

## UPDATE ON FISCAL YEAR 2002 BUDGET DEVELOPMENT

**Submitted for:** Information.

**Summary:** Fiscal year 2002 public university requests for programmatic initiatives were submitted to the Board of Higher Education in July 2000, and institutions and agencies will submit their total requests in September.

In August, higher education institutions and agencies will submit reports describing the results they achieved in advancing each goal of *The Illinois Commitment* during the past year. These "Results Reports" will also identify each institution and agency's plans for implementing each goal in the coming year. A statewide analysis of the Results Reports, to be presented to the Board on December 12, will include a review of the progress made across the higher education system as well as those actions and measures that need to be strengthened. This statewide analysis and individual institution and agency reports will supplement the analyses and other activities integral to the budget development process.

The Board's staff will begin a series of meetings with campus and agency representatives in September to discuss fiscal year 2002 operations and grants and capital improvement budget requests. Staff will submit recommendations for fiscal year 2002 operations and grants and capital improvements to the Board for its consideration at its meeting on December 12.

**Action Requested:** None.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

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In February 1999, the Board of Higher Education formally adopted *The Illinois Commitment: Partnerships, Opportunities, and Excellence* which defines the public purposes for Illinois higher education as articulated by students, employers, citizens, and opinion leaders. *The Illinois Commitment* will guide statewide and campus decisions in setting priorities among academic and support programs and the allocation of new and reinvested resources. It also will serve as a framework for focusing statewide processes including program review and approval, budget development, information systems, and performance assessment.

In February 1999, the Board also endorsed *Refocusing Higher Education Budget Development*, establishing a new framework for Illinois higher education budget development. The framework establishes several new actions in the budget development process to improve the link between statewide goals and budget recommendations, better articulate budget priorities to institutions and agencies prior to the submission of budget requests, and assess the contributions and progress of higher education programs and services in achieving statewide goals.

In April 2000, the Board received *Setting a Context for Fiscal Year 2002 Budget Development* which articulated the Board's priorities for colleges, universities, and higher education agencies to consider in the development of institutional operations and grants and capital budget requests for fiscal year 2002. The priorities are based on the goals, results, and performance measures included in *The Illinois Commitment*.

It is within this integrated framework that higher education institutions and agencies are proceeding with fiscal year 2002 budget development – the goals and performance measures outlined in *The Illinois Commitment*, the budgetary processes established in *Refocusing Higher Education Budget Development*, and the funding priorities articulated in *Setting a Context for Fiscal Year 2002 Budget Development*.

Public university requests for programmatic initiatives were submitted to the Board of Higher Education in July 2000, and institutions and agencies will submit their total requests in September. Board staff will prepare a summary of all requests, and various analyses to support many of the budget priorities for fiscal year 2002. These analyses are an important component of statewide accountability, and include reviews of faculty and staff salaries, instructional costs, expenditure trends, available state and local revenues, etc. This year, Board staff also will consider performance measures identified by each institution and agency as part of each new funding request.

In August, higher education institutions and agencies will submit reports describing the results they achieved in advancing each goal of *The Illinois Commitment* during the past year. These "Results Reports" will also identify each institution and agency's plans for implementing each goal in the coming year. A statewide analysis of the Results Reports, to be presented to the Board on December 12, will include a review of the progress made across the higher education

system as well as those actions and measures that need to be strengthened. This statewide analysis and individual institution and agency reports will supplement the analyses and other activities integral to the budget development process.

The Board's staff will begin a series of meetings with campus and agency representatives in September to discuss fiscal year 2002 operations and grants and capital improvement budget requests. During these budget overview meetings, Board staff and institutional representatives will discuss ways to advance the goals of *The Illinois Commitment*, with particular focus placed on the following:

- ways to increase the number of baccalaureate completion programs in areas of high occupational demand, particularly those which employ Internet-based learning as a delivery strategy;
- reducing the shortage of information technology professionals by increasing the number of students who complete courses, certificates, and degrees in information technology programs;
- the programs and services needed to improve retention, persistence, and graduation rates;
- progress on reducing the deferred maintenance backlog; and
- progress on improving salary competitiveness through the "3+1+1" Initiative, and efforts related to the recruitment and retention of faculty and staff.

By the end of October, meetings will have been held with all public universities, the Illinois Community College System, the Illinois Student Assistance Commission, and the Illinois Mathematics and Science Academy. The Board also is seeking input on budget matters through its advisory committees and other organizations.

Staff will submit recommendations for fiscal year 2002 operations and grants and capital improvements to the Board for its consideration at its meeting on December 12.