

**ITEM RECOMMENDED FOR ACTION: EXPENDITURE RECOMMENDATIONS FOR
PURCHASES OF \$100,000 OR GREATER –
GRANT PROPOSAL DEVELOPMENT CONSULTING
SERVICES**

Project Background

The University uses a firm to provide grant proposal development consulting services to increase the university's ability to raise external funds. Over the last few years, the University has faced decreasing revenue due to decreasing enrollment affecting tuition and budget cuts impacting state appropriation. Although the University has a good grant record for its size, the University determined that it could increase the number of major grant submissions and enhance the preparation and competitiveness of grants submitted for external funding through the services of a grant consulting firm.

Project Scope

The grant proposal development consulting services firm will develop a three-year strategic matrix for funding that meets Northeastern's priorities and needs, set up meetings with program officers of granting agencies as necessary, write and coach, review and edit four proposals to granting agencies per year over the next three years and provide technical assistance and support for up to eight others per year. In the renewal term, the same process will be implemented. The estimated return on the investment is approximately \$20 Million in grant awards to the University over the 6 years. Their Washington DC location is critical given strong relationships with federal granting agencies and program officers are extremely important. In addition, granting agencies often hold meetings on short notice regarding upcoming grant specifics and McAllister & Quinn will send a representative for NEIU and report back.

Recommended Consultant

McAllister & Quinn, LLC is recommended as the grant proposal development consulting services firm based on their proven track record of delivering millions of dollars in external funding to their higher education clients through competitive grants. McAllister & Quinn, LLC has a strong understanding of grant consulting practices in higher education, broad experience working with higher education clients, and an in-depth understanding of the grant development process.

McAllister & Quinn, LLC was the only firm reviewed by a committee via the Request for Proposals (RFP) competitive sealed process. The fee for the professional services has been negotiated, and upon Board approval a three-year contract with three one-year renewal options with McAllister & Quinn, LLC will commence on July 1, 2021 and will expire on June 30, 2024. The renewal term will commence on July 1, 2024 and will expire on July 30, 2027. The contract also includes 20% BEP participation with Maberry Consulting Services, LLC.

Project Cost

Years one, two and three:	\$114,000 per year
Cost of Initial Term:	\$342,000
Years four, five and six:	\$119,700 per year
Cost of Renewal Terms:	\$359,100
Total Cost:	Up to \$701,100 for six years

Source of Funds

Indirect Costs
State General Fund, Provost Projects

Recommended Consultant

McAllister & Quinn, LLC
1030 15th Street NW Ste 590W
Washington, DC 20005

Recommended Action

I request that the Board approve expenditures of up to \$701,100 for six years for the purchase of grant proposal development consulting services from McAllister & Quinn, LLC.

**ITEM RECOMMENDED FOR ACTION: PURCHASES OF \$100,000 OR MORE –
TOUCHNET E-PAYMENT SERVICES**

Project Background

TouchNet Information Systems, Inc.: The original 10-year agreement obtained via RFP from TouchNet Information Systems, Inc. expired on August 31, 2015. A Sole Source Justification for continued service with TouchNet Information Systems, Inc. for e-payment services was submitted to the State of Illinois Chief Procurement Office in 2015. At the June 18, 2015 meeting, the Board was informed that the Sole Source Agreement had been approved and would serve for six years expiring on June 30, 2021.

Project Scope

Northeastern Illinois University requires an e-commerce solution across campus and has utilized TouchNet Information Systems, Inc. Ellucian Banner is Northeastern's current Enterprise Resource Planning (ERP) system. TouchNet and Ellucian have formed a strategic partnership. The strategic partnership provides seamless technical integration between TouchNet and Banner, which eliminates coding modifications or custom programming by the University's IT staff. The partnership also provides Tier 1 level support, significantly minimizing any system downtime.

The strategic partnership between TouchNet and Banner provides real-time integration, resulting in a desired level of confidence in providing a safe and efficient e-commerce solution to Northeastern's students, faculty, staff and prospects.

TouchNet provides the following services to NEIU:

1. Payment Gateway Credit Card & ACH Engines (Box Office, Parking)
2. Bill+Payment Account Center
3. eRefunds, Payment client (Tuition & Recruiter)
4. Marketplace uPay, MarketPlace uStores.

Northeastern strongly believes that staying with TouchNet is in the best interest of the University and the only economically feasible source available to Northeastern at this time.

Considerations

The current contract expires on June 30, 2021. The University sought and received approval on April 19, 2021 from the State's Chief Procurement Officer of Higher Education (CPO) for the e-payment services as a Sole Source procurement. The procurement was approved based on economic feasibility and the CPO granted Northeastern a two-year extension with TouchNet through June 30, 2023.

Recommended Vendor

Touchnet Information Systems, Inc.
9801 Renner Blvd. Suite 150
Lenexa, KS 66219

Project Cost

Year 1: Not to Exceed \$164,400.00
Year 2: Not to Exceed \$180,840.00

Source of Funds

Technology Initiative

Recommended Action

I request that the Board approve expenditures of up to \$346,000.00 for two years for the purchase of e-payment services from TouchNet Information Systems, Inc.

ITEM RECOMMENDED FOR ACTION: APPROVAL OF PRELIMINARY FY2022 OPERATING BUDGET

Overview

The Northeastern Illinois University Board of Trustees is asked to approve the University operating budget that represents preliminary estimated spending plans for the upcoming fiscal year beginning on July 1, 2021 and will be asked to approve the final Fiscal Year 2022 (FY2022) detailed budget at its September 2021 Board meeting.

In August 2003 the Illinois Board of Higher Education (IBHE) adopted Recommended Actions to Expand and Enhance Public University Annual Operating Budget Review, Approval and Oversight. Actions included a requirement that each public university adopt a "preliminary/estimated spending plan" prior to July 1 that includes:

- funding sources reported by, at a minimum, State-appropriated funds, University income funds, and all other non-appropriated funds, and
- expenditures by object of expenditure (e.g., personal services, contractual services, equipment).

This report provides the information required by the IBHE for the FY2022 internal budget.

The University's unrestricted operating budget is comprised of two main sources of funds – state general funds appropriations (approximately 39 percent of operating revenues) and university income funds, mostly tuition (approximately 61 percent of operating revenues).

At the September 2021 Board meeting a final detailed budget for FY2022 will be presented for approval.

State appropriation

In FY2021, the University received an appropriation of \$35,566,900. In February 2021, the Governor presented a budget plan that called for the same level of funding, \$35,566,900, for FY2022. The final appropriation amount is still subject to approval by the state legislature and the University continues to monitor the state budget process. The preliminary budget presented here is based on a level appropriation for FY2022.

Over the next few weeks, as fall enrollments materialize, the final budget will consider any known changes to state funding and tuition revenues and high priority spending needs.

Income fund

The unrestricted operating budget reflects the tuition and fee rates adopted by the Board in November 2020 for FY2022, and enrollment projections developed internally by the University.

The preliminary FY2021 budget was developed at the beginning of the COVID-19 pandemic, a period of considerable uncertainty around enrollments in higher education. Enrollment trends for the Summer 2020 and Fall 2020 semesters were lagging significantly behind historical trends, and ultimately the University developed a budget based on a projected 10% enrollment decline. In fact, the decline in enrollment has been much smaller than the worst-case projections that were considered and FY2021 will likely see credit hour enrollment decline by just 4%.

ITEM RECOMMENDED FOR ACTION: APPROVAL OF PRELIMINARY FY2022 OPERATING BUDGET

For FY2022, the University is projecting a decline in enrollment equal to 3.7% of student credit hours. Projections for new Freshmen, new Transfers, and new Graduate students are forecast at level to FY2021, and the projected decline in credit hours is due entirely to a decline in credit hours among continuing students. These declines are a result of relatively small incoming classes in recent years, relative to the larger cohorts that preceded them and are moving through graduation. Increasing retention rates have helped offset some of this decline.

With these enrollment projections and the approved tuition rates, tuition revenue for FY2022 is projected at \$54,260,900. This represents an 8.5% increase from the FY2021 budgeted tuition revenues, due primarily to the fact that realized enrollment in FY2021 exceeded budgeted levels, and also due to the tuition increase and a more favorable tuition mix as graduate student enrollment continues to grow.

Other income is projected to decline to \$400,000 in FY2022, from an FY2021 budget of \$1,320,000. This reflects projected declines in interest income due to declining market interest rates and a loss in one-time COVID-related funding that had been allocated to lost tuition revenue in FY2021.

Restricted operating funds

In addition to the unrestricted operating budget, this preliminary plan includes forecasts for the restricted operating budget, which includes student fee programs, auxiliary services, indirect costs and grant sources. The restricted operating budget includes expenditures from revenue sources that are restricted either by an external requirement or by internal accounting policy. Preliminary student fee program budgets reflect the fee rates as approved by the Board of Trustees in November 2020. These restricted operating funds are projected to total \$64,955,400 in FY2022.

During FY2021, the University received substantial federal support from several federal and state programs related to the COVID-19 pandemic. This funding allowed the University to cover expenses and recoup lost revenue related to the pandemic under the terms of these grant agreements. This budget anticipates that \$4,000,000 in COVID-19 related aid awarded during FY2021 will be expended during FY2022 for grants that cross the University's fiscal year reporting period. The University continues to monitor federal and state funding programs and seek available sources of support, as well as to evaluate how existing and potential new funds will impact the FY2022 budget.

The total preliminary FY2022 budget is summarized in Table 1. Resources available for operating purposes in FY2022 are estimated at \$155,183,300, an increase of \$1,237,500, or 0.8 percent, from the FY2021 budget.

President's Report to the Finance, Buildings and Grounds Committee of the
Board of Trustees of Northeastern Illinois University
May 17, 2021

ITEM RECOMMENDED FOR ACTION: APPROVAL OF PRELIMINARY FY2022 OPERATING BUDGET

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2022 Preliminary Operating Budget
(with comparable data provided for Fiscal Year 2021)

	FY2021 Budget	FY2022 Preliminary Budget	Annual Change	
			Dollar	Percent
<u>Unrestricted Operating Budget</u>				
State General Funds Appropriations	\$ 35,566,900	\$ 35,566,900	\$ -	- %
University Income Fund - Tuition	49,346,700	53,568,900	4,222,200	8.6
University Income Fund - Tuition Differential	643,000	692,000	49,000	7.6
University Income Fund - Other	1,320,000	400,000	(920,000)	(69.7)
<i>Unrestricted Operating Budget</i>	\$ 86,876,600	\$ 90,227,800	\$ 3,351,200	3.9 %
<u>Restricted Operating Budget</u>				
Student Fee Programs	\$ 8,946,500	\$ 9,001,100	\$ 54,600	0.6 %
Sales & Services	2,925,400	2,817,100	(108,300)	(3.7)
Auxiliary Services	4,011,800	3,977,900	(33,900)	(0.8)
Indirect Costs Recovery	2,221,100	2,138,900	(82,200)	(3.7)
Grants & Contracts-Education	600,000	600,000	-	-
State and Local Grants & Contracts	8,800,000	12,704,400	3,904,400	44.4
Federal Grants & Contracts*	39,064,300	32,926,000	(6,138,300)	(15.7)
Private Grants & Contracts	500,000	790,000	290,000	58.0
<i>Restricted Operating Budget</i>	\$ 67,069,100	\$ 64,955,400	\$ (2,113,700)	(3.2) %
Total Operating Budget	\$ 153,945,700	\$ 155,183,200	\$ 1,237,500	0.8 %

* Includes \$4,000,000 estimated carryover of FY2021 COVID-related awards

**ITEM RECOMMENDED FOR ACTION: APPROVAL OF PRELIMINARY FY2022 OPERATING
BUDGET**

Expenditure Requirements

In September 2020, the Board approved an unrestricted request budget for Northeastern of \$92,304,100 for the current year. This budget included projected salary and cost increases of \$2,500,000 and the University Planning and Budget Council's (UPBC) recommended strategic initiatives of \$2,927,500. This compares to a revenue projection, outlined above, of \$90,227,800.

Beginning in the summer of 2020, the University embarked on a process of identifying revenue and cost efficiencies in anticipation of a significant budget gap for FY2022 as the pandemic continued and the State indicated the need to prepare for as much as a 10% decline in the appropriation. Fortunately, these downside risks appear to have lessened. However, this process, which engaged the university community through shared governance, produced recommendations for cost-saving and revenue enhancement that have informed this FY2022 budget and allowed us to close the funding gap that remained.

Through this process, the University is able to present a plan with expenditures balanced to anticipated revenues. Table 2, below, as required by the IBHE, provides estimated proposed expenditures by functional category (e.g., instruction, organized research) and object category (e.g., personal services, travel) by source of funds. Final categorical expenses will be provided in September when the final budget is presented for approval.

It is requested that the Board of Trustees approve the FY2021 preliminary budget as presented in Tables 1 and 2 and discussed above.

**ITEM RECOMMENDED FOR ACTION: APPROVAL OF PRELIMINARY FY2022 OPERATING
BUDGET**

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2022 Preliminary Operating Budget
by Function and Line Item

<u>Functional Categories</u>	Unrestricted Operating Budget (State and Tuition)	Restricted Operating Budget	Total
Instruction	\$ 51,151,900	\$ 8,638,200	\$ 59,790,100
Organized Research	121,700	1,831,700	1,953,400
Public Service	739,800	15,176,800	15,916,600
Academic Support	6,406,100	2,584,400	8,990,500
Student Services	3,950,500	26,690,900	30,641,400
Institutional Support	13,532,500	1,787,400	15,319,900
Operations and Maintenance	12,197,700	3,269,800	15,467,500
Independent Operations	-	4,976,200	4,976,200
Benefits/Social Security/Medicare	1,005,000	-	1,005,000
Health Insurance Reserve Fund	1,122,600	-	1,122,600
Total	\$ 90,227,800	\$ 64,955,400	\$ 155,183,200

<u>Line Item Categories</u>	General Operating Fund (State and Tuition)	Restricted Funds	Total
Personal Services	\$ 69,251,100	\$ 14,835,500	\$ 84,086,600
Contractual Services	13,113,300	16,236,200	29,349,500
Travel	188,300	255,200	443,500
Commodities	840,300	888,000	1,728,300
Equipment	866,300	658,700	1,525,000
Telecommunications	236,300	62,500	298,800
Awards/Grants/Tuition Waivers	1,322,000	23,800,000	25,122,000
Permanent Improvements	49,600	124,800	174,400
Benefits/Social Security/Medicare	1,005,000	3,604,600	4,609,600
Health Insurance Reserve Fund	1,122,600	-	1,122,600
Indirect Costs	-	2,138,900	2,138,900
Other/Transfer Out (Debt Service)	2,233,000	2,351,000	4,584,000
Total	\$ 90,227,800	\$ 64,955,400	\$ 155,183,200

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

Introduction

Each year, the Board of Trustees of Northeastern Illinois University is required to adopt an operating and capital budget request and submit that request to the Illinois Board of Higher Education (IBHE). This preliminary report is being presented as an information item. A final request will be presented to the Board of Trustees as an item for review, discussion, and approval at the September 2021 Board meeting. After Board approval, the request will be submitted to the IBHE before its deadline of October 15.

This FY2023 Unrestricted Operating Budget request presented to the Board of Trustees acknowledges the current financial constraints in the State of Illinois, as well as the fiscal and public health concerns surrounding the ongoing COVID-19 pandemic. This budget is intended to advance the strategic goals developed by the University community and endorsed by the Board. This budget request includes funding for new and continuing items that address the strategic initiatives identified by the University community and support our Strategic Goals and Action Steps.

The University continues to incorporate strategic planning and shared governance into budget development. The University Planning and Budget Council (UPBC) is the Board-recognized governance body for providing input and counsel to the University administration in the planning, development, and implementation of the University budget. The UPBC has two elected representatives from each of the academic colleges, one faculty member from the Library, the current NEIU faculty representative on the IBHE Faculty Advisory Council, two representatives from the Administrative and Professional Council, two from the Civil Service Council, two students appointed by the Student Government Association, and one dean chosen by the Provost's Deans Council. A UPBC chair having a three-year appointment is selected. Also, the University President, the Vice President for Finance and Administration, and the Executive Director of University Budgets are ex-officio members.

This FY2023 request budget reflects structural and strategic initiatives identified by the UPBC. During FY2021, the UPBC adjusted its usual procedure of reviewing the deployment of strategic funds and directed its attention toward the structural challenges that faced the University in the early days of the /COVID-19 pandemic. The UPBC considered and evaluated a number of proposals aimed at addressing an anticipated budget gap and made several recommendations to improve the University's budget balance. This budget reflects the results of those recommendations, as well as strategic initiatives previously identified by the UPBC but not previously funded.

Overview of Operating and Capital Budget Requests

The budget requests brought before the Northeastern Illinois University Board of Trustees and summarized in this report are FY2023 requests, for the year beginning July 1, 2022 and ending June 30, 2023.

The FY2023 Unrestricted Operating Budget request is based upon the FY2022 Unrestricted Operating Budget for the University and the University's budget requests for new funding for FY2023. Included in the Unrestricted Operating Budget are State-appropriated funds and the University Income Fund, which is established by State statute to account for student tuition and certain fee revenue. The total of State appropriations and University Income Fund revenues represents the University's Unrestricted Operating Budget. Developing the Unrestricted Operating Budget request requires a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students.

In the current year (FY2021) budget, the State appropriation comprised only 41 percent, while tuition and other local revenues comprised 59 percent.

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

This budget request includes moderate funding requests for salary and cost increases, and the strategic planning initiatives reviewed by the University Planning and Budget Council. These are the University's highest priorities. The total of State appropriations and University Income Fund revenues represents the Unrestricted Operating Budget request that requires Board of Trustees approval and will be sent, following approval, to the Illinois Board of Higher Education for consideration.

The following summarizes the budget information provided in this report.

FY2023 Budget Development Schedule Table 1 provides a schedule of the budget development process. The Board of Trustees will receive the initial FY2023 budget request in September, 2021, and the Board is scheduled to take action on the University's FY2023 preliminary Operating Budget in June, 2022 and on the FY2023 final Operating Budget in September, 2022.

Strategic Goals The Strategic Plan was refreshed, and then endorsed by the Board of Trustees in February, 2015. The Strategic Goals in that Plan provide the framework for identifying University action steps, tasks, and specific strategic planning initiatives.

Operations The University's Unrestricted Operating Budget request for FY2023 is summarized in Table 2 and additional information supporting the request is provided in this report. Table 3 summarizes the requests for salary and cost increases. Table 4 summarizes the recommended priority strategic planning initiatives for FY2023. These represent the highest University priorities.

Capital Improvements Table 5 summarizes the FY2023 requests for capital improvements. Capital requests are discussed in the two broad categories used by the Illinois Board of Higher Education to classify state-funded projects – Regular Capital projects and Capital Renewal projects. Regular Capital projects include requests for new construction or significant remodeling or renovation. These projects typically provide new space or provide a significantly different use for remodeled space. Capital Renewal projects are of a lesser scope than Regular Capital projects. They include the remodeling or renovation of space, infrastructure renewal, and improvement projects that address deferred maintenance.

The capital requests were developed using the FY2023 cost factors provided by the Illinois Capital Development Board. The Illinois Board of Higher Education and the Capital Development Board recognize the differences in construction costs among the various locales in Illinois, most notably Chicago. The two boards approved higher construction cost standards for certain areas of the state where labor and material costs are significantly greater than other areas of the state. As a result, for Northeastern, higher and more accurate cost figures are used to develop the capital requests.

Table 1
FY2023 BUDGET DEVELOPMENT SCHEDULE
FY2023 begins on July 1, 2022 and ends on June 30, 2023
(Development schedule is subject to change)

August 2020 First University-wide Budget Town Hall. Begin UPBC planning process, including UPBC review of budget-related proposals with recommendations to the President.

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

May 2021	Fifth University-wide Budget Town Hall, review of UPBC proposals and recommendations for implementation in FY2022 budget and beyond. FY2023 operating and capital budget presented as Information Item at Finance, Building and Grounds committee
June 2021	FY2023 operating and capital budget presented as information item to Board of Trustees.
August 2021	Discussion of the FY2023 operating and capital budget requests by Finance, Building and Grounds Committee
September 2021	Discussion and approval of the FY2023 operating and capital budget requests by NEIU Board of Trustees Report to the Board of Trustees – Strategic Planning Update: FY2021 Work Plan Results and FY2022 Work Plans
October 2021	NEIU Board Finance Committee review and recommendation on FY2023 tuition and fee rates
November 2021	NEIU Board action on FY2022 tuition and fee rates
January 2022	Illinois Board of Higher Education action on FY2022 higher education operations, grants, and capital improvements recommendations
February 2022	Governor's FY2022 Budget Address
May 2022	General Assembly's action on FY2022 appropriations
June 2022	Governor's action on FY2022 appropriations NEIU Board of Trustees' action on preliminary FY2023 University Operating Budget
September 2022	NEIU Board of Trustees' action on final detailed FY2023 University Operating Budget

STRATEGIC GOALS

The University has identified six strategic goals that guide the budget planning process and implementation.

Strategic Goal One – Student Success

Advance student success from recruitment through graduation by engaging all members of the Northeastern community.

Strategic Goal Two – Academic Excellence and Innovation

Implement and support curricular and pedagogical best practices aligned with the mission of the institution, student needs, the standards of the disciplines, and career and civic engagement opportunities.

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Strategic Goal Three – Urban Leadership

Build upon Northeastern's tradition of community partnership and engagement by collaborating with educational, social service, governmental, philanthropic, and business organizations in Chicago and the region.

Strategic Goal Four – Exemplary Faculty and Staff

Invest in and support faculty and staff to foster a nationally recognized urban university and create a thriving work environment that makes Northeastern an employer of choice.

Strategic Goal Five – Enhanced University Operations

Improve operating efficiencies, physical and technological infrastructure and systems, and environmental sustainability in order to provide a supportive learning, teaching and working environment.

Strategic Goal Six – Fiscal Strength

Enhance Northeastern's financial position by diversifying revenue sources and by strengthening institutional relationships with donors, public and private entities, and alumni.

FY2022 OPERATING REQUEST

Developing the FY2023 Unrestricted Operating Budget request requires that the University reach a balance between the new and ongoing financial needs of the University with a reasonable expectation of support from the State of Illinois and our students. This budget includes modest funding requests for salary increases for collectively bargained and non-bargained employees, inflationary cost increases, and selected strategic initiatives recommended by the University Planning and Budget Council. These are the University's highest priorities.

The University also recognizes the need for adequate state funding to support instructional and support programs. Over the past few years, nearly all University departments have had their available spending reduced or held level to support faculty and staff salaries and unavoidable cost increases.

The University Unrestricted Operating Budget request for FY2023 totals \$95,685,500, an increase of \$5,457,700, or 6.0 percent, above the FY2022 Unrestricted Operating Budget base. The FY2023 Unrestricted Operating Budget request includes salary and cost increases totaling \$2,530,200, and requests of \$2,927,500 for priority strategic planning initiatives. Table 2 summarizes the Unrestricted Operating Budget request.

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

Table 2
FY2023 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

Base (FY2022 Budget)	\$ 90,227.8
Projected Salary and Cost Increases	2,530.2
Strategic Program Initiatives	2,927.5
FY2022 Operating Budget Request	\$ 95,685.5
Dollar Change From Previous Year	5,457.7
Percent Change From Previous Year	6.0%

Salary and Cost Increases

The request includes salary increases so that employee salaries remain competitive with market rates. The requests are summarized in Table 3 and include an estimated general salary increase of \$2,119,600 or 3.1 percent. The estimated increase is based on the University’s current collective bargaining agreements with a similar increase for non-negotiated staff any outstanding labor contracts.

Non-salary cost increases reflect a 1.9 percent increase based on the 2020 Higher Education Price Index Preliminary forecast (HEPI). This is the most recent data available.

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**Table 3
 FY2023 OPERATING BUDGET REQUEST
 SALARY AND COST INCREASES**

(in thousands of dollars)

	<u>FY2022 Base</u>	<u>FY2023 Increase</u>	
		<u>Amount</u>	<u>Percent</u>
Salary Increases	\$ 69,251.1	\$ 2,119.6	3.1%
Social Security/Medicare	1,005.0	31.2	3.1
Utilities			
Electricity	2,289.0	43.5	1.9
Natural Gas/Propane	415.0	7.9	1.9
Water/Sewer	44.0	0.8	1.9
Subtotal	2,748.0	52.2	
Library Books and Materials	465.0	8.8	1.9
All Other Operating Costs	16,758.7	318.4	1.9
Total	\$ 90,227.8	\$ 2,530.2	2.8%

Notes:

Other operating costs include such items as maintenance and service contracts, equipment for instructional and support programs, and general supplies.

Compensation increases are required by collective bargaining agreements and provided to non-negotiated employees.

Cost increases except for compensation are based upon the Higher Education Price Index (HEPI), most recent available data for existing inflation.

Strategic Planning Initiatives - Integrating Strategic Planning Into Budget Development

The budget recommendations presented to the Board again include the recommendations and priorities identified by the UPBC. The vice presidents submitted to the UPBC projects for their areas and outlined their proposed work plans for meeting those priorities. The UPBC then reviewed and discussed the project requests.

To support those recommendations, \$2,927,500 is included in this FY2022 operating budget request. Below is an overview of the strategic planning initiatives included in the FY2022 request budget request.

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

Table 4
FISCAL YEAR 2023
STRATEGIC PLANNING INITIATIVES REVIEWED BY THE UPBC

<u>Student Success</u>	<u>\$ 580,000</u>
Student Counseling - protocol services for after-hours	20,000
Diversity and Inclusion - signature event programming	20,000
Student Disability Services - hearing impaired accommodations	40,000
Improve first year college preparation through Summer Bridge	350,000
Online Center to support online certificates and programs	150,000
<u>Student Success, and Urban Leadership</u>	<u>\$ 731,500</u>
Interactive dimensional lettering	16,500
Semi-permanent street banners	65,000
Performance as education program	40,000
Data Specialist	85,000
External Campus Signage with Digital Messaging Screens	440,000
Immersive Virtual Campus Tours	85,000
<u>Student Success and Academic Excellence and Innovation</u>	<u>\$ 75,000</u>
Open Educational Resources	75,000
<u>Academic Excellence and Innovation</u>	<u>\$ 225,000</u>
Nursing Program Support	225,000
<u>Exemplary Faculty and Staff</u>	<u>\$ 80,000</u>
President/Provost Annual Faculty Institute	80,000
<u>Enhance University Operations</u>	<u>\$ 1,050,000</u>
Employee Applicant Tracking System	100,000
E-Procurement and Accounts Payable	150,000
Banner Disaster Recovery	150,000
Restore Deferred Maintenance	500,000
Replace BRG Boards (emergency notification system)	150,000
<u>Fiscal Strength</u>	<u>\$ 186,000</u>
Capital Campaign Development Officer	90,000
Alumni Relations Coordinator	50,000
Peer to Peer Fundraising Tool	6,000
Alumni Affinity Programming	30,000
Alumni Career Services and Resources Enhancements	10,000
Total	<u>\$ 2,927,500</u>

TUITION AND FEES

In November 2020, the Northeastern Board of Trustees adopted tuition and fee rates for FY2021, the academic year beginning in the fall of 2021. A set of tuition and fee recommendations for FY2022 will be

President's Report to the Finance, Buildings and Grounds Committee of the
Board of Trustees of Northeastern Illinois University
May 17, 2021

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

brought to the Board Finance Committee for discussion and to the Board for action at the November 2021 meeting of the Board of Trustees.

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

CAPITAL IMPROVEMENTS

Table 5 summarizes capital improvement requests for FY2023. Requested capital projects total \$310,178,100, with \$281,927,600 in Regular Capital projects and \$28,250,500 in Capital Renewal projects. The requests also include a priority number for each project, as requested by the Illinois Board of Higher Education.

**Table 5
 FISCAL YEAR 2023 REQUEST
 CAPITAL APPROPRIATIONS**

(in thousands of dollars)	<u>Priority</u>	<u>Estimated Project Cost</u>
REGULAR CAPITAL PROJECTS		\$ 281,927.6
Education Building, equipment	1	11,546.0
Mixed use facility	2	48,783.7
Science Building, planning	3	10,072.2
Science Building, construction	4	128,649.0
Science Building, equipment	5	21,280.0
Lech Walesa Hall, remodeling	6	17,173.7
Ronald Williams Library renovation	7	44,423.0
CAPITAL RENEWAL PROJECTS		\$ 28,250.5
Renovate E and F - One Stop Shop	1	10,803.3
Campus Roof Replacement	2	8,960.0
Lower Level Egress and Fire Separation	3	8,212.7
ADA Restrooms	4	3,285.1
Asbestos Abatement	5	3,285.1
Fume hoods	6	1,153.1
Building D and E exterior window wall, replacement	7	3,354.5
Masonry and Building Envelope, replacements	8	9,855.8
Five science lab renovations	9	5,343.9
Parking lot D replacement	10	2,064.6
TOTAL CAPITAL REQUESTS		\$ 310,178.1

Note: All projects reflect FY2023 Capital Development Board cost guidelines.

A. Regular Capital Projects

2023-1 Education Building, Equipment - \$11,546,000

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

This request is for funds to provide moveable equipment in the new Education Building, which is slated to be completed by January 2021. Equipment includes classroom and office furniture, computer laboratory equipment and furniture, and general supportive equipment for the academic departments and support services.

2023-2 Mixed Use Facility – \$48,783,715

NEIU is landlocked. The recent addition of the Student Residence and the upcoming Education Building, and future New Science Building will displace Building J, the Grounds Maintenance building, and reallocate the site of parking lots H and J. A mixed use facility is planned to house the Trades and Grounds departments and provide necessary parking.

The parking spaces that need to be added back into the site 950 spaces @ \$27,973 each. An additional \$5,379,500 is required for the mixed used facility.

2023-3 Science Building Planning - \$10,072,165
2023-4 Science Building Construction - \$128,649,015

This request is for planning funds through the preparation of bid documents for a new Science Building. Construction of a new Science Building is necessary to address the continuing growth, success, and pressing needs of the University. This project will permit Northeastern Illinois University to meet needs in the areas of teaching laboratory, student and faculty research laboratory, classroom and office space, along with improved overall space utilization on campus.

The current Science Building was constructed in 1972. It is a 3-story concrete frame, masonry veneer building. The major laboratories and other teaching spaces are located in the center of the building, with the offices located around the perimeter. Most of the offices are constructed in a unique double deck fashion with a group of offices located a half story up and down from the main circulation corridor. All of these offices are not, and cannot be modified to meet ADA accessibility requirements.

Since the building was constructed, the University enrollment has tripled, science teaching technology has changed, and laboratory health and safety procedures and building code regulations have changed. In 2004, the University initiated an effort to plan a modernization of the existing Science Building. The planning took approximately 15 months and was a collaborative effort between University administrators, science faculty, students, facilities management, and two architectural consultants, LCM and Burt, Hill. This process resulted in a plan to modernize the occupied Science Building in five phases over seven years.

The extensive phasing is necessary to keep as many laboratories available as possible during all phases and would be extraordinarily disruptive to the programs resident in the Science Building. Up to half of the labs in a given discipline would be undergoing modernization during each phase, so the phasing would require reduction in scheduled classes and their associated labs. In order to continue to have sufficient general classrooms available to support a minimal science teaching program, portable temporary buildings would also have to be rented to house the classrooms and offices that would be displaced during each phase.

In 2007, this multi-phased modernization of the building and associated costs was estimated to cost \$42.2 million. This was projected to be \$6.9 million more than if the building was completely vacated and

INFORMATION ITEM: FY23 OPERATING AND CAPITAL BUDGET REQUEST

remodeled in a single phase. The resulting modernized Science Building would not have any significant expansion, the labs would be half the size of the current recognized lab standard size, and the offices would still be inaccessible to handicapped persons.

Due to the increased costs and time required to remodel the existing building in phases, a new Laboratory Building near the current Science Building was considered as an alternative to phased remodeling. This approach would provide larger new laboratories, a somewhat shorter construction period, increased classroom space as the current labs in the Science Building are converted to classrooms, and much less disruption of ongoing University Programs. A new lab building would of course be separated from the faculty offices and classrooms, and the faculty offices in the current Science Building would still be handicapped inaccessible. A new lab building location would need to be constructed on limited land close to the present Science Building. Construction in this area would disrupt other campus long-range plans and may not be the best use of limited real estate. A new laboratory building would cost an estimated \$39.8 million.

After looking closely at remodeling the existing Science Building, and the alternative of a separate Laboratory Building, a completely new building with classrooms, teaching labs, research labs and offices was decided to be the most cost and time efficient way to provide a state-of-the-art science building which would support not only current programs but future programs in an environment much more conducive to utilizing current and future pedagogies than the current outdated structure. A new science building would cost an estimated \$69.8 million.

Located in the city of Chicago with the most diverse student population in the Midwest, a new science building together with the new Education Building puts Northeastern in the forefront of providing a first-class educational environment for the 21st century. Northeastern Illinois University is uniquely positioned to continue to address the needs of elementary and secondary education by providing diverse and well-prepared new teachers and supporting the continuing educational needs of current teachers, in particular, those in the Chicago Public Schools. Providing and supporting teachers in the 21st century, however, calls for new pedagogies, state-of-the-art science labs and research labs to attract top quality faculty.

Northeastern is requesting funding for a new Science Building to enhance its ability to contribute to the State of Illinois in the training of new teachers and in providing professional development opportunities to current teachers. The University is a proven leader in successfully graduating Hispanics and Asians. Northeastern's programs exemplify success, diversity, innovation, service, growth, and results.

2023-5 Science Building Modernization, Equipment - \$21,280,000

This request is for funds to provide moveable equipment in the new Science Building, which are Capital Project requests 2020-6 and 2020-7. Equipment includes classroom and office furniture, wet and dry laboratory equipment and furniture, and general supportive equipment for the academic departments and support services.

2023-6 Lech Walesa Hall Remodeling (formerly Classroom Building) – \$17,173,693

This project is closely linked with the construction of the Education Building and will renew existing finishes, modernize H.V.A.C. and utility systems, replace fixed equipment, and remodel interior areas in response to programmatic changes in the Lech Walesa Hall since it was constructed in 1973. The project includes realigning administrative space throughout the building by consolidating various departmental offices. It

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also reconfigures the second-floor open computer laboratories, consolidates the University's computer center and support offices, and adds student meeting and group study places in support of a student-centered environment. The project also provides for replacing perimeter heating and cooling units; modifying lighting, electrical and data distribution systems to support remodeling; and renews and replaces interior finishes and fixed equipment in classrooms, corridors, stairwells and washrooms.

The departments and programs in the building have changed substantially since the building was first occupied, but the assignment and configuration of space has never been readjusted in a comprehensive manner. Over the years, most office spaces have been reassigned on the basis of existing partition configurations. However, departments and colleges have been reorganized, classrooms have integrated computers, and support space originally intended for audio-visual projection has become obsolete and pressed into use as office space. With the completion of the Building B Remodeling in September, 2002 and CBM Building (formerly Building A) in September 2009, and the Education Building thereafter, a number of major departments, along with the College of Education and College of Business and Management, will vacate the Lech Walesa Hall. This will be an opportune time to review space assignments and adjust partition layouts to better support the building functions.

The Lech Walesa Hall is a 148,660 gross square foot four-story concrete frame building constructed in 1973. It has a brick exterior with vertical aluminum window wall panels, and all of the interior partitions are painted concrete masonry block. All of the building construction and systems are original with the exception of the roof, which was replaced in 1989. The building contains two large lecture halls that rise from the lower level to the first floor. The second and third floors have classrooms arranged around an atrium in the middle of the building with offices around the perimeter of the floor. The lower level and fourth floor are primarily office space.

In order to determine the specific changes related to the University's goals and program priorities in the Lech Walesa Hall, the University reviewed all current and mid-range academic program needs and the Facility Master Plan with architects Ross Barney and Jankowski in August 1999. This review recommended the following actions:

- a. Relocate faculty and staff offices from lower-level space to spaces at and above grade level, providing better environmental conditions for the occupants, and freeing up space in the lower levels of the buildings for much-needed additional storage space and auxiliary offices.
- b. Implement recommendations for classrooms from "Study of Teaching Space" completed in February 1994, prepared by Educational Consulting Services Ltd. The recommendations include expanding the current transmission mode of existing classrooms with other room types, including seminar rooms, case study rooms, electronic classrooms and methods rooms, as well as providing high-profile and universally accessible locations.
- c. Provide adequate consolidated offices for University Computing Services, Administrative Information Systems, Network and Distributed Services, and Telecommunications, which have been located, as space has allowed, in various locations throughout the Lech Walesa Hall.

Based on the above objectives, the amount of available space in the buildings, and their locations on campus, a tentative remodeling program was developed. This will be validated during the conceptual design phase.

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The University's first open computer laboratory was located on the second floor in the atrium and was expanded into a number of classrooms. A portion of the laboratory was relocated into the remodeled Building B, the stations moved out of the classrooms, and the classroom functions restored. All of the other 33 classrooms in the building will be refurbished with new fixed equipment and provisions made for installation of multimedia teaching stations and notebook computer docking stations. Fixed seating and casework in the lecture halls will be replaced and fitted with provisions for computer docking. Floor and wall surfaces will also be refurbished in all of the corridors, two stairwells and five men's and five women's washrooms along with new toilet fixtures and partitions. Lighting will be upgraded along with power and network distribution throughout the building.

The hot water and chilled water is provided to the building from a central plant. Interior spaces are served by a constant velocity air system, and the perimeter is served by induction terminal perimeter heating and cooling units. These induction units have been a major source of problems because the condensate pan in each unit is not connected to a drain system. The pans frequently overflow, resulting in water damage to the ceilings, walls and the contents of the rooms. These units have been rebuilt numerous times and key components are no longer available. These units will be replaced and a drainage system for the condensate pans installed. Gross abatement of all floor tile and mastic containing asbestos will be completed. Asbestos abatement consists of removal of the floor tile and mastic.

2023-7 Ronald Williams Library Renovation – \$44,423,034

The role of the academic library has dramatically evolved since the opening of the Ronald Williams Library in 1977. The Library in 2014 completed a master space plan to define its future trajectory. The planning process was conducted in conjunction with CannonDesign, a firm with extensive experience in space planning for academic libraries. The Strategic Plan for Library Services FY2012 Action Plan and the Association of College and Research Libraries Report on the Innovation Roundtable at Ronald Williams Library were foundational elements in the planning. The design team undertook an in-depth study of contemporary trends and initiatives at academic libraries across North America.

The master space plan addresses both necessary upgrades to building systems and finishes, as well as a reimagining of the existing spaces. An expansion of the Library facility is not needed in order to serve University needs. However, the amount of seating available is insufficient to serve the current student population, and these seats are primarily at traditional reading tables and study carrels, with minimal lounge, computer, and group study spaces. Currently, only 44% of available seats are adjacent to an electrical connection, limiting the functionality of more than half the seating, and leading to ad hoc furniture arrangements arising from a quest for electrical outlets. The Library hosts multiple external partner institutions and programs that enrich the learning environment but lead to a confusing multiplicity of reception desks and issues with way finding.

The master plan calls for a phased implementation on the first floor, and independent project pieces for the lower level and floors two through four, with particular budgets as follows:

1. Phase 1A: Outfitting the first floor with a new diversity of individual and collaborative furnishings, and providing an "Information Commons" of centrally located public computers.
2. Phase 1B – The renovation of current administrative services space into a new Library services area with new furniture, building systems, and furniture. Provision of a new printing area.

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3. Phase 1C – Renovation of the southern half of the first floor, including demolishing of current reference desk. Provision of renovated building systems and finishes.
4. Lower Level – Construct a new seminar room, condense and combine the server room spaces, rearrange the Illinois Regional Archives Depository spaces, and install compact shelving.
5. Second floor – Renovate the existing technical services and ombuds space into an administrative suite, quiet study space, and a relocated ombuds office.
6. Third floor – Construct small meeting rooms adjacent to the Center for Teaching and Learning, provide 14 group collaboration spaces, add a library instruction room, several large group study spaces, and varied casual seating spaces.
7. Fourth floor – Convert or renovate existing space for TRIO Program and the Language Learning Lab. Renovate entire floor with building systems, finishes, and furniture.
8. General spaces and other – Refurbish restrooms, stairwells, main entry vestibule, and security systems (access control, security cameras), update audiovisual systems, and hazardous materials abatement.

B. Capital Renewal Projects

2023-1-CR – One Stop Shop - \$10,803,339

Remodeling E and F is needed to address deferred maintenance and programmatic needs. Building E has an HVAC system past its life cycle which supports its Auditorium, Accounts Payable, Media Services and Bookstore spaces. Abatement, HVAC, and ADA upgrades are necessary. Changes in space assignments are required to create a One Stop Shop to meet student needs. Current and growing programmatic needs cannot be met. A renovation is required to create a One Stop Shop to meet student needs. Building F requires an electrical upgrade.

2023-2-CR Roof Replacement – \$8,959,861

This project renews the building envelope and roof integrity and protects interior spaces for the University buildings listed below. The south portion of the PE Complex roof (over swimming pool area only) was repaired in late 2017; this request is for the remainder of the roof.

All buildings are experiencing an increase in roof leaks and moisture penetration through exterior walls. They are also exhibiting severe signs of distress. The university is proposing extensive repairs and renovations to address these concerns.

The specific work items (along with construction dates of roof):

- A. Bernard Brommel Hall (1990):
 - i. 2nd and 3rd Floor roofs replacement and all associated work (including flashing, coping, etc. as required) of small roofs.
 - ii. Repairs to exterior masonry walls and all associated work, as required to

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prevent moisture penetration.

- B. Building B: (1989) Roof replacement and all associated work (including flashing, coping, etc. as required).
- C. Building C (1988) Roof replacement and all associated work (including flashing, coping, etc. as required).
 - i. Repairs to deteriorated exterior concrete overhang slabs and posts, which act as sunscreen.
- D. Building D: (1987) Roof replacement and all associated work (including flashing, coping, etc. as required).
- E. Building F: (1987) Roof replacement and all associated work (including flashing, coping, etc. as required).
- F. Building J: (1992) Roof replacement and all associated work (including flashing, coping, etc. as required).
- G. Library (1977): Penthouse Roof replacement and all associated work (including flashing, coping, etc. as required).
- H. PE Complex (1988):
 - i. Partial roof replacement and all associated work (including flashing, coping, etc. as required).
 - ii. Replacement of deteriorated roof deck and insulation as required.
 - iii. Repairs to exterior masonry walls repairs as required to prevent moisture penetration.

2023-3-CR Lower Level Egress and Fire Separation -- \$8,212,746

This project addresses lower level fire separation and egress requirements for connected main campus buildings. The scope of work includes, planning, new code required egress signs, fire separations at openings, new construction to meet separation, and connection to the university addressable fire alarm system.

2023-4-CR ADA Restrooms Renovations – \$3,285,099

Over the past 5 years, NEIU has constructed 7 new ADA restrooms across three locations. However, many of NEIU's buildings were built in the 1970's. They have aging facilities that need renovating. All restrooms do not meet the same ADA compliances or comfort level. The project would cover 11 ganged restrooms and 5 single use restrooms.

2023-5-CR Asbestos Abatement - \$3,285,099

This project provides abatement of encapsulated asbestos material. Currently, safe non friable asbestos flooring material is removed when a renovation project occurs in the space. This project would make the

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removal of asbestos flooring and asbestos containing materials a goal to be done at once. It would also provide the necessary new flooring and piping re-insulation.

2023-6-CR Fume Hoods - \$1,153,070

Bernard Brommel Hall (Science Building) was constructed in 1972 and has 39 fume hoods. The majority of the fume hoods are original to the building. This project provides a replacement of new energy efficient fume hoods that will result in cost and energy savings. The fume hoods, fans, and connecting ductwork will have to be replaced to achieve energy efficiency and reliability.

2023-7-CR Buildings D & E Exterior Window Wall Replacement – \$3,354,477

This project replaces 1,800 linear feet of the original window wall in Buildings D & E and adjacent enclosed cross corridors. These buildings are two of the original campus buildings constructed in 1961. The existing window wall is floor-to-ceiling single-glazed clear glass with sliding glass windows between mullions. Replacement of the window wall will significantly reduce energy costs.

The existing floor-to-ceiling window wall will be removed and replaced with a new window wall with a thermal break frame with operable windows, and a combination of low - E reflective glass and insulated panels. This work includes a total of 16,200 square feet of window wall around Buildings D and E and adjacent cross corridors to Buildings A, B, and F.

2023-8-CR Masonry and Building Envelope, Replacements \$9,855,781

This project renews the masonry and building envelope, and protects interior spaces for multiple University buildings. All buildings are experiencing an increase in moisture penetration through exterior walls, and exhibiting severe signs of distress. The University proposes extensive repairs and renovations to address these concerns.

The university is proposing masonry repairs/replacement and exterior glazed curtainwalls repairs and/or replacements to address these concerns.

2023-9-CR Five Science Lab Renovations - \$5,343,888

This project will renovate five existing science labs to minimally meet current needs for teaching, student, and faculty research laboratories. The current building has undergone only minor updating and renovation since construction in 1972. Science teaching technology has changed dramatically since the building was constructed, and laboratory health and safety procedures and building code regulations have changed. Lab renovations are needed to enhance our ability to educate new scientists.

2023-10-CR Parking Lot D Renovation - \$2,064,567

This project will renovate the deteriorating Parking Lot D (corner of Bryn Mawr and Access Road). This parking lot was last resurfaced in 1996 and holds 277 parking spots. There are currently wide cracks on over 50 percent of the surface. There are also significant amounts of severe depressions in wheel locations

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due to the inability of the substructure to support the wheel loads. Alligator cracking is evident in a few areas, most notably near the loading dock and the entrance to the parking lot. This parking was slated to be rebuilt in 2015.

INFORMATION ITEM: THIRD QUARTER BUDGET TO ACTUAL

The Northeastern Illinois University Board of Trustees at its June 11, 2020 meeting approved the University's preliminary operating budget, which represented preliminary spending plans for fiscal year 2021 (FY2021). The Board of Trustees approved the final FY2021 operating budget on September 17, 2020.

The operating budget for FY2021 totals \$153,945,700. Of that total, \$86,876,600 is the University's unrestricted general operating budget supported by State appropriation and student tuition. In addition, the University's restricted funds budget amount of \$67,069,100 is supported by student fee programs, auxiliary services, grants and contracts.

At the Board's request, quarterly reports are provided for the unrestricted operating budget, which supports most University departments and ongoing operations. This report provides an update through the third quarter of FY2021 in the unrestricted budget and is summarized in Table 1 at the end of this report. Table 1 also includes a comparison with year-to-date spending from FY2020.

Revenues

The FY2021 budget includes State support of \$35,566,900 for the University's unrestricted general operating budget, or 38.4 percent of that budget. University Income Funds are comprised primarily of tuition revenues. The FY2021 budget includes estimated income funds of \$51,934,800, or 61.6 percent of the general operating unrestricted budget.

Through the third quarter, the University has vouchered a total of \$35,114,524. Of this amount, through the third quarter, \$31,865,389 was received.

Through the third quarter, 98.7 percent of estimated tuition and income fund revenue was recorded, after adjusting for anticipated waivers and bad debt. These amounts primarily represent the second half of Summer 2020, Fall 2020 and Spring 2021 enrollments. Table 1 reflects a change in accounting methodology that will reflect Summer tuition revenue at the beginning of the term, rather than the time of registration.

Enrollment projections and the resultant revenue projections for the FY2021 budget are based upon historical enrollment trends, the advice of Enrollment Management Services, and available current registration data. At the time the FY2021 budget was constructed, credit hour enrollment was projected to decline by 10.0 percent from FY2020 levels. In fact, Summer 2020 enrollments grew by 10.1 percent; Fall 2020 enrollments fell by 4.1 percent; and Spring 2021 enrollments fell by 3.7 percent. With Summer 2021 enrollments tracking ahead of budget projections, actual revenues are likely to exceed budgeted revenues for FY2021.

Other revenues for FY2021 are projected to fall short of their budgeted total for reasons primarily related to the ongoing Coronavirus pandemic. Budget projections included anticipated lost revenue recovery from federal stimulus funds. However, as tuition revenue will exceed its budgeted projection and as federal funding guidelines have evolved, the University expects to use this funding to support other allowable activities.

Final revenue numbers will be available after the University makes all accounting adjustments during the year-end reconciliation period following June 30, 2021. These adjustments are required

INFORMATION ITEM: THIRD QUARTER BUDGET TO ACTUAL

to account for activity such as class drop refunds, statutory waivers, bad debt allowances, and fees associated with outstanding account balances.

Expenses

Through the third quarter, the University spent \$60,993,789 or 70.2 percent of the total \$88,846,700 general operating unrestricted preliminary budget. The University has been able to rely in part on funding through the CARES act to support university operations through the COVID-19 pandemic.

Table 1 provides an outline the actual University revenues and expenses compared to budget through the second quarter of FY2021.

INFORMATION ITEM: THIRD QUARTER BUDGET TO ACTUAL

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2021 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDING March 31, 2021
UNAUDITED FIGURES

	General Operating Budget				
	FY2020	FY2021			
	Actual Prior Year to Date	Actual Year to Date	Adopted Budget	Current Budget	% of Current Budget
Revenue					
State Appropriations	\$ 35,278,207	\$ 35,114,524	\$ 35,566,900	\$ 35,566,900	98.7%
Net Tuition Revenue	51,022,280	48,686,289	49,346,700	49,346,700	98.7
Net Differential Tuition Revenue	517,073	535,693	643,000	643,000	83.3
All other sources	<u>1,205,198</u>	<u>308,760</u>	<u>1,320,000</u>	<u>1,320,000</u>	<u>23.4</u>
Total Revenue	88,022,757	\$ 84,645,266	\$ 86,876,600	\$ 86,876,600	97.4%
Expenditures					
Personal Services	\$ 51,844,584	\$ 50,356,029	\$ 69,505,369	\$ 69,680,419	72.3%
Contractual Services	7,495,236	7,121,295	11,762,180	11,957,544	59.6
Equipment	451,244	336,421	845,080	435,174	77.3
Commodities	304,325	210,094	745,301	697,609	30.1
Telecommunications	20,971	147,942	236,389	282,517	52.4
Travel	81,699	198	188,377	172,846	0.1
Permanent Improvements	-	-	49,585	39,585.0	-
Operation of Auto Equip	34,150	22,090	21,304	47,254	46.7
Tuition Scholarships	1,142,872	1,152,255	1,322,015	1,362,652	84.6
Debt Service	<u>1,621,964</u>	<u>1,647,464</u>	<u>2,201,000</u>	<u>2,201,000</u>	<u>74.9</u>
Total Expenditures	\$ 62,997,046	\$ 60,993,789	\$ 86,876,600	\$ 86,876,600	70.2%

Notes:

1. Adopted Budget column reflects the FY2021 budget approved by the Board of Trustees in September, 2020.
2. Year-to-date expense activity does not include encumbrances.
3. The Current Budget reflects budget transfers processed between organizations and accounts.
4. FY2021 Tuition Revenues Year to Date reflect an accounting change regarding the timing of recognizing Summer tuition revenues.

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INFORMATION ITEM: PURCHASES OF AT LEAST \$50,000 BUT LESS THAN \$100,000

Board of Trustees' Regulations require that the President report to the Board purchases of at least \$50,000 but less than \$100,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

VENDOR	DESCRIPTION	PURCHASE ORDER AMOUNT
Zovio, Inc. d/b/a TutorMe, Inc. (non-BEP)	Web-based Tutoring Platform	\$99,000.00
Quality Matters (Non- BEP)	Faculty on-line teaching Workshops	\$53,289.00

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INFORMATION ITEM: CONSTRUCTION UPDATE

Electric Cable Replacement Project Phase 1

Awaiting formal bid results from the Capital Development Board (CDB).

Campus Roof Replacements

Awaiting formal bid results from the Capital Development Board (CDB).

Campus Entrance and Walkway Repairs

The Program Analysis / Schematic Design phase is continuing.

Education Building

The Capital Development Board and the Governor's Office of Management and Budget are working together to review additional funding needs caused by the Central Utility Plant project's cancellation. A funding determination is scheduled to be made mid-May.

University Signage and Branding Master Plan

This project has been posted on the State Procurement website. Submittals are due on May 13, 2021. Submittals reviews and interviews will then take place. An award recommendation will be done at the end of June.