

FY2023 Budget Planning Cycle Key Events	Timeline
Governor JB Pritzker signed the FY2023 budget into law	4/19/22
Board of Trustees approve FY2023 preliminary operating budget (to allow spending to occur effective July 1).	5/19/22
Final "Growth / Decrease Factors" due to the Budget Office (and communicated to the University System Budget Office.)	6/3/22
Budget Development "Phases" open in the Budget Development System.	6/3/22
Final "Green Sheets" and "Budget Shares" that detail UIC's state appropriation and income fund (tuition) revenue estimates based on UIC projections are issued by the System Budget Office.	6/10/22
The Budget Development System is opened to units to begin data entry.	Week of 6/20/22
Final FY2023 Permanent State budget bases communicated to college/units (Allocation Sheets).	Week of 6/20/22
UIC Budget Office begins entering Institutional budgets into the Budget Development System.	7/5/22
Final day for units to enter data in the Budget Development System (the System is closed and locked for end-users).	7/15/22
The Budget Office performs State and Institutional reconciliations and finalizes Budget Development data (UIC Budget Development is locked for all users).	7/29/22
System Office receives UIC Budget Development Data and begins incorporation into the Budget Summary for Operations	8/5/22
Board of Trustees approve FY 2023 Budget Summary for Operations	9/22/22

Section 1. Budget and Financial Guidelines

I. State of Illinois Operating Budget

The State of Illinois' Fiscal Year 2023 budget plan for both operations and capital is contained in HB900 (Appropriations), along with HB4700 (the Budget Implementation bill) and Senate Bill 157 (the revenue omnibus bill) and was passed by the General Assembly 4/9/2022. The legislation was signed into law by Governor Pritzker on April 19, 2022, the earliest in recent history: <https://ilga.gov/legislation/102/HB/PDF/10200HB0900sam004.pdf>

The fiscal year 2023 General Funds budget plan reflects projected revenues of \$46.429 billion and expenditures of \$45.986 billion, resulting in a \$444 million surplus. The operating budget features a 5 percent operating budget increase to Public Universities and Community Colleges retroactive to fiscal year 2022 through supplemental appropriations, with continuation of the 5 percent increase in fiscal year 2023. The additional fiscal year 2022 cash will be centrally held until a decision regarding usage is made by executive leadership in July/August.

The fiscal year 2023 budget also directs federal dollars received from the American Recovery Plan Act (ARPA) to aid businesses, healthcare providers and families, and invest in Illinois' communities. The budget also features \$601.5 million in support of need based Monetary Award Program (MAP) funding, a one-year \$122 million increase, plus an expansion of the maximum award¹ to 50% of tuition at public universities and coverage for an estimated additional 24,000 students. Changes will also expand eligibility to students seeking short-term credentials and certificates. AIM High (implemented at UIC as the Chancellor's Fellows program) funding remains flat at the state level, or \$35.0 million.

The State University Retirement System (SURS) funding is appropriated at the certified amount of \$2.12 billion – an increase of 0.8%, or \$17.3 million over the FY22 appropriated amount. Additional \$38.8M one-time funding from the pension stabilization fund for FY23, and additional one-time funding of \$58.1M for FY22 was appropriated from the pension stabilization fund (completed earlier in session under Public Act 102-0696).

II. University of Illinois Chicago (UIC) State Appropriation Budget Share

- A. The University of Illinois received a supplemental increase of Educational Assistance Funds (EAF) totaling \$28.1M. UIC will receive 38.4% of that amount, or \$10,790,700². The appropriation to the Hospital remains unchanged at \$40,380,600 and is funded as General Revenue Funds (GRF).

This increase includes a percentage attributed to System Administration held funds that are allocated each year to the universities. As such, the net increase to UIC's state appropriation is 5.5539%.

- B. **Special Items.** Funding for the following legislative initiatives were held at FY 2022 levels with the exception of the Hispanic Center for Excellence that received a \$25,000 increase:

Special Appropriation Item	FY2023 (\$'s * 1,000)	Source of Funds
Hispanic Center for Excellence	\$698.8	Educational Assistance Fund
College of Dentistry Clinics	\$294.8	Educational Assistance Fund
Public Policy Institute (IPCE)	\$1,052.7	Educational Assistance Fund
Illinois Heart Rescue	\$500.0	General Revenue Fund

- C. Special funding from the General Professions Dedicated Fund for costs associated with the development, support or administration of pharmacy practice education or training

¹ The maximum MAP award will increase but ISAC has not yet established the formula.

² The increase will be technically effective in FY2022 through a supplemental appropriation. \$25,000 is earmarked for the Hispanic Center of Excellence.

programs for the UIC College of Pharmacy at Rockford remains at \$500 thousand for FY 2023.³

- D. 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 FY 2023 distribution for student aid at UIC is \$7,900.
- E. **COVID Water Quality Study.** A *special appropriation* of \$769,000 was added during FY2022 from the State Coronavirus Urgent Remediation Emergency Fund funded by the American Rescue Plan Act State Fiscal Recovery funds. This will be handled as a state grant and administered by UIC's Government Finance Research Center within the College of Urban Planning and Public Affairs. The same amount was reappropriated in FY2023, but will be reduced by the amount of any expenditures made in FY2022.

III. State of Illinois Capital Budget

No new capital projects were approved in the state budget. However, the following capital projects were reappropriated:

- Miscellaneous Renovations and Repair (R&R) \$146,433,000
- Advanced Chemical Technology Building \$68,000,000
- Several other re-appropriations for projects already started but not yet finished.

It is important to note that the funding for capital projects is not directly appropriated to UIC. The state uses certain revenue sources as well as issuance of bonds to fund capital projects; because of that, these funds cannot be used for operations.⁴ 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 been released.

IV. FY 2023 Budget Planning and Allocations

A. UIC Budget - State Funds

State funds are comprised of State of Illinois General Revenue Funds (GRF), Educational Assistance Funds (EAF), special appropriations, tuition revenue and a variety of other miscellaneous revenues deposited in the income fund. These include but are not limited to Library-IT assessments, application fees, and the Clinical Infrastructure Assessment charged by the College of Dentistry.

³ This appropriation continues to be referenced as the College of Medicine. We have requested this be changed in next year's appropriation bill.

⁴ It is the intent of the State that all or a portion of the costs of projects funded by appropriations made in this Act 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.

1. UIC School of Law is not included in the tuition revenue distribution model, nor does it have state appropriated funding. From a budget perspective based on IBHE acquisition guidelines, UIC School of Law is treated similarly to a self-supporting unit and all programs operate under the Full Cost Recovery model.
2. On May 31, 2022, President Tim Killeen announced a 3.5% merit-based salary program for eligible Academic Professionals, Open Range Civil Service employees, and non-represented faculty and faculty administrators. Each University was also asked to apply their own guidelines for separate programs to address compression, market, equity and retention (CEMR). UIC has decided to authorize a total pool of 4%: 3.5% for merit and 0.5% for CEMR. Further details are provided in below and in Section 2 of this document.

B. 4% Compensation Pool

1. **Compensation Pool.** A 4% target pool for state funded employees has been calculated based on eligible appointments in Banner as of 6/8/2022. We have excluded any individual who:
 - Is serving a terminal contract;
 - Employed in a visiting position (see 2e. below);
 - Has a portion of their appointment from a default labor distribution tied to non-state funds (but only that portion is excluded); and or
 - Is employed by the Hospital, Mile Square, Division of Specialized Care for Children, UIC School of Law, UIC Extended Campus, or Cancer Center as those entities are required to fund their own salary programs.
 - Units will be provided details of the pool computations, however, the amount of funding to be provided as a whole for state fund salary increases is firm and shown below.
2. Funding pools should be separated based on employee types:
 - a. **Non-represented Faculty** (4% of total annualized salary costs)
 - b. **RAMP Administrators, Academic Professionals and Open Range Civil Service** (4% of total annualized salary costs)
 - c. **Represented Faculty** (4% of total annualized salary costs) Because salary increases to unionized faculty are pending outcome of contract negotiations, we are using 4% for planning purposes. **This pool cannot be commingled with other categories.**

Also, please note that the primary faculty position for some department chairs/heads may be included in this funding pool, but because they are technically not in the bargaining unit and are eligible for merit and CEMR increases, the pool amounts relating to those department chairs / heads will need to be shifted into the non-represented faculty pool by the college fiscal officer.

- d. **SEIU Represented Employees** are eligible for 3.5% across the board pay increases and are not subject to a pool calculation. Some members may also be eligible for step increases on their anniversary date as negotiated in the contract. The additional 0.5% provided should be used to cover a portion of the annualized step costs rather than CEMR. (It should be noted that in past years, no additional funding was provided to units for salary step adjustments.)
 - e. A specific pool was not computed for **visiting appointments**, although these employees may be eligible for merit increases. Units with visiting appointments must cover salary increases as these hires are presumed to be on 'soft' or one-time funding.
3. You should not exceed the overall pool amount unless pre-authorized by Vice Chancellor Janet Parker as indicated in Section II. XI. E. on page 32 ~~interim Chancellor Reyes, or Vice Chancellor Barish and Acting Provost Colley, for colleges/units reporting to them.~~ Please be sure to pull out the 4% amount associated with Vice Chancellors, Deans and other positions whose merit awards will be determined by their supervisor. Specific guidelines for documenting and requesting exceptions, including demonstrating the ability to fund the overage will be provided. Employees paid from all non-state fund types should follow similar rules. Appendix A. details a breakdown of the computed pools by employee group.
4. The Hospital, Mile Square, Division of Specialized Care for Children, UIC School of Law, UIC Extended Campus, and Cancer Center should also follow similar rules, however will not receive any recurring budget allocations for salary costs as they fall under different financial arrangements.

C. State Budget Compensation Allocation

Interim Chancellor Reyes has authorized certain state funded colleges and administrative units to receive a pro-rata share of a portion of the state appropriation increase, equivalent of 50% of the computed 4% salary pool as shown in the below charts, or \$7,954,966. **This amount is insufficient to cover the entire 4% pool and assumes represented faculty contract costs to be 4%. These allocations will be included on the FY2023 Allocation sheets.**

1. Administrative Units

ADMINISTRATIVE UNITS	Salaries on State Funds	3.5% Merit Pool	0.5% CEMR Pool	State Salary Pool	State Salary Share	50% State Approp Allocation
Chancellor	\$ 1,750,775	\$ 61,277	\$ 8,754	\$ 70,031	0.44%	\$ 35,015
Office of Access & Equity	\$ 1,271,032	\$ 44,486	\$ 6,355	\$ 50,841	0.32%	\$ 25,421
Intercollegiate Athletics	\$ 929,168	\$ 32,521	\$ 4,646	\$ 37,167	0.23%	\$ 18,583
VC Advancement	\$ 3,802,571	\$ 133,090	\$ 19,013	\$ 152,103	0.96%	\$ 76,051
VC Strategic Mktg & Comm	\$ 1,272,455	\$ 44,536	\$ 6,362	\$ 50,898	0.32%	\$ 25,449
VC Innovation	\$ 1,351,306	\$ 47,296	\$ 6,757	\$ 54,052	0.34%	\$ 27,026

ADMINISTRATIVE UNITS, (Continued)	Salaries on State Funds	3.5% Merit Pool	0.5% CEMR Pool	State Salary Pool	State Salary Share	50% State Approp Allocation
VCI: Innovation Center	\$ 615,497	\$ 21,542	\$ 3,077	\$ 24,620	0.15%	\$ 12,310
VCI: Tech Solutions	\$ 6,971,159	\$ 243,991	\$ 34,856	\$ 278,846	1.75%	\$ 139,423
VC Budget HR & Fin Admin	\$ 7,184,195	\$ 251,447	\$ 35,921	\$ 287,368	1.81%	\$ 143,684
VC Diversity Eqty & Engmt	\$ 2,842,717	\$ 99,495	\$ 14,214	\$ 113,709	0.71%	\$ 56,854
VC Health Affairs	\$ 2,975,249	\$ 104,134	\$ 14,876	\$ 119,010	0.75%	\$ 59,505
Community Health	\$ 70,000	\$ 2,450	\$ 350	\$ 2,800	0.02%	\$ 1,400
VC Administrative Svcs	\$ 33,168,923	\$ 1,160,912	\$ 165,845	\$ 1,326,757	8.34%	\$ 663,378
VC Research	\$ 9,689,025	\$ 339,116	\$ 48,445	\$ 387,561	2.44%	\$ 193,780
VC Student Affairs	\$ 3,227,362	\$ 112,958	\$ 16,137	\$ 129,094	0.81%	\$ 64,547
Campus Auxiliary Svcs	\$ 262,236	\$ 9,178	\$ 1,311	\$ 10,489	0.07%	\$ 5,245
Provost & VC Acad Affairs	\$ 1,134,977	\$ 39,724	\$ 5,675	\$ 45,399	0.29%	\$ 22,700
Social Justice Initiative	\$ 187,500	\$ 6,563	\$ 938	\$ 7,500	0.05%	\$ 3,750
Graduate College	\$ 1,059,702	\$ 37,090	\$ 5,299	\$ 42,388	0.27%	\$ 21,194
Library	\$ 7,178,745	\$ 251,256	\$ 35,894	\$ 287,150	1.80%	\$ 143,575
VP Acad & Enrlmt Svcs	\$ 6,468,015	\$ 226,381	\$ 32,340	\$ 258,721	1.63%	\$ 129,360
VP Faculty Affairs	\$ 2,341,976	\$ 81,969	\$ 11,710	\$ 93,679	0.59%	\$ 46,840
VP Global Engagement	\$ 2,267,570	\$ 79,365	\$ 11,338	\$ 90,703	0.57%	\$ 45,351
VP UG Affrs & Acad Pgms	\$ 3,467,217	\$ 121,353	\$ 17,336	\$ 138,689	0.87%	\$ 69,344
Armed Forces (ROTC)	\$ 51,000	\$ 1,785	\$ 255	\$ 2,040	0.01%	\$ 1,020
TOTAL	\$ 101,540,372	\$ 3,553,913	\$ 507,702	\$ 4,061,615	25.5%	\$2,030,807

2. Revenue Generating Colleges

In the past, under the UIC RCM budget model, colleges would typically be required to pay for salary cost increases from incremental tuition or other new revenue.

With declining and stagnant enrollment, coupled with inadequate tuition rate increases to cover escalating costs (compounded by guaranteed tuition), this is no longer a realistic expectation. However, we cannot continue to incur these new costs without sufficient new revenue as state appropriations and unallocated central recurring reserves are insufficient. Therefore, although the colleges will receive an allocation equivalent to an estimated 50% of the calculated pool amounts, the shortfall will need to be managed by the colleges.

COLLEGES	Salaries on State Funds	3.5% Merit Pool	0.5% CEMR Pool	State Salary Pool	State Salary %	50% State Approp Allocation
VC Health Affairs Colleges						
Applied Health Sci	\$ 15,075,884	\$ 527,656	\$ 75,379	\$ 603,035	3.79%	\$ 301,518
Dentistry	\$ 19,815,137	\$ 693,530	\$ 99,076	\$ 792,605	4.98%	\$ 396,303
Medicine Basic Sci	\$ 17,044,601	\$ 596,561	\$ 85,223	\$ 681,784	4.29%	\$ 340,892
Medicine Clinical Sci	\$ 20,848,751	\$ 729,706	\$ 104,244	\$ 833,950	5.24%	\$ 416,975
Medicine Admin	\$ 11,456,251	\$ 400,969	\$ 57,281	\$ 458,250	2.88%	\$ 229,125

COLLEGES	Salaries on State Funds	3.5% Merit Pool	0.5% CEMR Pool	State Salary Pool	State Salary Share	50% State Approp Allocation
Medicine Peoria	\$ 6,748,043	\$236,182	\$ 33,740	\$ 269,922	1.70%	\$ 134,961
Medicine Rockford	\$ 7,690,770	\$269,177	\$ 38,454	\$ 307,631	1.93%	\$ 153,815
Nursing	\$ 12,315,599	\$431,046	\$ 61,578	\$ 492,624	3.10%	\$ 246,312
Pharmacy	\$ 14,439,218	\$505,373	\$ 72,196	\$ 577,569	3.63%	\$ 288,784
Public Health	\$ 11,790,734	\$412,676	\$ 58,954	\$ 471,629	2.96%	\$ 235,815
Social Work	\$ 3,019,388	\$105,679	\$ 15,097	\$ 120,776	0.76%	\$ 60,388
<i>Provost Colleges</i>						
Arch Design & the Arts	\$ 12,287,772	\$430,072	\$ 61,439	\$ 491,511	3.09%	\$ 245,755
Business Admin	\$ 27,822,389	\$973,784	\$ 139,112	\$1,112,896	6.99%	\$ 556,448
Education	\$ 8,367,778	\$292,872	\$ 41,839	\$ 334,711	2.10%	\$ 167,356
Engineering	\$ 32,008,444	\$1,120,296	\$ 160,042	\$1,280,338	8.05%	\$ 640,169
Honors College	\$ 1,106,874	\$ 38,741	\$ 5,534	\$ 44,275	0.28%	\$ 22,137
Liberal Arts & Sciences	\$ 68,009,888	\$2,380,346	\$ 340,049	\$2,720,396	17.1%	\$ 1,360,198
Urban Plng & Public Aff	\$ 6,360,421	\$ 222,615	\$ 31,802	\$ 254,417	1.60%	\$ 127,208
TOTAL	\$296,207,942	\$10,367,278	\$1,481,040	\$11,848,318	74.5%	\$5,924,159

3. FY2023 Cash Glidepaths

Earlier this year, with the decision to return to a RCM budget model, it was agreed that some level of cash funding would be provided to cover the difference between the salary budget allocation and FY2023 costs, in addition to the permanent allocation referenced above. We are referring to this as 'glidepath' funding.

For colleges, details about how the glidepath will be calculated are forthcoming.

For Administrative Units, cash in the amount shown in Appendix B will be provided during FY2023. This will cover the annualized impact based on an effective date of August 16, 2022, calculated as follows: if 50% of the total annual salary cost changes is funded, it will require approximately **75%** of the unfunded amount to be provided as a one-time cash allocation.

A decision about how to fund ongoing costs in FY2024 has not been determined.

D. Promotion & Tenure Salary Increases

The total estimated costs for P&T increases effective AY22-23 are just over \$1.5M. Those amounts are the responsibility of each impacted college. However, they will be accounted for in the calculation of each college's glidepath allocation.

E. Restarting UIC's Responsibility Centered Management (RCM) Budget Model

UIC will resume its responsibility centered management budget model for tuition distribution effective FY2023. The distribution of indirect cost recovery was not suspended so there is no impact to that revenue flow. However, because tuition-generating college budgets were frozen at FY20 adjusted levels and then reduced by 3.5% in FY2021⁵ several RCM restart alternatives were evaluated. These options (referred to as RED, BLUE, and GREEN) varied on three factors: restoration of tuition at some level based on actual earnings; the amount of salary costs to be funded from central coffers; and whether any amount of the FY2021 3.5% permanent budget cut would be restored. After reviewing various models, the "RED" option was selected. This option would provide the highest amount of funding back to colleges and required the largest central contribution of the three choices. Whereas the college would have effectively realized the tuition changes, the other allocations will cost centrally held funding reserves that are used as a hedge for cover other unanticipated costs. 50% of the FY22 salary allocation is essentially funded by the other half of the budget cut restoration. However, 50% of the FY21 salary allocation is funded from the campus portion of tuition holdback. These funds will be allocated to units via the annual Allocation Sheets and folded into fiscal year 2023 beginning permanent State budget bases.

RED OPTION	Recognize FY2021 Tuition Changes	Recognize FY2022 Tuition Changes	FY2021 Salary Allocation	FY2022 Salary Allocation	Restore 3.5% Cut	TOTAL
Allocation %	100%	100%	50%	50%	50%	
Cost	\$1,218,075	\$9,802,579	\$3,755,725	\$5,254,945	\$6,055,104	\$26,086,428

F. Other Tuition Distributions

1. **Graduate Cross Instruction⁶:** Because graduate revenue is distributed to the college of enrollment, whenever a 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 FY 2023 will be based on FY2022 data at the prior rate. Cash adjustments will be made during the year-end tuition reconciliation to reflect current year results. A proposal to increase the per credit hour transfer amount will be reviewed by the Budget Redesign Initiative Task Force for recommendation and approval by the executive committee.

⁵ State budgets were cut across the board in anticipation of a reduction to our state appropriation that never materialized. Although the colleges will receive 50% of their share of this cut during FY2023, administrative units will not because they received 100% of salary increases, and the source of funding for those allocations were partially funded from their share of the budget cut.

⁶ In FY21, due to the suspension of RCM, the combined impact of Graduate Cross Instruction and Employee Educational Benefits was examined: colleges with a net positive impact received a cash transfer while colleges with a net negative impact were held harmless. The same process will be used for FY22. The normal budgeting process will resume in FY23.

2. **Employee Educational Benefits:** To compensate colleges delivering instruction to employees that receive tuition waivers, UIC collects funding from the employing unit at a rate of \$200 per credit hour. Employee Educational Benefit distributions are based on activity one year in arrears: FY 2023 will reflect FY 2022 actuals. A proposal to increase the per credit hour transfer amount will be reviewed by the Budget Redesign Initiative Task Force for recommendation and approval by the executive committee.
3. **UIC Global (Shorelight Education sourced) Students:**
 - i. UIC receives a teaching reimbursement for students enrolled in one of the following programs: International Direct – 2 semesters, Academic Accelerator 2 semesters, Extended Accelerator - 3 semesters and Pre-sessional – 1 semester. The teaching reimbursement is provided to the college delivering the credit hours 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.
 - ii. A decision to restore supplemental teaching reimbursement allocations per MOU FY19-047 during FY2023 has not been made. 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.
 - iii. 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.
 - iv. Beginning Fall 2019, UIC began enrolling Shorelight sourced international students into select graduate programs. During the students' first semester, the college of each course the student that the students are enrolled in will receive a teaching reimbursement instead of tuition. During the second and subsequent semesters, the base and differential tuition for UIC Global progressed students is distributed in the same manner as other graduate students, net of the 10% shared with Shorelight. Shorelight graduate students are not eligible for tuition waivers.

G. Institutional Funds

UIC has six types of institutional funds:

- Facilities & Administrative (F&A) - referred to as Indirect Cost Recovery or ICR. These funds are recovered from Grants & Contracts to support associated University overhead costs.
- Administrative Allowance – overhead assessments against auxiliary enterprise, departmental (self-supporting), Medical Service Plan, and hospital expenditures.
- Royalties – distributions of the UIC share of earnings on licenses and patents.
- Self-Insurance funds – in lieu of third-party insurance, the University collects and retains funds locally to pay anticipated liabilities such as workers compensation claims or CampusCare insurance claims.

- Termination Vacation & Sick funding – funds collected from Grants & Contracts that are restricted to being used to fund a portion of terminal leave benefit costs for faculty and staff who have worked on sponsored programs during their tenure at the University.
- Private unrestricted gifts.

Cash, carry-forward balances for institutional funds are automatically posted in Banner and do not need to be entered into the Budget Development system.

1. Indirect Cost Recovery (ICR).

UIC continues to take a conservative approach to setting ICR budgets as the F&A earnings will flow to the units regardless of the budget projections allocated to the units.

- a. FY 2023 ICR Budgets and Revenue Forecast. Each college has received a worksheet with ICR earnings at the accounting string level between FY 2017 and FY 2022 Period 11. This data, along with information regarding new or expiring awards, is used for the FY 2023 forecast. The Budget Office will update the Budget Development system with the proposed budgets for FY2023. Units should not make any changes to the budgeted ICR amounts. This also applies to 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.
- b. 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.
- c. 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.
- d. The System Office currently collects 8% of UIC's total ICR annually. Discussions regarding this rate are currently underway and may be implemented as soon as FY 2023. Another change that will be required beginning FY2022 is a reconciliation of budget to actual and distribution of any overage to the University System Office.

2. Administrative Allowance and Royalty budgets.

- a. Administrative allowances are assessments on auxiliary, self-supporting and Medical Service Plan funds to recover overhead costs. Auxiliaries are charged an overhead rate of 3.16% by UIC and 3.25% by the System Office. Discussions regarding these rates are currently underway and may be implemented as soon as FY 2023.
- b. There are two administrative allowance assessments made by UIC on MSP funds:
 - i. A rate of 0.22% is assessed to fund debt service on the College of Medicine Research Building. The MSP debt service assessment is capped at the amount of the actual annual payment and any excess funds collected are returned during year-end, on a pro-rata basis to the units originally assessed.

- ii. The Vice Chancellor for Health Affairs assesses a rate of 1.6% to fund VCHA support for MSP operations. The VCHA administrative 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 on a pro-rata basis to bring the assessment total up 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.
- c. 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.

Historically, permanent Royalties revenue and expense budgets have been recorded on System Office ledgers. Beginning in FY20, those budgets were moved to UIC ledgers but recorded in central accounts to adjust for earnings variations. Beginning in FY21, Permanent budgets were established within units. In order to help ensure that budgets are not overstated, unit budgets are established at 70% of anticipated annual earnings, and a year-end transfer for any excess earnings is processed against a centrally held contingency fund.

H. Tuition Remission is a partial recovery of waived tuition revenue for Research Assistants (RA's) and 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 RA/GA wages are assessed as indicated below.

- 1. **Sponsored programs.** Tuition remission is charged as a direct cost to a sponsored agreement at 42% of wages applied to the grant. For the past several years, distributions have been provided as State funds through a swap of indirect cost recovery based on posted expenditures less the 25% campus share retained centrally. We reserve the right at any time to revert to the prior practice of distributing tuition remission as indirect cost recovery funding (the fund where it is recognized/earned.) This is generally decided later in the fiscal year based on balances of cash reserves by fund type.
- 2. **University departments** that employ GA's with tuition waivers are assessed at 21% of the wages paid. 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.
- 3. If a TA is hired outside of the college of enrollment, the same remission rate will apply. Such arrangements must be directly agreed upon in advance between the two colleges.

4. A proposal to increase the tuition remission rates will be reviewed by the Budget Redesign Initiative Task Force for recommendation and approval by the executive committee.

I. FY 2023 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 Recovery⁷, for which the state does not cover those costs.⁸ It is too early to provide any details on UIC's provisional fringe benefit rates for FY2023.

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;
- OASDI⁹ (6.2%) and Medicare (1.45%).
- 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 change at the beginning of each fiscal year. The new fiscal year's fringe benefit rates are not available until the end of July of each new fiscal year. This is due to the fact that our rate calculations are based on the previous fiscal year's actual expenditures.

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 benefit 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.¹⁰

J. Student Fee Budgets

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

⁷ Hospital and Auxiliary Administrative allowance funds are not assessed HLD and Retirement.

⁸ The state does not cover Medicare contributions and those are currently funded from central reserves for any employee's portion of salary that is paid from state funds at a rate of 1.45%.

⁹ The Old-Age, Survivors, and Disability Insurance taxable wage base was set at \$142,800 in 2021. There is no wage base limit for Medicare tax. All covered wages are subject to Medicare tax.

¹⁰ In almost all instances, our provisional fringe benefit rates are approved as submitted.

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://apps.registrar.uic.edu/tuition/undergrad/>

Allocations are made to various units based on each fee’s purpose:

1. General Fee (Ranges 1 & 2 - \$489 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.
2. Service Fee (Ranges 1 & 2 - \$363 per semester): supports staff salaries, programming, general operating expenses, 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 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.
3. Health Service Fee (All Ranges - \$106 per semester): supports staff salaries, programming and general operating expenses for the campus health and counseling service providers: Family Practice/Student Health Center, the Counseling Center, the Wellness Center and pharmacy services.

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.

Units funded by student fees will continue to receive a share of the revenue collected following the per student allocation model implemented several years ago by the Vice Chancellor for Student Affairs. Appendix C contains the Student Fee budgets. Should the actual revenue be less than the allocation budget, further adjustments may need to be made. Fee funded units are urged to be very conservative in their spending so as to avoid year-end deficits.

K. Student Assessments

UIC is authorized to collect the following assessments:

1. **Library IT** (Range 1 - \$230 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 \$9.8M (excludes UIC Law as they retain their fee revenue.)

2. **Academic Facilities Maintenance Financial Assessment** (Range 1 - \$350 per semester) is allocated to address deferred maintenance in academic facilities and share with regional campuses at Peoria and Rockford. These revenues are accounted for in Plant funds. Actual earnings are reconciled and under/over allocations are adjusted accordingly. Estimated earnings total \$14.6M, and include the portion collected and retained by UIC Law, Rockford & Peoria campuses, as well as the portion set aside for the Debt Service and early payoff funding for the Academic portion of the Academic Residential Complex.
3. **Clinic Infrastructure Assessment** (Range 1 - \$4,220 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 - \$513 per semester).

L. Self-Support and Practice Plan Funds

Self-support 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 and general ledger cash balance should be in a positive financial position and within the allowable carry-forward provisions of the [Legislative Audit Commission](#) for self-supporting funds.

Information regarding the calculation of allowable cash balances is provided at:

<https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=96123> The disposition of any excess funds balances at the end of FY2020 are handled in accordance with University policy found at:

<https://uofi.app.box.com/s/aebcku9bp19izdk63ymumg9oyb7c1et1>

Units with negative balances **are** expected to produce *Deficit Reduction Plans* following UIC practices.

M. Sponsored Program budgets. 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.

N. Escrow Repayment Plan. During FY 2023, UIC will provide the sixth cash payment of escrowed funds. See Appendix D. for Escrow Repayment Plan details.

O. Federal COVID Relief Funding

1. Higher Education Emergency Relief Fund (HEERF) and Minority Serving Institution (MSI) Funding Allocations (Institutional Awards)

Guiding Principles for Allocating HEERF Funds:

- Compliance with Department of Education requirements and federal Uniform Guidance.
- Provide resources in support of our students and address those with highest need across our undergraduate, graduate, law and health science professional programs; this includes reimbursing students for housing, dining and service fees when UIC moved to online instruction.
- Address technology costs associated with the transition to online education and hybrid instructional delivery models.
- Safety and security in our operations including COVID prevention, testing and tracking, and other mitigation measures on behalf of our students, faculty and staff.
- Replace lost revenues to protect financial stability of our auxiliary operations and institutional bond ratings.

Refer to Appendix E for expenditure and award details.

2. **FEMA.** UIC submitted a Federal Emergency Management Agency (FEMA) claim via the Illinois Emergency Management Agency (IEMA) to recover pandemic-related response costs that were not covered by HEERF. The original claim was for \$7,020,855 across 29 units and more than 1500 lines of data. The process took over 18 months with cumbersome and labor intensive documentation requirements, and evolving FEMA regulations. Initially, the claim was reduced to \$5,702,047, but after the disaster declaration was modified in 2021, UIC received an additional \$315,594.

Because changes complicated and delayed both the submission and the federal review of submitted costs, UIC was unable to claim a small portion (~ \$60,000) because expenses posted to prior year State funds can no longer be moved onto the grant. The final amount awarded to UIC is \$6,017,642. UIC will also be able to submit a claim for administrative overhead costs equivalent to 5% of the total award. Refer to Appendix F for additional detail.

3. **GEERF.** During FY22, UIC received \$8,388,782 from the Governor's Educational Emergency Relief Fund (GEERF) - a federal grant for governors to support and assist local education agencies, higher education institutions, and other educational entities with emergency assistance due to COVID-19. Administered by the Illinois Board of Higher Education, the funds were required to be used to assist students impacted by COVID and came with

significant reporting requirements. UIC developed 17 different strategies and details may be found in Appendix G. An additional \$2,461,756 has been approved for FY 2023 and will be allocated towards emergency grants for students.

- P. Operating Gift funds.** Expense budgets for FY 2023 will be incremented by 3%, 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.
- Q. Technology Solutions Rate and Funding.** In FY2017, UIC implemented the IT Rate and Funding model utilizing an enterprise approach for funding IT technologies. This transitioned the university from an outdated model of charging for phone lines to a pricing model based upon unit FTEs for a “Basic Bundle” of services.

Following the pandemic, our technology needs have grown and evolved rapidly. To make up for expanded services supporting remote and hybrid working, teaching and learning, Chancellor Amiridis, in consultation with Vice Chancellors Parker and Augustine, approved a ~3.3% increase (from \$61/month/FTE to \$63/month/FTE) in the Technology Solutions Rate (Basic Bundle) for FY23. The regional campus and System office rates will increase proportionately. This adjustment to a major funding source for UIC’s centrally-provided information technology services 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. While many of us have learned to work differently, perhaps abandoning the need for a traditional phone or wired network connection, our underlying network and voice infrastructure needs have not dissipated. In fact, UIC is experiencing significant increases in technology infrastructure and service costs provided in the bundle (and we can no longer shift some of these costs to HEERF grant funds).

During this time, 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 FY23 Technology Solutions Rate (Basic Bundle) change is a modest adjustment following years without a rate increase. UIC will continue to use the adjusted FTE model and process to calculate the rate this fall. Longer term, the goal is to introduce significant changes to the model in FY24, to better-support UIC’s evolving technology needs, and simplify the way we fund centrally provided IT operations.

R. FY 2023 Budget Development System (BDS)

This is the system used to input unit-operating budgets. Information about the *Budget Development* module is found at Tips for Budget Development Users:
<https://budget.uic.edu/budgetplanning/budget-development-and-implementation/>

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 and Jennifer Reta (jreta3@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 100022 for State funds that have been previously budgeted; **only** use 100023 if a unit has never had a permanent State budget in the Budget Development System.
- Please do not modify Institutional budgets (ICR and Administrative Allowances). Budget and Financial Analysis has set those budgets centrally. Please contact your assigned BFA staff member if you need to modify any institutional fund budgets.
- Remember to use only the permanent duration code, all budget entries must be whole dollar amounts, and negative budgets are not allowed.
- Once Budget Development is complete for all of the units within your College/Administrative Unit, please notify Mark McClellan at mmccle1@uic.edu. He will “lock” your unit at that time, which prevents further modification of budgets.

S. Budget Staff Contacts

Please direct questions to the following units/individuals, based on subject matter:

<u>Subject Matter:</u>	<u>Contact:</u>	<u>Phone:</u>	<u>E-mail:</u>
Budget Guidelines & Allocations	Michael Moss, Associate Vice Chancellor Colleen Kehoe, Director, Budget Model, Tuition & Data Analytics Dana Librot, Associate Director, Budget Operations & Compliance Mark McClellan, Director, Accounting & Financial Reporting	3-3620 3-4211 3-3623 3-5370	mmoss2@uic.edu colleenk@uic.edu dlibrot@uic.edu mmccle1@uic.edu
Budget Development Worksheets	Mark McClellan, Director, Accounting & Financial Reporting	3-5370	mmccle1@uic.edu

T. Budget Model Redesign Initiative

UIC is undergoing a budget model redesign initiative and a task force has been charged with making recommendations for changes. More information can be found at the website:
<https://budgetredesign.uic.edu/>

The following Guiding Principles were adopted by the task force to direct their work:

UIC's Budget Model will use the following overarching guiding principles to propose revisions and redesign of the budget model that will:

- Advance the university's ***mission and strategic priorities***.
- Balance ***incentives and rewards for innovation, revenue generation and cost containment*** with central funding for campus-wide initiatives.
- Emphasize ***transparency & accountability*** in the budget process.
- ***Promote financial stewardship and sustainability*** by examining pathways to offset growing costs through reinventing structures and ensuring responsible management.
- ***Simplify*** revenue and cost allocation methodologies.
- Encourage ***interdisciplinary collaboration***.
- ***Optimize*** the delivery of business and related essential administrative services through an institution-wide commitment to customer service, best practices, and organizational efficiency and effectiveness.
- ***Consider high-impact practices and student success factors*** beyond enrollment data to improve retention and graduation rates.
- ***Minimize negative duplication and competition*** between colleges and administrative units.
- Offer adequate ***communication*** intervals to stakeholders with information about proposed budget model revisions, with appropriate opportunities to provide feedback for consideration by decision-makers before changes are implemented.
- Provide understandable links between resource allocation and revenue generation with ***rules that are predictable, clear and consistently applied***.
- Produce a set of ***reliable, understandable data, planning forecasts and performance reports***.

APPENDIX A. STATE FUNDED SALARY POOLS BY EMPLOYEE GROUP¹¹

Administrative Units	Acad Prof & Open Rg¹²	Fac Non-Union¹³	Faculty Union	Civil Svc & Other Union	TOTAL
Chancellor	41,274	24,720	0	4,037	\$ 70,031
Intercollegiate Athletics	33,250	0	0	3,917	\$ 37,167
Office for Access and Equity	46,545	0	0	4,296	\$ 50,841
VC for Advancement	136,965	0	0	15,138	\$ 152,103
Provost & VC Acad Affairs	19,079	22,000	0	4,320	\$ 45,399
Social Justice Initiative	7,500	0	0	0	\$ 7,500
Strategic Mktg & Comm	48,692	0	0	2,206	\$ 50,898
Technology Solutions	151,058	0	0	127,788	\$ 278,846
VC Budget HR & Fin Admin	262,940	0	0	24,428	\$ 287,368
VC for Health Affairs	82,839	30,690	0	5,481	\$ 119,010
Community Health	2,800				\$ 2,800
VC Administrative Svcs	233,103	0	0	1,093,654	\$ 1,326,757
VC Diversity, Equity & Engmt	74,255	9,064	0	30,389	\$ 113,708
VC Student Affairs	85,863	0	0	43,232	\$ 129,095
Campus Auxiliary Services	10,489				\$ 10,489
VC for Innovation	51,910	0	0	2,142	\$ 54,052
Innovation Center	24,620				\$ 24,620
VC for Research	321,989	25,412	0	40,160	\$ 387,561
VP Faculty Affairs	69,757	6,183	0	17,739	\$ 93,679
VP Acad & Enrollment Svcs	167,303	0	0	91,418	\$ 258,721
VP for Global Engagement	39,700	9,634	34,705	6,663	\$ 90,702
VP UG Affrs & Acad Prgms	119,033	7,915	659	11,081	\$ 138,688
Armed Forces (ROTC)	2,040				\$ 2,040
Totals	2,033,004	135,618	35,364	\$1,528,089	\$ 3,732,075

¹¹ These amounts should not be confused with the recurring state budget allocation that will be 50% of the total pool.¹² May exclude administrators with faculty appointments.¹³ May include administrators with faculty appointments.

APPENDIX A. STATE FUNDED SALARY POOLS BY EMPLOYEE GROUP (Continued)

Colleges	Acad Prof & Open Rg¹²	Fac Non- Union¹³	Faculty Union	Civil Svc & Other Union	TOTAL
Applied Health Sciences	121,153	54,506	405,206	22,170	\$ 603,035
Architecture,Design,& the Arts	96,710	16,080	361,774	16,947	\$ 491,511
Business Administration	163,873	40,482	859,195	49,345	\$ 1,112,895
Coll Medicine at Chicago - BS	98,204	546,726	0	36,855	\$ 681,785
Coll Medicine at Chicago - CS	100,996	691,355	0	41,599	\$ 833,950
Coll of Med Office of the Dean	373,246	0	0	85,005	\$ 458,251
College of Medicine at Peoria	59,970	152,885	0	57,067	\$ 269,922
College of Medicine Rockford	93,104	143,791	0	70,735	\$ 307,630
Dentistry	98,070	618,893	0	75,642	\$ 792,605
Education	50,753	23,334	238,550	22,074	\$ 334,711
Engineering	170,753	50,715	1,005,759	53,110	\$ 1,280,337
Graduate College	35,336	0	3,441	3,611	\$ 42,388
Honors College	34,775	6,543	0	2,956	\$ 44,274
Liberal Arts & Sciences	393,317	61,536	2,137,576	127,967	\$ 2,720,396
Library	26,962	14,595	135,619	109,974	\$ 287,150
Nursing	88,982	22,453	319,033	62,156	\$ 492,624
Pharmacy	149,511	394,688	0	33,370	\$ 577,569
School of Public Health	180,683	23,381	234,516	33,049	\$ 471,629
Social Work	22,414	13,408	73,773	11,181	\$ 120,776
Urban Planning &Public Affairs	83,185	27,134	123,136	20,962	\$ 254,417
Totals	2,441,997	2,902,505	5,897,578	935,775	12,177,855
Grand Totals	4,475,001	3,038,123	5,932,942	2,463,863	15,909,929
				50% =	\$ 7,954,965

APPENDIX B - REVISED**CASH ALLOCATIONS FOR ADMINISTRATIVE UNITS PARTIAL YEAR SALARY COSTS
(STATE FUNDS)**

ADMINISTRATIVE UNITS	50% State Approp Recurring Budget Allocation	FY23 Cash Allocation (75% of Recurring Budget Increase)
Chancellor	\$35,015	\$26,261
Office of Access & Equity	\$25,421	\$19,066
Intercollegiate Athletics	\$18,583	\$13,937
VC Advancement	\$76,051	\$57,038
VC Strategic Mktg & Comm	\$25,449	\$19,087
VC Innovation	\$27,026	\$20,270
VCI Innovation Center	\$12,310	\$9,233
VCI Tech Solutions	\$139,423	\$104,567
VC Budget HR & Fin Admin	\$143,684	\$107,763
VC Diversity Eqty & Engmt	\$56,854	\$42,641
VC Health Affairs	\$59,505	\$44,629
Community Health	\$1,400	\$1,050
VC Administrative Svcs	\$663,378	\$497,534
VC Research	\$193,780	\$145,335
VC Student Affairs	\$64,547	\$48,410
Campus Auxiliary Svcs	\$5,245	\$3,934
Provost & VC Acad Affairs	\$22,700	\$17,025
Social Justice Initiative	\$3,750	\$2,813
Graduate College	\$21,194	\$15,896
Library	\$143,575	\$107,681
VP Acad & Enrlmt Svcs	\$129,360	\$97,020
VP Faculty Affairs	\$46,840	\$35,130
VP Global Engagement	\$45,351	\$34,013
VP UG Affrs & Acad Pgms	\$69,344	\$52,008
Armed Forces (ROTC)	\$1,020	\$765
TOTAL	\$2,030,807	\$1,523,104

APPENDIX C: Student Fee Allocation Summary for FY 2023

UNIT	General Fee	Service Fee	Health Fee	TOTAL
Athletics - Athletics Facility	\$725,050	\$-	\$-	\$725,050
Athletics - Operating	265,809	6,277,437	-	6,543,246
Athletics - Scholarship Account	-	2,434,562	-	2,434,562
Campus Housing	3,361,174	-	-	3,361,174
Graduate Student Council	3,500	127,661	-	131,161
Health Professions Student Council	3,594	123,038	-	126,632
ISAC (UIC Grant)**	2,884,950	-	-	2,884,950
Pavilion	1,326,197	-	-	1,326,197
Student Affairs - Peoria COM	8,458	354,083	-	362,541
Student Affairs - Peoria CON	2,197	83,193	-	85,390
Student Affairs - Quad Cities	1,740	56,562	-	58,302
Student Affairs - Rockford COM	10,389	396,590	-	406,979
Student Affairs - Rockford CON	1,879	75,731	-	77,610
Student Affairs - Rockford PHARM	4,693	164,435	-	169,128
Student Centers - Operations	15,820,666	2,954,540	-	18,775,206
Student Centers-Dining	-	99,075	-	99,075
Student Centers-Meeting & Conferences	-	58,471	-	58,471
Student Centers-Forum	2,550,528	237,455	-	2,787,983
Student Centers-Recreations	3,437,376	3,207,214	-	6,644,590
Student Centers-Programs	-	1,890,328	-	1,890,328
Student Centers - SSB Staff Support	-	451,514	-	451,514
VCSA - Student Affairs Support	8,842	287,967	-	296,809
Student Development Services	9,759	369,116	-	378,875
Student Legal / Ombudsperson	11,581	422,343	-	433,924
UI Student BOT Member	376	12,183	-	12,559
Undergrad Student Government	3,779	123,097	-	126,876
Chicago Counseling Service	-	-	2,526,679	2,526,679
Family Med Chicago (Amount is fixed)	-	-	2,500,000	2,500,000
Peoria Counseling Service	-	-	115,130	115,130
Peoria Health Service	-	-	95,377	95,377
Pharmacy	-	-	360,741	360,741
Rockford Counseling Service	-	-	228,085	228,085
Rockford Health Service	-	-	173,284	173,284
Wellness Center	-	-	288,139	288,139
Contribution to Bad Debt	65,471	42,496	-	107,967
Contribution to Contingency	834,067	342,961	393,653	1,570,681
UIC Law	Revenues Collected Directly			
TOTALS	\$31,342,075	\$20,592,052	\$6,681,089	\$58,615,216

*Equivalent Full-time Student Payers - Computed Annualized FTE enrollment for fall, spring and summer

APPENDIX D: ESCROW REPAYMENT SCHEDULE

College/Unit	FY17 Escrow Amount	FY18 - FY22 Payment Total	FY 23 Payment	FY 24 Payment	FY 25 Payment
Applied Health Sciences	2,759,904	2,034,377	241,842	241,842	241,842
Dentistry	1,553,193	1,144,888	136,102	136,102	136,102
Medicine	7,351,655	5,437,839	655,675	655,675	655,675
Nursing	2,640,021	1,946,009	231,337	231,337	231,337
Pharmacy	10,118,228	7,458,337	886,631	886,631	886,631
Public Health	2,616,615	1,928,756	229,286	229,286	229,286
Social Work	1,069,683	788,484	93,733	93,733	93,733
VCHA	6,305	6,305	0	0	0
VCHA Totals	28,115,604	20,744,993	2,474,607	2,474,607	2,474,607

College/Unit	FY17 Escrow Amount	FY18- FY22 Payment Total	FY 23 Payment	FY 24 Payment	FY 25 Payment
Business Admin	2,375,217	1,750,817	208,133	208,133	208,133
Education	1,948,836	1,436,524	170,771	170,771	170,771
Engineering	607,224	447,596	53,209	53,209	53,209
Honors College	301,254	222,060	26,398	26,398	26,398
Liberal Arts & Sciences	20,555,963	15,152,188	1,801,258	1,801,258	1,801,258
Urb Plng & Public Affs	1,353,116	997,407	118,569	118,569	118,569
Library	344,551	344,551	0	0	0
Graduate College	676,504	498,664	59,280	59,280	59,280
Provost	170,538	125,707	14,944	14,944	14,944
VP-Faculty Affairs	68,262	50,318	5,981	5,981	5,981
VP-Undergrad Affairs	323,654	219,891	34,588	34,588	34,588
VP-Global Engagement	35,891	27,857	2,678	2,678	2,678
VP-Acad Enrlmt Svcs	81,249	59,891	7,119	7,119	7,119
Provost Totals	28,842,259	21,333,472	2,502,929	2,502,929	2,502,929

College/Unit	FY17 Escrow Amount	FY18- FY21 Payment Total	FY 23 Payment	FY 24 Payment	FY 25 Payment
Chancellor*	1,066,580	806,822	86,586	86,586	86,586
Diversity	563,538	415,395	49,381	49,381	49,381
VC Admin Svcs	18,736	18,736	0	0	0
VC Innov: Tech Solns	279,887	206,310	24,526	24,526	24,526
VC Innov: Ext Campus	249,770	184,111	21,886	21,886	21,886
VC Research	2,330,611	1,717,937	204,224	204,224	204,224
VC Student Affairs	2,038,968	1,365,429	233,204	233,204	233,204
Chancellor Totals	6,548,091	4,714,739	619,807	619,807	619,807

*Includes BHRFA & SMC

APPENDIX E: HEERF Award & Expenditure Details

HEERF I: Coronavirus Aid, Relief & Economic Security (CARES) Act Awards			
Section (a)(1) Institutional Portion		\$ 14,937,295	
Section (a)(2) MSI Portion		\$ 2,328,674	
	TOTAL		\$ 17,265,969
<u>Use of Funds</u>			
Student Support, Financial Aid and Fee Reimbursements			
Housing reimbursements		\$ 5,043,267	
Meal plan reimbursements		\$ 1,447,215	
Spring 20 Service fee reimbursement		\$ 4,266,156	
Fall 20 Service fee reimbursement		\$ 1,458,289	
Student Financial Aid funding		\$ 2,328,674	
			\$ 14,543,601
Instruction and Technology			
Hardware, Software & Library Mtls		\$ 631,553	
CourseBuilders Training (ION)		\$ 105,600	
CourseBuilders TA (+benefits)		\$ 941,742	
Faculty Stipends (+benefits) in support of asynch course conversion		\$ 1,043,473	
			\$ 2,722,368
	TOTAL		\$ 17,265,969

HEERF II: Coronavirus Response & Supplemental Appropriations Act Award Amounts		
	Section (a)(1) Institutional Portion	\$ 31,992,784
	Section (a)(2) MSI Portion	\$ 3,214,442
		\$ 35,207,226
Use of Funds		
Student Support, Financial Aid and Fee Reimbursements		
	CBA Student Scholarships	\$ 420,862
	Fall 20 Service fee reimbursement	\$ 2,426,710
	Spg 20 Service fee reimbursement	\$ 3,600,860
	Student Financial Aid funding	\$ 2,793,442
		\$ 9,241,874
Instruction and Technology		
	Hardware, Software & Classroom Retrofits	\$ 1,224,119
	ZOOM License	\$ 100,000
	IT Student Worker Support	\$ 205,000
	CourseBuilders Training (ION)	\$ 3,000
	CourseBuilders TA (+benefits)	\$ 274,901
		\$ 1,807,020
Safety and Operations		
	Contact Tracing	\$ 430,422
	Contact Tracing	\$ 358,480
	Immuware Software	\$ 34,632
	UIC PPE, water testing, HVAC related contracted services	\$ 1,427,723
	Athletics PPE, signage, foot pedals for water	\$ 31,436
	PPE Supplies for BRL	\$ 179,439
	UIC Signage, water testing, PPE, HVAC assessment work	\$ 1,969,957
		\$ 4,432,090
Lost Revenues		
	Student Union	\$ 6,793,066
	Athletics Facility Rentals	\$ 650,155
	CBA Academic Lost Tuition	\$ 832,200
	Engineering Academic Lost Tuition	\$ 1,568,088
	CUPPA Academic Lost Tuition	\$ 731,738
	Parking	\$ 7,130,113
		\$ 17,705,360
F&A Recovery at 36% for eligible expenditures		\$ 2,020,882
	TOTAL	\$ 35,207,226

HEERF III: American Rescue Plan (ARP)				
	Section (a)(1) Institutional Portion	\$	41,391,280	
	Section (a)(2) MSI Portion	\$	<u>5,493,628</u>	
				\$ 46,884,908
<u>Use of Funds</u>				
Student Support and Financial Aid Related				
	Housing Grants to Students	\$	2,040,000	
	Emergency Grants for Students	\$	88,000	
	EDUC Student Scholarships	\$	53,880	
	CBA Student Scholarships	\$	400,000	
	Financial Aid to Students	\$	2,970,406	
				\$ 5,552,286
Instruction and Technology				
	FY2021-1233 Rev #2	\$	3,826,657	
	Student Laptops & Hotspots	\$	1,311,300	
				\$ 5,137,957
COVID Response (Safety & Operations)				
	COVID Testing	\$	930,001	
	Immuware Software Renewal	\$	34,632	
	HVAC Airflow Improvements	\$	4,160,000	
	VCAS KN95 Masks	\$	60,000	
	PPE Etc	\$	42,445	
				\$ 5,227,078
Lost Revenues				
	Student Housing	\$	22,551,674	
	Parking	\$	300,000	
	Credit Union 1 Arena	\$	1,814,597	
	CADA Academic Lost Tuition	\$	40,230	
	LAS Academic Lost Tuition	\$	510,357	
	CADA Academic Lost Tuition	\$	44,011	
	EDUC Academic Lost Tuition	\$	79,088	
	VPGE Academic Lost Tuition	\$	495,037	
				\$ 25,834,994
Financial Aid Outreach				
	FY2021-1206	\$	21,391	
	FY2022-1210	\$	78,686	
				\$ 100,077
Pending Award				
				\$ 1,290,096
F&A Recovery at 36% for eligible expenditures				
				\$ 3,742,420
	TOTAL			\$ 46,884,908

Note: F&A Recovery funds from HEERF grants has been used to cover the cost of other COVID impacts.

APPENDIX F: FEMA

Unit	Award Amount
Administrative Services	\$6,388,884.24
Medicine Clinical Sciences	\$163,052.25
Mile Square Health Centers	\$104,137.91
Dentistry	\$72,919.10
Medicine Rockford	\$60,638.28
Biological Research Laboratory	\$28,861.52
Pharmacy	\$28,243.90
Athletics	\$26,182.44
UIC School of Law	\$25,831.72
Campus Auxiliaries	\$22,265.09
Medicine Administration	\$21,943.26
Medicine Peoria	\$20,697.96
Provost	\$20,050.31
Innovation	\$10,478.80
Division of Specialized Care for Children	\$5,995.76
Library	\$3,873.23
Applied Health Sciences	\$3,065.67
Nursing	\$2,643.11
UI Cancer Center	\$2,564.92
Engineering	\$2,096.88
Architecture, Design & the Arts	\$1,775.07
Research	\$1,442.07
Learning Sciences Research Institute	\$1,131.46
Student Affairs	\$917.49
Global Engagement	\$507.09
Health Affairs	\$359.95
Research Resource Center	\$263.20
Public & Government Affairs	\$32.49
Total Original Claim	7,020,855.17

APPENDIX G: GEER FUNDING

Strategy Description	Fund	Grant Award
Strategy 1: Student Past Due Balances	597294	\$ 2,904,730
Strategy 2: Accelerate Your Success	597289	230,000
Strategy 3: Student Success Coaching	597288	22,471
Strategy 4: Student Housing Grants	597293	2,161,983
Strategy 5: UIC Food Pantry	597287	110,470
Strategy 6: Chancellor's Undergrad Research Awards	597286	200,000
Strategy 7: Student Affairs Student Employment	597285	68,750
Strategy 8: VPAES Student Employment	597284	50,000
Strategy 9: Misc. Student Employment	597283	100,000
Strategy 10: PAP Scholars	597282	750,000
Strategy 11: First Year ITE Incentives	597290	335,000
Strategy 12: High Demand Courses	597271	104,300
Strategy 13: Student Laptops & Hotspots	597270	251,100
Strategy 14: Fin Aid Counselors	597281	25,837
Strategy 15: Counseling Center	597280	68,640
Strategy 16: Misc. Student Financial Assistance	597292	226,917
Strategy 17: Emergency Funding	597291	778,584
TOTAL		\$ 8,838,782

SECTION 2: SALARY GUIDELINES

I. General Salary Program Guidelines

On May 31, 2022, President Tim Killeen announced a 3.5% merit based salary program for AY 2022-2023. As a merit-based salary program, individual employees are not guaranteed any percentage increase, e.g. 3.5%, as this is not intended to be an across-the-board program. 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.

Each University was also asked to apply their own guidelines for separate programs to address compression, market, equity and retention issues. Information regarding those compensation aspects are addressed in section X.

II. Key Dates

Salary Planner Practice Extract Opened	05/4/2022
Salary Planner Practice Extract Deleted	06/14/2022
Salary Planner Final Scenario Opens	06/15/2022
Salary Program Guidelines and Merit Pools Provided to Units	06/16/2022
Salary Planner Academic, Open Range and Visiting AP Lockout Date	07/22/2022 @ 5:00 pm
MN 9 Pay Date	09/16/2022
BW 19 Pay Date	09/14/2022
Notice of Appointment (NOA) Issued by BOT	09/24/2022

III. 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 22, 2022**. At that time, data entry will be locked, and no further edits can be made. This deadline is critical to assure 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 employee and faculty salary increases is August 16, 2022, and August 21, 2022, for open range civil services employees.

IV. Salary Rates and Increases for Union Represented Employees

- A. Salaries for employees represented by a collective bargaining agreement are set in accordance with the terms of their respective union contracts.
- B. All current labor agreements are available at the following link on the UIC HR website: <https://hr.uic.edu/hr-staff-managers/labor-employee-relations/labor-agreements/>
- C. **Employees represented by a bargaining unit that is currently undergoing labor contract negotiations will not receive any wage increases until those contracts are ratified.**
- D. 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.
- E. Questions regarding salary rates for represented civil service employees should be directed to UIC HR Compensation at jrailey@uic.edu.

V. Salary Increases for Represented Faculty

The Tenure Track Faculty contract and the Non-Tenure Faculty contract expire on August 15, 2022, and we are engaged in ongoing contract negotiations with the union. Upon conclusion of the contract negotiations UIC HR will advise any changes in terms that would affect faculty wages.

Increases based on the UIC Promotion and Tenure process, Faculty awards, counter-offers and other pre-approved changes as of May 15, 2022 will be allowed. These also may include College-level approved promotions from Lecturer/Instructor to Senior Lecturer/Instructor.

VI. Salary Increases for Faculty Not Represented by a Bargaining Unit

Faculty that are not represented by a bargaining unit are eligible for merit increases. At the discretion of the college dean, pay adjustments to address compression and equity concerns are optional if such circumstances may dictate, but are not required on an individual basis. All such increases for this group of employees must be entered into Salary Planner by the aforementioned deadlines.

VII. Employees Not Eligible for Salary Increases

The following employees are not eligible for merit salary increases:

- New hire effective on or after 4/1/2022 or individuals who have been newly appointed to a different position with a pay increase;
- Employee received a significant off-cycle pay increase effective 4/1/2022, or after, e.g. 8% or greater;
- Employees who are separating (documented);
- Re-employed retirees (if at SURS threshold) except those hired via an open search process unless otherwise specifically provided by a collective bargaining agreement

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

VIII. 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, associate chancellor or vice provost.

IX. Employees Eligible for a Salary Increase in Salary Planner

The following employees eligible for salary increases must be processed in Salary Planner:

- Academic Professional (visiting and permanent)
- Civil Service Open Range
- Postdoctoral Research Associate
- Faculty not represented by a bargaining unit
- Faculty promotions approved by the Board of Trustees, college-level approved promotions from Lecturer/Instructor to Senior Lecturer/Instructor (lists of these individuals should have already been provided to Faculty Affairs), awards, counter-offers and other approved changes. Copies of written agreements must be submitted to uichrsalaryplanner@uillinois.edu by July 22, 2022 or these changes will not be included in the final upload.
- Rehired Retirees whose current salary is below the SURS threshold

X. Compression, Market, Equity and Retention

An additional pool of 0.5% is authorized to address employee compression, market, equity and/or retention (CEMR). In general, Vice Chancellors and college Deans should not exceed 4% in total funding (3.5% merit + 0.5% 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 4% must be validated.

The approval requirements outlined in Section XI must be followed regarding individual increases and the total pool.

To assist in determination of CEMR awards, the following definitions are provided:

- **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** - 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** – 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**– 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.

XI. Approval Requirements

- A. Pre-approval of the interim Chancellor, acting Provost or Vice Chancellor for Health Affairs (based on the reporting line of the Dean or Vice Chancellor) is required for the following:
 - Individual salary increases greater than 8%.
 - Salary increases for individuals hired on or after April 1, 2022.
 - Salary increases for individuals who have already received a 8% or greater pay increase effective April 1, 2022, or after, including those hired to a new position.
 - Open Range post-probationary increases that occurred during AY 2021-2022 that exceed 8%.
- B. Increases exceeding 8% for any RAMP administrator require interim Chancellor Reyes review and approval.
- C. 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 22, 2022. Approved exceptions should also be documented in the Salary Planner Comments.
- D. 0% increases do not need approval but require justification noted in the Salary Planner Comments box.
- E. Each dean or vice chancellor is responsible for authorizing salary awards within the 4% authorized pool. If a dean or vice chancellor wants to exceed that pool amount, they are required to certify sufficient funding is available to cover the recurring costs. This information should be provided to Janet Parker, Vice Chancellor, Budget, HR & Financial Administration.

XII. 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 (9/16/22 for Academic employees, and 9/14/22 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: 9/24/22).

XIII. 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.

XIV. Salary Minimums

- The new minimum salary for full-time Academic Professionals and Postdoctoral Research Associates is \$37,549 for 12-month service at 100% FTE.
- The Clinical/Research Hourly minimum will be \$18.05 per hour.
- All faculty salary minima will remain the same per contract.

XV. Student Employee Wage Plans

The minimum rates for student employees will increase by \$1.00 effective August 22, 2022. All current student employees will automatically be raised to the new minimum rates. The Office of Student Employment and Career Readiness plans to send out a communication with additional information in mid-July.

XVI. 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.

XVII. Graduate Employees Organization

The current minimum salary level for a 50% FTE, 9-month appointment is \$22,590. The Graduate Hourly rate minimum is \$28.96 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](#).

Continuing Graduate Assistants are entitled to the campus wage increase but not less than the minimum. Research Assistant salaries must be at least the minimum rate as for represented Graduate Assistants.