight Education Sourced) Students

UIC receives a teaching reimbursement for students enrolled in one of the following programs:

- **Pre-Sessional:** One Semester
- **International Direct:** Two Semesters
- **Academic Accelerator:** Two-to-Three Semesters
- **Extended Accelerator:** Three-to-Four Semesters

The teaching reimbursement is provided to the college delivering the courses (ESL courses are non-credit) and these students are removed from the pooled tuition distribution. UIC received 80% of the tuition for students enrolled in Academic English / ESL. The TIE funds are distributed back to TIE.

Undergraduate base tuition for UIC Global progressed students is distributed in the same manner as other undergraduate students, but the amount is net (tuition less the diversity scholarships waiver) of the 10% shared with Shorelight by contract.

UIC enrolled Shorelight-sourced international students into select graduate programs from Fall 2019 through Summer 2024. During the student's first semester, the college of each course the student was enrolled in received a teaching reimbursement instead of tuition. During the second and subsequent semesters, the base and differential tuition for UIC Global progressed students was distributed in the same manner as other graduate students, net of the 10% shared with Shorelight. Shorelight graduate students were not eligible for tuition waivers. No new Shorelight-sourced international students were enrolled in Graduate programs after Fall 2024.

UIC Global Supplemental Teaching Reimbursements

With the resumption of RCM in FY23, supplemental teaching reimbursement allocations were also reimplemented in FY23, FY24 and FY25 (FY24 and FY25 allocations were both processed in FY25). For budget planning purposes, Colleges should expect for these payments to continue in FY26. However, the ability to continue this practice is predicated on earning sufficient revenue from progressed students over what is already being shared with the colleges and Shorelight.

Tuition Remission (Non-Sponsored Funds)

Tuition Remission is a partial recovery of waived tuition revenue for Graduate Assistants (GA's). 75% of the tuition remission revenue is allocated to the college where the student employee is enrolled. This revenue is not permanently budgeted at the college level. A percentage of the GA stipend is assessed as indicated below.

- University departments that employ GA's are assessed at 21% of the stipend. A distribution for this remission is provided to the colleges during the tuition reconciliation process at fiscal year-end (less the 25% campus share that is retained centrally.)

- If a TA is hired outside of the college of enrollment, the Provost provided guidance beginning in FY2018 and going forward that the tuition remission rate for non-sponsored funds should be applied, and such arrangements are directly negotiated between colleges.

See also: Sponsored Programs (Grants & Contracts).

Employee Educational Benefits

As part of the university's benefits, eligible employees can receive a tuition waiver. To help offset the lost tuition revenue for colleges, the employee's home unit pays a per-credit-hour rate to the college that provides the instruction. These distributions are based on the prior year's enrollment activity—FY26 distributions will reflect FY25 data. Beginning in FY25, all transfers are made in cash and will be completed in Q1 or Q2. The per-credit-hour rate will be adjusted to $400 in FY2026 and $500 in FY2027 to better reflect the actual costs of providing the instruction. The rates charged to units were $75 per credit hour in FY2015, $150 in FY2016-2017, and $200 in FY2018-2025.

Mandatory Waivers (Unfunded Mandates)

Mandatory tuition & fee waivers are programs designed by state statute and granted to students meeting the specific parameters and criteria included in statute. Typically, the university does not receive full funding for these waivers and therefore the waiver costs are deducted from the tuition & fees distributed to each college or administrative unit. The largest group of mandatory waivers at UIC relates to military service. In FY2025, UIC received partial payment from the Illinois Students Assistance Commission (ISAC) for Illinois Veterans Grants waivers ($421,794) and Illinois National Guard waivers ($421,794). For budget planning purposes, we anticipate additional funding in FY26. These funds will be distributed proportionally to units according to where the original tuition & fee waivers reduced the revenue received. Many programs, like State-mandated MIA/POW waivers, remain fully unfunded.

More on types of mandatory waivers can be found at:
https://www.pb.uillinois.edu/what-we-do/budget-planning-and-analysis/tuition/policy-on-tuition-and-fee-waivers.cfm

Budget Allocations & Planning Parameters for Indirect Cost Recovery

Indirect Cost Recovery (ICR)

F&A revenues are referred to as Indirect Cost Recovery or ICR. These funds are recovered from Grants & Contracts to support associated University overhead costs. Each college has received a worksheet with ICR earnings at the accounting string level between FY2022 and FY2025 Period 11. This data, along with information regarding new or expiring awards, is used for the FY2026 forecast. Campus units should update the Budget Development system with the proposed budgets for FY26. Units should not make any changes to the budgeted ICR amounts for areas receiving fixed allocations of ICR such as the Library, Administrative Services, etc., as those amounts are not directly tied to annual F&A earnings.

ICR revenue is distributed automatically on a daily basis throughout the fiscal year. Colleges generally receive 47.5% of ICR earnings based on the appointment of the primary Principal Investigator (PI) or as otherwise prescribed on the Proposal Approval Form (PAF) executed for each sponsored project. ICR expenditure budgets are adjusted at year-end to reflect actual earnings, so units are not impacted by variances between the initial budgets and results. In some cases, this can result in a reduction of budget.

The System Office currently collects 5.9% of UIC's total ICR annually. A reconciliation of budget to actual and distribution of any overage to the University System Office occurs at the end of the fiscal year.

Modeling the Potential Impact of Federal Changes on UIC Sponsored Programs

In June, the Office of Sponsored Programs (OSP) conducted a forward-looking analysis to evaluate the potential impact of proposed changes to federal direct and indirect funding. Please note that this section is based on the preliminary Office of Management and Budget (OMB) Technical Supplement to the FY2026 Budget Appendix, which reflects President Trump's original budget proposal. Although the Big Beautiful Bill has been enacted, the federal budget has not been enacted, and significant uncertainties therefore remain.

See also: https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix_fy2026.pdf

Additionally, estimates are based on FY2025 actuals through May (Period 11), covering only eleven months of activity. While not a full-year snapshot, the trends and percentage changes should be useful for your budget planning. A detailed explanation of each scenario precedes the figures.

In each scenario, separate projections were made for expenditures on new awards (which historically comprise about 18% of sponsored expenditures each year) and awards continuing from the previous fiscal year (approximately 82% of expenditures), using FY2025 actuals through May (Period 11). The total for new awards were calculated for each individual sponsor by increasing/decreasing expenditures by the projected percentage change in FY2026 given for the sponsor's research or grants and contracts budget in the OMB document. Non-federal sponsors were kept flat in growth. Indirect costs were estimated using a 15% cap as currently proposed, as well as a more optimistic 30% cap.

The totals for continuing awards were kept at FY2025 levels. OSP is currently projecting that FY2025 sponsored award dollars will match or exceed FY2024, so it is likely that direct expenditures on continuing awards will remain constant as well. Some scenarios modeled a cap on indirect costs applied retroactively to existing awards, which was applied as appropriate.

UIC has received a number of terminations and suspensions to federal awards since January 20. While many of these decisions are currently being challenged, in these models we are assuming that those awards will not be reinstated thus their associated expenditures will not continue into FY2026. This loss to existing expenditures is called out in the Terminated Direct and Terminated Indirect rows in the table below.

Final outcomes remain uncertain, and the scenarios presented are intended to illustrate a range of potential impacts. Deans are encouraged to use the best available data to develop ICR budgets grounded in conservative assumptions. To support this approach, centrally held contingency funds will be used to offset revenues that exceed unit-level budgets—ensuring that colleges will still receive the full amount of ICR actually earned, even if their budgets were understated.

Scenario Four generally reflects the Vice Chancellor for Finance's recommended planning baseline. However, colleges may choose to adjust their level of conservatism based on their unique risk profile, funding mix, and operational needs.

See also: Strongly Recommended: Contingency Budgeting for ICR.

Baseline Scenario One: Fiscal Year 2025 Actuals Through May (Period 11)

The analysis uses Fiscal Year 2025 actuals through May (Period 11) as a baseline. Year-to-date, the University-wide F&A recovery rate is 29.9%.

	New Awards	Cont. Awards	Total
Direct	60,564,755	256,501,014	**317,065,769**
Indirect	13,704,157	81,169,851	**94,874,008**
Totals	**74,268,912**	**337,670,864**	**411,939,776**

Scenario One: 100% of Proposed Cuts, 15% Cap on All Federal Awards (Worst Case)

This represents the worst-case scenario, assuming full implementation of all cuts outlined in the OMB Technical Supplement and a 15% F&A rate cap applied to all UIC federal awards. Under these assumptions, total direct and indirect expenditures decline by 20.2%, equating to an $83.3 million reduction in federal funding. The effective University-wide F&A recovery rate falls to 12.8%.

	New Awards	Cont. Awards	Total	$ Change	% Change
Direct	40,875,088	256,501,014	297,376,101	(19,689,667)	**-6.2%**
Indirect	4,707,298	33,406,786	38,114,084	(56,759,924)	**-59.8%**
Terminated Direct		(6,063,936)	(6,063,936)	(6,063,936)	
Terminated Indirect		(784,113)	(784,113)	(784,113)	
Totals	**45,582,386**	**283,059,751**	**328,642,136**	**(83,297,640)**	**-20.2%**

Scenario Two: 66% of Proposed Cuts, 15% Cap Only on New Federal Awards (Middle Case)

This reflects a large reduction scenario, assuming 66% of all cuts outlined in the OMB Technical Supplement are implemented and a 15% F&A rate cap applied only to new UIC federal awards. Under these assumptions, total direct and indirect expenditures decline by 6.7%, equating to a $27.4 million reduction in federal funding. The effective University-wide F&A recovery rate falls to 28.4%.

	New Awards	Cont. Awards	Total	$ Change	% Change
Direct	47,460,006	256,501,014	303,961,020	(13,104,749)	**-4.1%**
Indirect	5,430,763	81,169,851	86,600,613	(8,273,394)	**-8.7%**
Terminated Direct		(6,063,936)	(6,063,936)	(6,063,936)	
Terminated Indirect		(1,945,718)	(1,945,718)	(1,945,718)	
Totals	**52,890,769**	**329,661,210**	**384,497,697**	**(27,442,079)**	**-6.7%**

Scenario Three: 33% of Proposed Cuts, 30% Cap Only on New Federal Awards (Best Case)

This reflects a moderate reduction scenario, assuming 33% of all cuts outlined in the OMB Technical Supplement are implemented and a 30% F&A rate cap applied only to new UIC federal awards. Under these assumptions, total direct and indirect expenditures decline by 4.1%, equating to a $16.9 million reduction in federal funding. The effective University-wide F&A recovery rate falls to 29.2%.

	New Awards	Cont. Awards	Total	$ Change	% Change
Direct	53,851,251	256,501,014	310,352,265	(6,713,504)	**-2.1%**
Indirect	9,533,859	81,169,851	90,703,710	(4,170,298)	**-4.4%**
Terminated Direct		(6,063,936)	(6,063,936)	(6,063,936)	
Terminated Indirect		(1,945,718)	(1,945,718)	(1,945,718)	
Totals	**63,385,110**	**329,661,210**	**394,992,039**	**(16,947,738)**	**-4.1%**

Scenario Four: 100% of Proposed Cuts, 15% Cap Only on New Federal Awards (Best Guess)

This represents our best guess at Fiscal Year 2026 outcomes, and assumes full implementation of all cuts outlined in the OMB Technical Supplement and a 15% F&A rate cap applied only to new UIC federal awards. Under these assumptions, total direct and indirect expenditures decline by 8.9%, equating to a $36.7 million reduction in federal funding. The effective University-wide F&A recovery rate falls to 28.8%.

	New Awards	Cont. Awards	Total	$ Change	% Change
Direct	40,875,088	256,501,014	297,376,101	(19,689,667)	**-6.2%**
Indirect	4,707,298	81,169,851	85,877,149	(8,996,859)	**-9.5%**
Terminated Direct		(6,063,936)	(6,063,936)	(6,063,936)	
Terminated Indirect		(1,945,718)	(1,945,718)	(1,945,718)	
Totals	**45,582,386**	**329,661,210**	**375,243,596**	**(36,696,180)**	**-8.9%**

Strongly Recommended: Conservative Budgeting for ICR

Given the ongoing uncertainty surrounding sponsored program funding—including potential reductions in agency support and possible caps on Facilities & Administrative (F&A) rates—University leadership strongly recommends that each college adopt a conservative approach to Indirect Cost Recovery (ICR) budgeting for Fiscal Year 2026.

Colleges should project ICR revenues using the best available data, including their current grant portfolio, average or effective F&A recovery rate, and any known or anticipated changes (e.g., recruitment or departure of high-performing faculty). In light of federal funding uncertainties, cautious assumptions should also be applied to both direct and indirect expenditures.

To ensure institutional resilience and minimize the risk of departmental overspending, units are asked to submit ICR budgets that are approximately 10% to 15% below their full projections. The University will establish and manage a centrally held ICR contingency fund to offset any understated unit-level budgets. If appropriate, adjustments will be made following the close of Period 11 to better reflect actual revenues realized year-to-date.

This approach protects departmental operations while promoting fiscal discipline. Importantly, ICR budgets will be trued up at year-end based on actual revenues earned, ensuring that colleges ultimately receive the full amount generated, regardless of their initial conservative budget.

Questions regarding conservative budgeting can be directed to Michael Moss (mmoss2@uic.edu).

Units wishing to modify their FY26 ICR budgets in the Budget Development System should contact Emmanuel Juarez (ejuare4@uic.edu) prior to Friday, July 18th, 2025.

Budget Allocations & Planning Parameters for Other Institutional Funds

Administrative Allowance

Administrative Allowance revenues are overhead assessments against auxiliary enterprise, departmental (self-supporting), Medical Service Plan, and hospital expenditures to recover overhead costs. Auxiliaries are charged an overhead rate of 3.16% by UIC and the System Office rate is 2.41%. There are two administrative allowance assessments on MSP funds:

- The Vice Chancellor for Health Affairs assessed a rate of 1.32% to fund VCHA support for MSP operations in Fiscal Year 2025 which will be reduced to 1.05% for Fiscal Year 2026. The VCHA allowance is capped at $3,000,000 and any excess funds collected are returned during year-end, on a pro-rata basis, to the units originally assessed. If less than $3,000,000 is collected, additional true-up expenses will be posted pro-rata to bring the assessment total to the defined minimum. These budgets are established in Budget Development at the beginning of the fiscal year and adjusted based on actual earnings during the year-end closeout process.
- The UIC and VCHA assessments do not apply to Rockford and Peoria MSP funds.
- The System Office assesses an uncapped rate of 0.65% on UIC MSP expenditures. This assessment applies to all MSP funds, including Rockford and Peoria.

Royalties

Royalties are paid for licenses on technology transfer when the University owns the intellectual property. The Budget office monitors these funds in conjunction with the Office of Technology Management and adjusts the budget based on actual earnings during the year-end closeout process.

Units should budget royalty funds based on the projected earnings provided by OTM to be consistent with other Institutional fund types such as ICR and Administrative Allowance.

Budget Allocations & Planning Parameters for Restricted Funds

Student Fees & Assessments

Most student fees are treated as self-supporting / revolving funds and managed by the Vice Chancellor for Student Affairs. The current allocation model is based on a fixed rate per 'annualized full-time student payer' projection using prior year actual and projected enrollments. Each fee-funded area must adjust their spending in relation to changes in enrollment. Information about UIC fees is found at:

- https://registrar.uic.edu/financial_matters/tuition_explanation.html#fees
- https://registrar.uic.edu/financial-matters/tuition-and-fees/

Student fee funded units will be sent their budget allocations no later than the week of July 7, 2025. Allocations are made to various units based on each fee's purpose.

See also: Appendix: Student Fee Budgets.

General Fee

General Fee (Ranges 1 & 2 - $475 per semester): supports the fixed costs of operations and utilities for fee-supported facilities that include Student Centers, Campus Recreation, Campus Housing, Credit Union 1 Arena, the Isadore & Sadie Dorin Forum and the Flames Athletics Center.

Service Fee

Service Fee (Ranges 1 & 2 - $406 per semester): supports staff salaries, programming, general operating expenses for these student service areas: Student Centers, Intercollegiate Athletics, Student Leadership Programs, Student Legal and Ombudsperson Services, Student Government, and student services at Rockford, Peoria and Quad Cities; and some student financial aid such as the UIC Opportunity grant, athletics and other scholarships (e.g. student travel scholarships and student research scholarships), student awards and prizes, waivers and honorariums.

Health Service Fee

Health Service Fee (All Ranges - $110 per semester): supports staff salaries, programming and general operating expenses for the campus health and counseling service providers: Family Medicine / Student Health Center, the Counseling Center, the Wellness Center and pharmacy services.

Student Health Insurance Fee (CampusCare)

Student Health Insurance Fee pays for CampusCare ($697 per semester, unless opting out upon proof of other coverage) - the UIC self-funded student health benefit program that has been providing comprehensive health care benefits to eligible enrolled students and their covered dependents at the University of Illinois Chicago, Rockford and Peoria campuses since 2004.

Library/IT Assessment

Library/IT (Range 1 - $247 per semester) assessments are split 50 / 50 between the University Library and Technology Solutions to improve the learning environment. Each area is expected to obtain student consultation on uses and provide an appropriate amount to regional campus students that pay these fees. The total funding provided to Library and Technology Solutions (split 50 / 50) is estimated at $12.1M (after financial aid deduction of $1.8M; also excludes UIC Law, as they retain their fee revenue.)

Academic Facilities Maintenance Financial Assessment (AFMFA)

Academic Facilities Maintenance Financial Assessment (Range 1 - $376 per semester) is allocated to address deferred maintenance in academic facilities and shared with regional campuses at Peoria and Rockford. Starting in FY2026, there will be a change in how AFMFA revenues are recorded. Revenues will be recorded in self-supporting funds and then transferred to plant funds as opposed to being recorded directly into plant funds. Actual earnings are reconciled, and under / over allocations are adjusted accordingly. Estimated earnings total $18.0M (after financial aid deduction of $2.9M), and include the portion collected and retained by UIC Law, Rockford & Peoria campuses, as well as the portion set aside for the Debt Service for the Academic portion of the P3 UIC Academic Residential Complex. From FY19-FY24, UIC had been allocating a portion of AFMFA funding to an early payoff of the debt service on the P3 UIC Academic and Residential Complex in order to minimize interest expense.

However, considering the deferred maintenance needs of the campus, starting in FY25 these funds will no longer be held back for this purpose. All funds accumulated to date ($15.4M) were also made available to address deferred maintenance.

Dentistry Clinic Infrastructure Assessment

Clinic Infrastructure Assessment (Range 1 - $4,477 per semester) is assessed to dental students enrolled in the DMD and DMD-AS programs and 100% allocated to the College of Dentistry. Students in the Post Graduate Prosthodontic Specialty Program are also assessed a Clinical Infrastructure Assessment (Range 1 - $545 per semester).

Other Self-Supporting Activities (Including Service Plans)

Self-supporting activities and Medical / Dental / Nursing Practice Plan budgets can be entered in the Budget Development module. Units are responsible for projecting these budgets using prior year actual data and future year estimated revenues and requirements based on activity and / or rate changes. For the purposes of the Budget Summary of Operations (BSO) – the annual operating budget presented to the Board of Trustees for approval, a projected growth or decline factor is applied to prior year self-support / service plan actual expenses to estimate current year revenue and expenditures. We ask each fiscal officer to be particularly careful regarding the revenue assumptions, so as not to overstate these budgets. The fund balance should be in a positive financial position. Units with negative balances are expected to produce Deficit Reduction Plans following UIC practices.

Sponsored Programs (Grants & Contracts)

Grants & Contracts revenue & expense budgets are not included in the Budget Development module. The Office of Sponsored Programs does the data entry in Banner based on each fund's Notice of Award. For purposes of the Budget Summary for Operations (BSO), only direct expenses are included (Facilities & Administrative and Administrative Allowance charges on sponsored programs are excluded to prevent double counting, as those revenue & expense budgets are already recorded on Institutional funds). Also, for the purposes of the BSO, an estimated annual growth factor (increment or decrement) is applied to prior year actual expenses based upon analysis conducted in collaboration between Budget and Financial Analysis, college fiscal officers and the Office of Sponsored Programs.

Tuition remission is charged as a direct cost to a sponsored agreement at 42% of the stipend amount. Distributions are made quarterly as ICR funds based on posted expenditures (less the 25% campus share that is retained centrally.)

Operating Gift Funds

Expense budgets for FY2026 will be incremented by 4.4%, which is equal to the revenue growth projection provided by the University of Illinois Foundation. The data entry is coordinated centrally for these budgets because the cash amounts provided to colleges and units are based on individual gifts as received, and or endowment distributions at pre-established rates.

Other Budget Allocations & Planning Parameters

Technology Solutions Rate &Funding

In FY17, UIC implemented the IT Rate and Funding model utilizing an enterprise approach for funding IT technologies. This transitioned the university from an outdated charging model for phone lines to a pricing model based upon unit FTEs for a "Basic Bundle" of IT-related services.

Chancellor Miranda, in consultation with Vice Chancellor Fajak and CIO Matt Riley, has recommended no increase in the Technology Solutions Rate for FY26 (will remain $65.20/month/FTE). The regional campus and System office rates will also remain unchanged. This basic bundle charge remains a major funding source for UIC's centrally-provided information technology services and is necessary to sustain the broad spectrum of services we provide our community of students, faculty and staff, including, but not limited to: network, communication, identity/authentication, e-mail, and information security tools and services. Given the decision not to raise the rate, Technology Solutions may need to again reduce some of our enterprise technology and related services, and once again, there could be impacts for the user community with these changes. Decisions for what will change and how are pending and will be vetted in UIC's IT Leadership Council governance process. Please know that Technology Solutions is dedicated to offering the best technology infrastructure and related services, in line with broad UIC goals, for whatever funding is available. Our underlying network connectivity, the technology needs of our students, enabling research through technology, and adding process efficiencies through our technology remain among our highest goals.

Technology Solutions and IT teams across UIC are working hard to modernize and adjust campus technology to meet our changing work and learning environment. The FY26 Technology Solutions Rate is designed to fit with anticipated budget reduction across UIC. Regarding the process, the university will continue to use the adjusted FTE model to calculate the rate this fall. Longer term, the goal remains to work on a technology budget redesign to introduce significant changes to the model that would better support and sustain UIC's evolving technology needs, as well as simplify the way we fund centrally provided IT infrastructure and services.

Fringe Benefit Rates

Fringe benefits are the employer paid costs for SURS retirement contributions, social security (OASDI), Medicare, health and life insurance, etc. Each university has benefit rates to charge sponsored projects and other activities, or fund sources such as Indirect Cost Recovery, for which the state does not cover those costs. It is too early to provide any details on UIC's provisional fringe benefit rates for FY26. Benefit rates are expressed as a percentage of salary and based on multiple cost components:

- Employee health, life, and dental
- Graduate assistant health, dental, and vision
- SURS retirement contributions
- OASDI and Medicare
- Termination vacation and sick leave payouts
- Workers' compensation

UIC follows federal guidelines (Uniform Guidance Title II CFR 200) on allowability and proper treatment of these costs. Fringe Benefit rates are calculated annually by various offices: Government Costing, University Accounting & Financial Reporting, Risk Management, along with the UIC Budget Office and other UIC units as necessary. Once the fringe benefits rate calculations and related reconciliations are performed, a fringe benefit proposal is submitted to our cognizant federal agency, the Office of Naval Research (ONR) in August for negotiation and approval. ONR has the Defense Contract Audit Agency (DCAA) perform an audit of the rate proposal so the final approval takes many months (has been as late as June of the following year). Therefore, the rates are submitted as provisional until DCAA completes the audit and final approval is obtained from ONR after which time final rates are granted. In almost all instances, our provisional fringe benefit rates are approved as submitted.

See also: https://www.obfs.uillinois.edu/government-costing/rate-schedules/chicago/.

As a result of recent clarifications to the State Employees Group Insurance Act of 1971, Departmental Activity (Fund Type 3Q), Medical Service Plan (Fund Type 4S), Occupational Health Service Plan (Fund Type 4T), Dental Service Plan (Fund Type 4U) and Nursing Service Plan (Fund Type 4W) funds will no longer be assessed for Health, Life and Dental Insurance effective for Fiscal Year 2024 and going forward.

See also: https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=120&ChapterID=2.

Budget Development System

The Budget Development System is the system used to input unit-operating budgets. Information about the Budget Development module is found at Tips for Budget Development Users.

See also: https://budget.uic.edu/budgetplanning/budget-development/.

Please note the following important reminders related to using the system:

- If you need to add or remove access to the BDS, contact Alex Davidson at adavids@uic.edu. Please include the UIN, NetID, type of access (view only, edit), and the organizational codes the employee will need to access.
- Make sure to use the correct state fund: use 100025 for State funds that have been previously budgeted; only use 100026 if there is a C-FOP that has never had a permanent State budget in the Budget Development System.
- Please modify Institutional budgets (ICR, Royalties and Administrative Allowances) based on projected earnings. Remember to use only the permanent duration code, all budget entries must be whole dollar amounts, and negative budgets are not allowed.
- Cash and carry-forward balances are automatically posted in Banner and do not need to be entered into the Budget Development system.
- Please contact Alex Davidson at adavids@uic.edu with any questions related to the Budget Development System.

Staff Contacts, Budgeting

Budget Guidelines & Allocations

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Dana Librot, Director, Financial Strategy & Operations (dlibrot@uic.edu)

Budget Development System

Alex Davidson, Assistant Director, Accounting & Financial Reporting (adavids@uic.edu)

Budget Office Who to Ask: https://budget.uic.edu/about-us/who-to-ask/
Budget Office Who Does What: https://budget.uic.edu/about-us/who-to-ask/tasks/
Budget Office College Assignments: https://budget.uic.edu/about-us/who-to-ask/college-units/

Budget Appendices

Appendix: Administrative Unit Budget Reductions

Rollup	Unit	FY25 Permanent State Budget	Reduction %	$ Reduction
Chancellor	Chancellor	1,695,961	5.0%	(84,798)
Chancellor	Innovation Center	455,118	5.0%	(22,756)
Chancellor	Intercollegiate Athletics	1,028,990	5.0%	(51,450)
Chancellor	Office of VC for Advancement	5,312,434	5.0%	(265,622)
Chancellor	Strategic Mktg & Comm	2,806,160	5.0%	(140,308)
Chancellor	UIC Extended Campus	172,999	5.0%	(8,650)
Chancellor	Vice Chanc Administrative Svcs	44,867,766	5.0%	(2,243,388)
Chancellor	Vice Chanc Equity Diversity	2,965,976	5.0%	(148,299)
Chancellor	Vice Chanc for Student Affairs	3,439,449	5.0%	(171,972)
Chancellor	Vice Chancellor for Finance	25,177,703	5.0%	(1,258,885)
Chancellor	Vice Chancellor for Innovation	2,579,208	5.0%	(128,960)
Chancellor	Vice Chancellor for Research	10,801,371	5.0%	(540,069)
Provost Academic	Library	14,816,383	5.0%	(740,819)
Provost Non-Academic	Provost & VC Acad Affairs	1,361,450	5.0%	(68,073)
Provost Non-Academic	Vice Provost Faculty Affairs	1,846,002	5.0%	(92,300)
Provost Non-Academic	VP for Global Engagement	1,262,457	5.0%	(63,123)
VCHA Non-Academic	VC for Health Affairs	4,600,530	5.0%	(230,027)

Appendix: Tuition Changes by College

Please note that these estimates are based on conservative assumptions, particularly with respect to international student enrollment. As always, tuition budgets will be adjusted to reflect actual revenue.

Fiscal Year 2026 Projected Tuition Increments / (Decrements): Budget-to-Budget							
	UG General	**Grad General**	**UG Diff**	**Grad Diff**	**Prof**	**E-Tuition**	**Total**
CAHS	$263,219	$30,421	($24,878)	($8,003)	$127,334	($202,507)	$185,586
CADA	$229,259	($39,253)	($51,072)	($27,986)	$0	$0	$110,948
CBA	$1,751,050	($1,057,024)	$542,565	($742,472)	$0	$3,021,919	$3,516,038
DENT	($334)	($3,574)	$0	$0	$884,490	$0	$880,582
EDUC	$183,743	$68,191	$0	$5,118	$0	($16,589)	$240,463
ENG	$1,384,744	($642,365)	($204,458)	($128,675)	$0	($68,003)	$341,243
MISC	($84,510)	$28,287	$0	$0	$0	$0	($56,223)
HONORS	$27,501	$0	$0	$0	$0	$0	$27,501
LAS	$1,959,852	$29,532	$414,481	$1,688	$0	($2,580)	$2,402,973
MED	$4,763	($9,353)	$0	$17,836	$384,524	$63,350	$461,121
NURS	$489,974	($145,806)	$416,998	($124,080)	$1,297,453	$370,523	$2,305,062
PHARM	$29,591	($2,562)	$0	$0	$725,537	($830)	$751,736
SPH	$42,608	$144,851	$10,814	$78,285	$143,853	($25,135)	$395,276
JACSW	$0	$408,222	$0	$19,477	$0	$0	$427,699
CUPPA	($41,656)	($208,166)	$0	($54,385)	$0	$223,483	($80,724)
Total	**$6,239,804**	**($1,398,599)**	**$1,104,451**	**($963,197)**	**$3,563,191**	**$3,363,631**	**$11,909,281**

Appendix: Student Fee Budget Allocations (Draft)

Fiscal Year 2025 Student Fee Budgets				
Unit*	**General Fee**	**Service Fee**	**Health Fee**	**Totals**
Athletics - Athletics Facility	301,982	0	0	**301,982**
Athletics - Operating	0	7,710,330	0	**7,710,330**
Athletics - Scholarship Account	0	2,730,519	0	**2,730,519**
Campus Housing	3,396,927	0	0	**3,396,927**
Graduate Student Council	0	146,569	0	**146,569**
Health Professions Student Council	0	141,474	0	**141,474**
ISAC (UIC Grant)**	2,700,000	0	0	**2,700,000**
Pavilion	895,220	426,221	0	**1,321,441**
Student Affairs - Peoria COM	0	405,313	0	**405,313**
Student Affairs - Peoria CON	0	95,433	0	**95,433**
Student Affairs - Quad Cities	0	65,122	0	**65,122**
Student Affairs - Rockford COM	0	454,856	0	**454,856**
Student Affairs - Rockford CON	0	86,756	0	**86,756**
Student Affairs - Rockford PHARM	0	188,967	0	**188,967**
Student Centers - Operations	15,659,440	3,477,463	0	**19,136,903**
Student Centers-Dining	0	111,119	0	**111,119**
Student Centers-Meeting & Conferences	0	65,579	0	**65,579**
Student Centers-Forum	2,577,659	266,322	0	**2,843,981**
Student Centers-Recreations	3,473,940	3,597,098	0	**7,071,038**
Student Centers-Programs	0	2,196,236	0	**2,196,236**
Student Centers - SSB Staff Support	0	506,403	0	**506,403**
VCSA - Student Affairs Support	8,936	322,974	0	**331,910**
Student Development Services	9,863	413,988	0	**423,851**
Student Legal / Ombudsperson	11,705	473,685	0	**485,390**
UI Student BOT Member	0	14,029	0	**14,029**
Undergrad Student Government	0	141,719	0	**141,719**
Chicago Counseling Service	0	0	2,549,641	**2,549,641**
Family Med Chicago**	0	0	2,500,000	**2,500,000**
Peoria Counseling Service	0	0	116,176	**116,176**
Peoria Health Service	0	0	96,244	**96,244**
Pharmacy	0	0	364,020	**364,020**
Rockford Counseling Service	0	0	230,158	**230,158**
Rockford Health Service	0	0	174,859	**174,859**
Wellness Center	0	0	290,758	**290,758**
Dean of Students / Benefits Navigators	0	134,564	0	**134,564**
Contribution to Bad Debt	0	0	0	**0**
Contribution to Contingency	454,450	0	419,950	**874,400**
TOTALS	**29,490,122**	**24,172,739**	**6,741,804**	**6,741,804**

**UIC School of Law directly receives all student fee revenue generated by their students.*

Salary Guidelines

Fiscal Year 2026 Milestones

2025 Dates	Event Description
July 8	Salary Planner Opens
July 23	Lockout Date for Academic (AC), Visiting Academic (VAP) and Open Range (OR) scenarios
August 13	Upload of Visiting Academic (VAP) records
August 18	Upload of Academic (AC) records
August 22	Upload of Open Range (OR) records
August 26	Lockout and Upload of Unpaid (UA) records
September 10	BW 18 Pay Date
September 16	MN 9 Pay Date
September 18	Board of Trustees (BOT) Meeting
September 20	Notice of Appointments (NOAs) released

Salary Planner

Salary Planner is the tool used by departments to reappoint employees, enter annual salary changes and account for changes in budgeted positions and associated job records. This system creates a file to upload salary changes into Banner HR.

All units will be required to complete data entry into Salary Planner by **5:00 on July 23, 2025**. At that time, data entry will be locked, and no further edits can be made. This deadline is critical to ensure sufficient time for UIC Human Resources to review and process the data that is used to create Notice of Appointments (NOAs).

The effective date for eligible academic professional employees and faculty salary increases is August 16, 2025, and August 17, 2025, for open range civil services employees.

Salary Rates and Increases

Salary Rates and Increases for Union Represented Employees

Salaries for employees represented by a collective bargaining agreement are set in accordance with the terms of their respective union contracts. All current labor agreements are available on the UIC HR website. **Employees represented by a bargaining unit that is currently undergoing labor contract negotiations will not receive any wage increases until those contracts are ratified.** Salaries for civil service employees covered under prevailing wage rates will be paid in accordance with the amounts established by those laws and related rules. These increases are not subject to Salary Planner data entry and will be implemented by UIC Human Resources. Questions regarding salary rates for represented civil service employees should be directed to UIC HR Compensation at jrailey@uic.edu.

See also: https://hr.uic.edu/hr-staff-managers/labor-employee-relations/labor-agreements/.

Compression, Equity, Market and Retention

Overview

An additional pool of 0.50% is authorized to address employee compression, market, equity and/or retention (CEMR). In general, vice chancellors and college deans should not exceed 1. 5% in total funding (1.0% merit + 0.50 % CEMR) except for circumstances when approved by their cognizant executive, e.g., Chancellor, Vice Chancellor for Health Affairs or Provost. In such circumstances the availability of funding for the amount over 1.50 % must be validated. To assist in determination of CEMR awards, the following definitions are provided:

Compression

Compression refers to a salary inequity, when new hires are offered a higher salary than existing employees when there are no appreciable differences in job scope, duties, knowledge, skills, experience, performance, or education required for the role, which may cause misalignment between peer positions and / or managerial roles if the rate of increase is not aligned.

Equity

Equity refers to establishing and maintaining wages at UIC based on equal pay for employees with equivalent experience and qualifications for UIC positions following the concept of "equal wages for equal work" – which means equivalent skill, effort, responsibility and working conditions, except when a wage difference is based upon some other factor, such as experience, longevity, or merit progression within ranges. Equal pay is required pursuant to University policy and several federal and state statutes, e.g., the Fair Labor Standards Act, the Civil Rights Act and the Illinois Fair Employment Practices Act, the requirements of which vary. Differences in pay shall not be based upon race, color, religion, sex, national origin or age.

Market

Market refers to aligning UIC pay for positions to prevalent market levels on average for a specific job. UIC seeks to compare salaries to public employee salaries in the Chicago market, which will vary based on the type of position, availability, and transferability in the marketplace. Total compensation factors, such as paid vacation and holidays and other employee benefits should be considered..

Retention

Retention refers to situations at UIC where departments / units have potential employee retention impacts due to external and internal transition of employees who may seek to leave their current position; this may also include preemptive retention considerations.

Salary Minima

Minima for AP, Clinical / Research Hourly, Tenure and Non-Tenure Faculty

The following salary minimums are applicable for the 2025-26 year.

- The minimum salary for full-time Academic Professionals and Postdoctoral Research Associates is $43,888 for 12-month service at 100% FTE.
- The Clinical / Research Hourly minimum will be $21.10 per hour.

- The contracts covering Tenure System Faculty and Non-Tenure System Faculty require the following minimum salaries:

Non-Tenure System Faculty Title	**Minimum Salary** *based on 9-month service**
Instructor, Lecturer, Clinical Assistant Professor, or Research Assistant Professor	$60,000
Senior Instructor, Senior Lecturer, Clinical Associate Professor or Research Associate Professor	$66,000
Clinical Professor or Research Professor	$72,600
Tenure System Faculty Title	
Assistant Professor	$71,500
Associate Professor	$78,650
Professor	$86,515

**All Library faculty are included under the nine (9) months service minimum.*

Minima for Graduate Employees Organization

The current minimum salary level for a new or continuing 50% FTE, 9-month appointment is $24,200. The Graduate Hourly rate minimum is $31.03 per hour. Employees appointed to jobs covered by this collective bargaining agreement must be paid at the minimum or greater. These employees may be appointed at an FTE above or below the standard 50% level at the salary rate for that FTE.

See also: https://hr.uic.edu/hr-staff-managers/compensation/minima-for-graduate-appointments/.

Minima for Student Employee Wage Plans

There will be no change to the minimum rates for student employees for AY25-26

Minima Extra Help Employee Salaries

Compensation for Extra Help / Temporary employees will be set in accordance with established approved State Universities Civil Service System classifications and University of Illinois pay plans. The pay rate for existing Extra Help employees will follow the salary range for the appropriate position classification based on the job responsibilities performed.

For specific information, contact uichrextrahelpadmin@uillinois.edu.

Eligibility & Approval Requirements

Employees Not Eligible for Salary Increases

The following employees are not eligible for merit salary increases:

- New hire effective on or after 4/1/2025 or individuals who have been newly appointed to a different position with a pay increase;
- Employees who received a significant off-cycle pay increase effective 4/1/2025, or after, e.g., 8% or greater;

- Employees who are separating (documented);
- Residents (UI Health, Medicine, Pharmacy, Applied Health); and
- Employees represented by a labor union
- If currently engaged in collective bargaining
- If the contract does not provide for wage increases pursuant to the campus salary program, contract or prevailing wages.

Open Range Civil Service Employees on Probation

Open Range Civil Service employees on probation are not included in Salary Planner. However, these employees may be eligible for an increase upon the successful completion of their probationary period (at either the 6- or 12-month point depending on the classification). For these situations, units must process a HR Front End transaction and attach the Open Range Merit Transmittal form, no later than 30 days following completion of the probationary period. Any post-probation increase that exceeds 8% will require justification and approval from the appropriate dean, vice chancellor, or vice provost and VC for Finance.

Reemployed Retirees

Reemployed retirees may be eligible for an increase. Apart from those covered by a collective bargaining agreement, which allows for an increase, increases for this group should be processed via the HR Front End along with the approved Proposal for Re-Employment of a SURS Employer Retiree. Careful review should be completed by the college / unit before submitting requests through the Rehire / Retiree process. Each employing unit is responsible for all costs, additional SURS contributions, and penalties associated with exceeding the limit on earnings. Please review the Employment of UI Retirees and other SURS Annuitants website for additional information.

See also: https://www.hr.uillinois.edu/cms/One.aspx?portalId=4292&pageId=5692.

Approval Requirements – Employee exceptions

Pre-approval of the Chancellor, Provost, or Vice Chancellor for Health Affairs (based on the reporting line of the dean, vice chancellor, or vice provost) is required for the following:

- Individual salaries increase greater than 8%.
- Salary increases for individuals hired on or after April 1, 2025.
- Salary increases for individuals who have already received an 8% or greater pay increase effective April 1, 2025, or after, including those hired to a new position.
- Open Range post-probationary increases that occurred during AY 2024-2025 that exceed 8%.

Requests for approval should be submitted on the Salary Planner Exceptions Spreadsheet, including the justification in the notes section, by **July 18, 2025, at 9AM**.

- Provost units should be submitted to Sarah Tapper (sdombr3@uic.edu).
- VCHA units should be submitted to Margaret Moser (mlmoser@uic.edu).
- Vice Chancellor units should be submitted to Sarah Tapper (sdombr3@uic.edu).
- Please copy Matt Fajack (mfajack@uic.edu) on all requests, regardless of reporting line.

A notation of the approved exceptions must be documented in the Salary Planner Comments box and on the Salary Planner Exceptions Spreadsheet that must be submitted to UIC HR by **July 23, 2025**. Approved exceptions should also be documented in the Salary Planner Comments. 0% increases do not need approval but require justification noted in the Salary Planner Comments box or the Salary Planner Exceptions Spreadsheet for those not in an editable Salary Planner extract.

Approval Requirements – RAMP

All Dean, Vice Chancellor, and other RAMP administrator increases require approval by the Chancellor. The Provost and the Vice Chancellor for Health Affairs will submit to the Chancellor's Office by **July 18, 2025, at 9AM**. UIC HR will manually enter these increases after the salary planner deadline.

Approval Requirements – College Pool

Each dean or vice chancellor is responsible for authorizing that salary awards remain within the authorized pools as detailed within each collective bargaining agreement, or for non-represented employees: 1.0% for Merit awards if warranted, and 0.5% for CEMR awards if warranted. If a dean or vice chancellor wants to exceed these pool amounts, they are required to certify sufficient funding is available to cover the recurring costs by **July 18, 2025, at 9AM**. This information should be routed as follows:

- Requests for Vice Chancellor units should be submitted to Sarah Tapper (sdombr3@uic.edu).
- Requests for Provost units should be submitted to Sarah Tapper (sdombr3@uic.edu).
- Requests for VCHA units should be submitted to Margaret Moser (mlmoser@uic.edu).
- Please copy Matt Fajack (mfajack@uic.edu) on all requests, regardless of reporting line.

All requests are due by **July 18, 2025, at 9AM**, regardless of reporting line.

Other Salary Guidelines

Employee Notification

All employees who are eligible for merit salary increases as outlined above should be appropriately notified about the amount of their salary increase, or if they are determined ineligible. Formal written communication is the preferred method. The communication should not occur prior to the announcement by UIC HR that the upload has occurred. Individual employees should receive a notification from their college / department PRIOR TO THE FIRST PAY DATE the increase will occur (9/16/25 for Academic employees, and 9/10/25 for Civil Service employees.)
Although the form of communication is up to the college / department, it should preferably be in writing and supervisors should make themselves available to discuss the new salary with individual employees. All academic employees will receive a new Notice of Appointment (NOA) after Board of Trustees approval at the September board meeting (expected issuance date: 9/20/25). The following link provides a template letter that is available for units to use:

https://uofi.app.box.com/s/c6durc2qotbx6otpboafet1gv1ap5s92

SURS 6% Rule

SURS requires that employers pay the present value of the resulting increase in benefits attributable to the portion of any salary increases in excess of 6% during the participant's final rate of earnings period. For employees who first became members of SURS (or a reciprocal retirement system) before January 1, 2011 (Tier I members), the final rate of earnings is the four consecutive academic years of employment in which earnings are the highest (or the 48 months of employment for certain employees). For individuals who first became members of SURS on or after January 1, 2011 (Tier II members), the final rate of earnings is the eight consecutive academic years of employment out of the last ten academic years of employment in which earnings are the highest (or the 96 consecutive months of employment out of the last 120 months of employment in which earnings are the highest for certain employees).

The financial ramifications of the SURS Rule should be considered when determining merit salary increases as the cost penalties payable to SURS will be the responsibility of the hiring unit.