UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN SENATE

Committee on the Budget
2002-2003 Annual Report

The Senate Committee on the Budget studies the University and campus budgets, the criteria used to
determine allocation of resources at our campus, and the educational policy implications of budgetary
decision-making. The Committee makes recommendations on proposed budgetary increases, as well
as other matters that fall within its purview.

As the State of Illinois continues to experience the effects of a national downturn in the economy, this
has had a serious and substantial impact on the fiscal well-fare of the University of Illinois. We
commend the Chancellor and the Provost for keeping the campus community apprised of the
University’s financial outlook and for being a positive presence in light of the current situation.
Because of budgetary cutbacks, the FY03 budget was restructured and extensive internal reallocations
and reductions for FY04 will occur. At the writing of this report, neither the final outcome nor the full
magnitude and nature of these changes have been determined; however, they will be substantial.

As the negative economic trend is projected to continue, it impacts into planning for FY05. Thus, our
Committee has focused its discussions on how the campus could make best use of its resources, as
well as ways in which additional revenue might be generated. The Committee met on a monthly basis
during the fall semester and twice each month this spring. Our deliberations included input from
several guest participants: Professor Norm Denzin, Chair of the Senate Faculty Benefits Committee;
Mr. Stephen Rugg, Vice-President for Administration; Dr. Martha Moore, Interim Director of
Admissions and Records; Dr. Douglas Vinzant, Associate Vice-President for Planning and Budgeting;
and Provost Herman.

The Committee has examined potential ways of addressing the current funding situation for the
campus, particularly means for enhancing revenues and on scenarios that would modify and improve
utilization of the resources that the campus has in delivering our educational programs consistent with
our obligations to the State. We have addressed non-conventional approaches, more efficient use of
campus physical facilities, short-term scenarios that have an immediate impact on current deficits,
long-term scenarios that consider how to survive within the potential climate of slow economic
recovery, and likely coupled with continued loss of share of State revenues to Higher Education.
Although our examination of these is not complete, the Committee feels strongly that the long-term
funding fundamentals need careful examination involving all stakeholders.

As reported at the March 17 Senate meeting, our contention is that a solution that has not brought
along the full breadth of stakeholders is less likely to be successful than one that does. We applaud the
Chancellor and Provost in forming working groups that will incorporate a breadth of stakeholders. We
believe it is critical to ensure that both the short- and long-term aspects are fully considered. Further,
it appears to our Committee that this must incorporate long-range priorities that are seriously
considered and rigorously debated with the stakeholders, particularly the faculty. The current crisis
and a theme of shared sacrifice would benefit from faculty buy-in. This would include improved
communication and more faculty involvement in deliberative task forces. In this way we could create
an optimum system configuration and structure for long-term stability and strength of the campus and
the University.

COMMITTEE ON THE BUDGET

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