

Board of Trustees of Northeastern Illinois University
Finance, Buildings and Grounds Committee Meeting Minutes
October 23, 2023

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Monday, October 23, 2023 in the Student Union Golden Eagles Room located at 5500 N. St. Louis Avenue, Chicago, IL 60625. Trustee J. Todd Phillips, Chair of the Committee, called the meeting to order at 1:00 p.m.

Roll was called and the following Trustee Committee members were present: J. Todd Phillips and Paula Wolff

Other Trustees present: Edwin Medina; Michelle Morales (via video conference); and José Rico

Also present: Katrina Bell-Jordan, Interim President; Karl Voigt, Assistant Secretary to the Board; vice presidents; students; staff; and university community members

Opportunity for Public Comment in Accordance with P.A. 91-0715

Trustee Phillips announced the opportunity for public comment. There were 2 registrations placed in advance and 1 presentation made.

1. **Edwin Medina**, as Student Trustee

Topic: to officially oppose the University's request to raise tuition and fees beginning in fall 2025 on behalf of the Student Government Association and future students

ITEMS FOR INFORMATION

FY24 1st Quarter Budget to Actual Report

Interim Executive Director of University Budgets, Justin Krieg, reported that the unrestricted operating budget for FY2024 is set at \$85,300,000. This budget includes State support of \$39,960,000, approximately 47 percent of budgeted revenue, and estimated net tuition revenue of \$42,563,400, or 49.9 percent budgeted revenue. Other income sources make up the remainder of budgeted revenue for the unrestricted operating budget at \$2,776,000, or 3.3 percent of the budget. Through the first quarter, 38.8 percent of budgeted revenue, including the estimated tuition and income fund revenue, was recorded. The reported values for tuition are net of adjustments for anticipated tuition waivers and bad debt. Investment income continues to be strong due to high interest rates.

Through the first quarter, the University spent \$16,035,076, or 18.8 percent of the total \$85,300,000 unrestricted operating budget. This is a slight decrease compared to the prior year and primarily due to a difference in the timing for recording of debt service payments. Across the various expenditure categories, expenses are tracking closely to FY2023 levels in both terms of the "% of Current Budget" spent and in dollar terms, "FY24 – FY23". The two exceptions are contractual expenses which are currently \$144,707 below FY2023 and Debt Service, which is \$560,103 below FY2023. The difference in debt service expense is due to a timing difference for when certain debt payments are recorded. Certain University debt has payments due 10/1 and depending on when those payments are made, the expense may get booked in Q1 (FY2023) or in Q2 (FY2022). The difference in contractual spending appears to be slower utilization of contractual budgeted funds.

Budget Calendar

Justin Krieg reviewed the University's annual budget calendar to familiarize Trustees with when certain Board actions are required to ensure compliance with various mandates, such as preliminary operating and capital budgets request to IBHE.

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

FY25 Tuition and Fees Recommendations

Vice President for Finance and Administration, Manish Kumar, reported the University is recommending the following increases:

- 3.0% for the undergraduate per credit hour tuition rate, from \$430.95 to \$443.88.
 - ❖ This is an increase of \$12.93/credit hour or \$310.28 for 24 credit hours.
- 5.0% for the graduate per credit hour tuition rate, from \$462.53 to \$486.71
 - ❖ This is an increase of \$23.18/credit hour or \$620.57 for 24 credit hours.
- 5.0% for the consolidated, per credit hour (up to 16 credit hours) mandatory fees, from \$85 to \$89.25. This is an increase of \$4.25/credit hour or \$102 for 24 credit hours.

In FY2023, the University did not raise tuition for undergraduate students and increased tuition for graduate students by 2.0 percent. For FY2025, anticipated cost increases are generally due to inflation, collective bargaining agreements and non-negotiated personnel costs, and are estimated to increase by approximately \$5.65 million. If adopted, the proposed tuition rate increases are estimated to generate additional tuition and fee revenue of approximately \$1.2 million during FY2025 based on a flat enrollment scenario. The remaining gap of \$4.4 million would need to be covered by a mixture of increased enrollment, revenue enhancements, cost reductions or state appropriations.

Trustees engaged in a lengthy discussion and expressed interest in a more developed plan for how the administration expects to get from 113,000 credit hours to 131,000 credit hours. After the discussion, Trustees want to table this matter and proposed holding a special meeting prior to the November 16 regular Board meeting to gather additional information.

Recommendation to Revise Board Regulations: Section V. Administrative Affairs, B. Purchases, 1. a. Approval, and 2. Report

VP Kumar reported that Northeastern remains the only public university in Illinois still operating under the original purchasing and reporting thresholds established in 1996. NEIU is requesting to recommend that the Board approve the changes to Section V. Administrative Affairs, B. Purchases, 1. a. Approval to increase the Board approval threshold from \$100,000 to \$250,000, and changes to Section V., B., 2. Report to update the reporting requirements from purchases of at least \$50,000 but less than \$100,000, to a report on purchases of at least \$100,000 but less than \$250,000, thereby aligning NEIU with other Illinois public university business practices.

Trustee Wolff, seconded by Trustee Phillips, moved to recommend the amendment to the Board's Regulations, Section V. Administrative Affairs as outlined above.

Discussion: Trustees asked clarifying questions and inquired about need for the change. Essentially, the University has been asked by the state to encourage an update to Board regulations to be in line with other public agencies.

Roll was called and the vote was as follows:

Meresidis: Phillips: Yes Wolff: Yes

The motion carried.

Motion to Convene in Closed Session

At 2:31 p.m. Trustee Wolff, seconded by Trustee Phillips, moved to convene in Closed Session pursuant to sections 2(c)6 and 2(c)11 of the IL Open Meetings Act to discuss collective bargaining matters and to receive a legal briefing.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Meresidis: Phillips: Yes Wolff: Yes

The motion carried. The audience was asked to leave the room.

Motion to Reconvene in Open Session

At 2:57 p.m. Trustee Wolff, seconded by Trustee Phillips, moved to reconvene in Open Session. The motion carried by acclamation.

Old / New Business

Trustee Phillips asked if there was any old or new business. Hearing none, there was no further business.

Motion to Adjourn

At 3:01 p.m. Trustee Wolff, seconded by Trustee Phillips, moved to adjourn the meeting. The motion carried by acclamation.

Respectfully submitted,

J. Todd Phillips, Chair of the Committee
Karl Voigt, Assistant Board Secretary
Approved November 16, 2023