

Information Item: Third Quarter Budget to Actual Report

The Northeastern Illinois University Board of Trustees at its May 31, 2023 meeting approved the University preliminary operating budget, which represented preliminary spending plans for fiscal year 2024 (FY2024). The final or revised operating budget was presented to the Finance, Building and Grounds Committee on September 21, 2023 and approved by the Board of Trustees (BOT). The information herein reflects a comparison of actual expenditures to that budget, as well as previous year-to-date actual expenditures.

The operating budget for FY2024 totals \$133,063,200, with an additional authorization for spending up to \$2.5 million by the BOT. Of that total, \$85,300,000 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 \$47,763,200 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 on third quarter spending in the unrestricted budget and is summarized in Table 1, which also includes a comparison with year-to-date spending for both FY2022 and FY2023.

Moreover, Table 2 provides a financial forecast for the unrestricted operating budget. This financial forecast builds upon the existing quarterly reporting and presentation structure of the budget-to-actual reports and incorporates separate forecasts for revenues and expenses. The revenue forecast is forward-looking and based on existing models used to build the University's operating budget. The expense forecast is based on average historical spending by category and utilized data from the past five years. Additionally, the historical forecast is adjusted to account for new initiatives/funding sources, any anticipated new spending, and current commitments/encumbrances.

President's Report to the Finance, Buildings and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
May 14, 2024

Information Item: Third Quarter Budget to Actual Report

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2024 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDED MARCH 31, 2024
UNAUDITED FIGURES

	FY2022 Q3			FY2023 Q3			FY2024 Q3				FY24 vs FY23 ACTUALS	
	Adopted Budget	FY22 Actual YTD	% of Budget	Adopted Budget	FY23 Actual YTD	% of Budget	Adopted Budget	Current Budget	Actual Year to Date	% of Current Budget		
Revenue												
State Appropriations	\$ 35,566,900	\$ 35,263,283	99.1%	\$ 37,345,300	\$ 37,036,488	99.2%	\$ 39,960,000	\$ 39,960,000	\$ 39,923,855	99.9%	\$ 2,887,367	(A)
Net Tuition Revenue	50,780,200	44,054,649	86.8	42,172,200	40,673,732	96.4%	41,874,400	41,874,400	40,556,968	96.9%	(116,764)	(B)
Net Differential Tuition Revenue	692,000	766,822	110.8	972,400	721,802	74.2%	689,000	689,000	760,465	110.4%	38,663	(B)
Investment Income	400,000	43,172	10.8	1,000,000	2,094,435	209.4%	2,276,600	2,276,600	3,310,622	145.4%	1,216,187	(C)
All Other Sources	2,788,700	375,018	13.4	2,450,100	417,969	17.1%	500,000	500,000	672,611	134.5%	254,642	(D)
Total Revenue	\$ 90,227,800	\$ 80,502,944	89.2%	\$ 83,940,000	\$ 80,944,426	96.4%	\$ 85,300,000	\$ 85,300,000	\$ 85,224,521	99.9%	\$ 4,280,095	
Expenditures												
Personnel Services	\$ 71,683,348	\$ 47,565,706	66.4%	\$ 67,142,441	\$ 48,705,618	72.5%	\$ 67,901,380	\$ 68,176,508	\$ 50,412,341	73.9%	\$ 1,706,723	(E)
Contractual Services	12,805,062	6,919,987	54.0	11,208,876	8,070,312	72.0%	14,631,783	14,707,222	7,588,876	51.6	(481,436)	(F)
Equipment	787,215	171,991	21.8	846,410	362,463	42.8%	431,986	831,218	355,565	42.8	(6,898)	i
Commodities	877,788	289,113	32.9	775,075	339,923	43.9%	807,401	962,049	374,463	38.9	34,540	i
Telecommunications	222,872	93,828	42.1	176,422	87,630	49.7%	176,700	160,308	59,815	37.3	(27,815)	i
Travel	209,469	21,247	10.1	168,841	134,939	79.9%	197,750	238,439	144,690	60.7	9,751	i
Permanent Improvements	47,845	-	-	25,000	-	0.0%	25,000	23,834	-	-	-	i
Operation of Auto Equip	31,039	16,951	54.6	20,935	15,819	75.6%	21,000	42,580	20,661	48.5	4,842	i
Tuition Scholarships	1,330,162	902,628	67.9	1,299,000	1,140,031	87.8%	1,299,000	349,842	188,404	53.9	(951,627)	(G)
Debt Service	2,233,000	1,674,750	75.0	2,277,000	1,703,703	74.8%	2,308,000	2,308,000	1,705,586	73.9	1,883	i
Total Expenditures	90,227,800	57,656,201	63.9%	83,940,000	60,560,438	72.1%	87,800,000	87,800,000	60,850,401	69.3%	289,963	
<i>BOT Reserve Allocation</i>	-	-	-	-	-	-	(2,500,000)	(2,500,000)	-	-	-	i
Net Expenditures	\$ 90,227,800	\$ 57,656,201	63.9%	\$ 83,940,000	\$ 60,560,438	72.1%	\$ 85,300,000	\$ 85,300,000	\$ 60,850,401	71.3%	\$ 289,963	

Notes:

1. Adopted Budget column reflects the FY2024 budget presented to the Finance, Building and Grounds Committee on September 21, 2023.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date" or "Actual YTD" is current year expenses recorded or booked through April 24, 2024 and does not include encumbrances.

President’s Report to the Finance, Buildings and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
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Northeastern Illinois University
FY24 Q3 vs FY23 Q3 Actuals
Explanation for Change

- {A} Change from PY (totaling \$2.9 million) was mainly due to 7% increase in State appropriations in fiscal year 2024.
- {B} The decrease in Net Tuition Revenue and Net Differential Revenue (\$78,101) was mainly due to following:

	<u>Impact</u>	
Lower credit hours	Decrease revenues	
Lower Allowance for bad debts and tuition waivers %	Increase revenues	

	<u>Q3 FY24</u>	<u>Q3 FY23</u>	<u>Difference</u>	<u>% Change</u>
Summer Split @44%	6,065	6,637	(573)	-9%
Fall	51,845	53,912	(2,067)	-4%
Spring	48,417	49,484	(1,067)	-2%
Total Credit Hours	<u>106,326</u>	<u>110,032</u>	<u>(3,706)</u>	<u>-3%</u>

Revenue:

Gross Tuition Revenue	\$ 46,087,464	\$ 46,484,265	\$ (396,802)
Gross Differential Tution Revenue	<u>864,165</u>	<u>824,917</u>	<u>39,248</u>
	46,951,628	47,309,182	(357,553)
Less: Allowance for bad debts and tuition waivers (@ 12% - FY24, @ 12.5% FY23)	<u>5,634,195</u>	<u>5,913,648</u>	<u>(279,452)</u>
Net Revenue	<u>\$ 41,317,433</u>	<u>\$ 41,395,534</u>	<u>\$ (78,101)</u>

- {C} Increase in Investment Income mostly are investment income earned from the Illinois Funds. Note that reimbursements from the State are deposited to the Illinois Funds. See comparison below.

	Investment Income Earned		
	<u>As of March 2024</u>	<u>As of March 2023</u>	<u>Difference</u>
July	\$ 315,902	\$ 96,636	\$ 219,266
August	301,428	130,298	171,130
September	313,904	145,887	168,017
October	373,045	190,579	182,466
November	366,970	226,813	140,157
December	375,115	257,126	117,989
January	375,299	285,186	90,113
February	337,144	259,532	77,612
March	<u>392,238</u>	<u>311,399</u>	<u>80,839</u>
	<u>\$ 3,151,045</u>	<u>\$ 1,903,456</u>	<u>\$ 1,247,589</u>

- {D} Increase in All Other souces was primarily due to contractually obligated annual increases.
- {E} Increase in Personnel Services of \$1.7 million relates to the following:
 - (1) Timing of vouchering and recording of group insurance (CMS health insurance). State encouraged vouchering for early spending by September 11, 2023.

	<u>Q3 FY24</u>	<u>Q3 FY23</u>	<u>Difference</u>
	<u>\$ 1,072,600</u>	<u>\$ 804,450</u>	<u>\$ 268,150</u>

- (2) Salary adjustments including salary increases for non-union and union employees.

President’s Report to the Finance, Buildings and Grounds Committee
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Northeastern Illinois University
FY24 Q3 vs FY23 Q3 Actuals
Explanation for Change (Continued)

(F) The decrease in contractual services is primarily due to the net impact of the following:

	<u>Q3 FY24</u>	<u>Q3 FY23</u>	<u>Difference</u>	<u>Comment</u>
NEST Housing Scholarship	\$ 99,728	\$ 1,181,855	\$ (1,082,127)	A portion of the Pell 55 grant totaling \$693K has been designated to fund housing scholarships. By allocating these funds to cover the costs of housing scholarships, the unrestricted operating budget has been freed up and reallocated to fund one-time initiatives of Academic Affairs, Student Affairs, and Enrollment Management (totaling \$1.9 million).
NEST Occupancy contributions	441,656	1,580,298	(1,138,642)	Spring 2024 occupancy contribution around \$953K has not been paid.
Legal fees, professional services, advertising, computer software and utilities	4,939,899	3,401,819	1,538,079	
Other contractual expenses	2,107,593	1,906,340	201,253	
	<u>\$ 7,588,875</u>	<u>\$ 8,070,312</u>	<u>\$ (481,436)</u>	

(G) The decrease in tuition scholarships, totaling \$951K, was a result of reallocating charges to the Pell grant. This move allowed for the release of funds from the unrestricted operating budget, which were then reallocated to support various one-time initiatives within Academic Affairs, Student Affairs, and Enrollment Management (totaling \$1.9 million).

i Change from prior fiscal year is immaterial.

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Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2024 BUDGET TO FORECAST COMPARISONS
FOR THE PERIOD ENDED MARCH 31, 2024
UNAUDITED FIGURES

	Adopted Budget	Budget Adjustment	Adjusted Budget	Actual Year to Date as of 03/31/24	Forecasted Revenue/Expenses Thru 06/30/24	Annual Forecast	Adjusted Budget Vs Annual Forecast
Revenue							
State Appropriations	\$ 39,960,000	\$ -	\$ 39,960,000	\$ 39,923,855	\$ 36,145	\$ 39,960,000	\$ -
Net Tuition Revenue	41,874,400	-	41,874,400	40,556,968	2,585,723	43,142,691	1,268,291
Net Differential Tuition Revenue	689,000	-	689,000	760,465	38,819	799,284	110,284
Investment Income	2,276,600	-	2,276,600	3,310,622	1,121,438	4,432,060	2,155,460
All Other Sources	500,000	-	500,000	672,611	27,000	699,611	199,611
Total Revenue	85,300,000	-	85,300,000	85,224,521	3,809,125	89,033,646	3,733,646
Expenditures							
Personnel Services	67,901,380	275,128	68,176,508	50,412,341	17,948,216	68,360,557	(184,049)
Contractual Services	14,631,783	75,439	14,707,222	7,588,876	6,791,290	14,380,166	327,056
Equipment	431,986	399,232	831,218	355,565	454,144	809,709	21,509
Commodities	807,401	154,648	962,049	374,463	325,079	699,542	262,507
Telecommunications	176,700	(16,392)	160,308	59,815	38,700	98,515	61,793
Travel	197,750	40,689	238,439	144,690	60,405	205,095	33,344
Permanent Improvements	25,000	(1,166)	23,834	-	-	-	23,834
Operation of Auto Equip	21,000	21,580	42,580	20,661	21,919	42,580	-
Tuition Scholarships	1,299,000	(949,158)	349,842	188,404	161,438	349,842	-
Debt Service	2,308,000	-	2,308,000	1,705,586	582,233	2,287,819	20,181
Total Expenditures	87,800,000	-	87,800,000	60,850,401	26,383,424	87,233,825	566,175
<i>BOT Reserve Allocation</i>	<i>(2,500,000)</i>	<i>-</i>	<i>(2,500,000)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Expenditures	85,300,000	-	85,300,000	60,850,401	26,383,424	87,233,825	566,175
Excess Revenue Over Expenditures	\$ -	\$ -	\$ -	\$ 24,374,120	\$ (22,574,299)	\$ 1,799,821	\$ 3,167,471

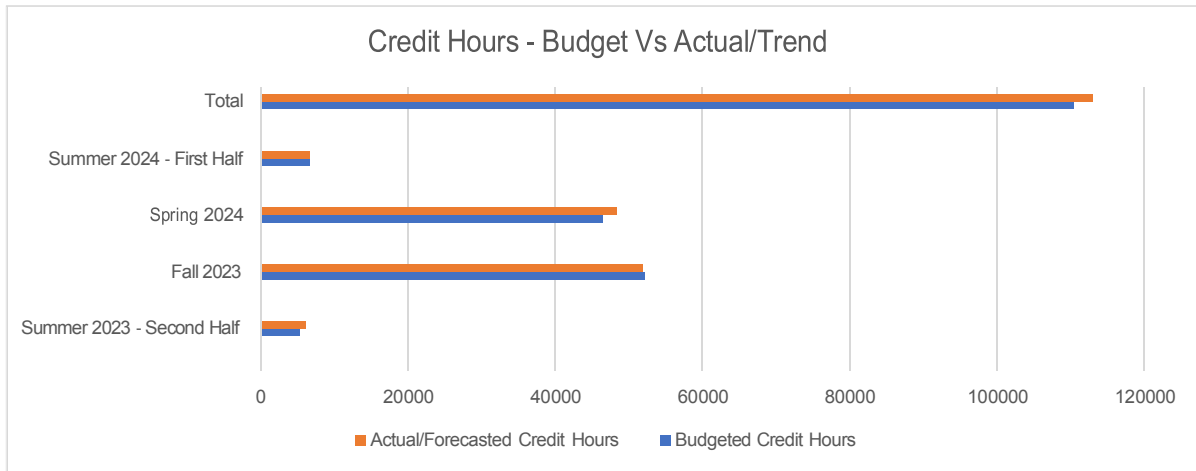
Notes:

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2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date as of 03/31/24" is current year expenses recorded or booked through April 24, 2024 and does not include encumbrances.
4. "Forecasted Revenue/Expenses Thru 06/30/24" is based on historical trends, adjusted for knowledge of new initiatives/projects or spendings.
5. "Budget Adjustment" reflects net budget transfers processed between organizations and accounts.
6. During FY2024, the University was awarded a State grant to provide academic, social emotional learning, basic needs, or other student supports. Portion of this funding, amounting to \$1.9 million, will be used towards related initiatives that were previously allocated funds from the University's FY24 unrestricted operating budget for contractual services and tuition scholarships.
7. The total annual forecast for expenditures does not currently account for the BOT Reserve Allocation, thus, projecting the total expenditures to exceed the budget. The University, however, is anticipating to surpass its budgeted revenue, potentially eliminating the need to access the \$2.5 million BOT-approved reserves. This would allow the University to meet contractual obligations without tapping into the reserves.

President's Report to the Finance, Buildings and Grounds Committee
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May 14, 2024

Information Item: Northeastern Illinois University FY2024 Q3 Board Report – Exhibit A Credit Hours

	Summer 2023 -			Summer 2024	
	Second Half	Fall 2023	Spring 2024	- First Half	Total
Budgeted Credit Hours	5,257	52,135	46,417	6,691	110,500
Actual/Forecasted Credit Hours	6,065	51,845	48,417	6,663	112,989



- 1 "Budgeted Credit Hours" reflects the FY2024 enrollment projections presented to the Finance, Building and Grounds Committee on September 21, 2023.
- 2 The Summer term is crossing fiscal years and related revenue is allocated between fiscal years based on the following percentages:

	Allocation	Budget	Actual/Forecast
Second Half:	44%	5,257	6,064.52
First Half:	56%	6,691	6,662.88
	56%	11,948	12,727

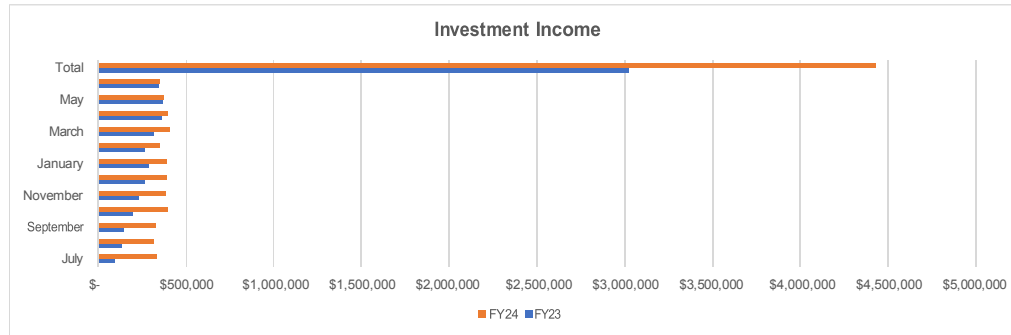
Summer Term Total Budgeted Credit Hours:	11,948
Summer 2023 Actual Total Credit Hours:	13,783
Summer 2024 Trend Total Credit Hours:	11,898
Summer 2024 Credit Hours as of April 30, 2024	10,786

President's Report to the Finance, Buildings and Grounds Committee
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Information Item: Investment Summary Report as of 4/24/2024 Exhibit B

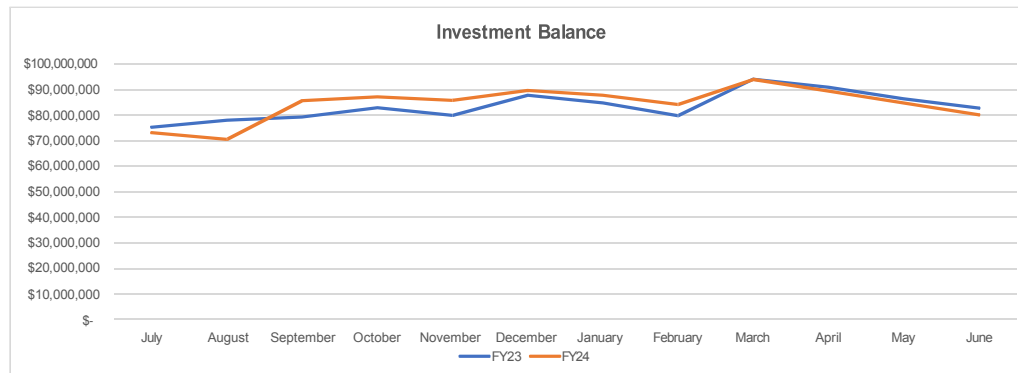
Investment Income

Fiscal Year	Actuals/Forecast												Total
	July	August	September	October	November	December	January	February	March	April	May	June	
FY23	\$ 98,377	\$ 131,860	\$ 148,695	\$ 195,526	\$ 231,171	\$ 262,719	\$ 291,296	\$ 265,463	\$ 318,357	\$ 362,901	\$ 371,445	\$ 347,306	\$ 3,025,115
FY24	\$ 335,976	\$ 318,568	\$ 330,218	\$ 394,302	\$ 383,641	\$ 392,143	\$ 393,135	\$ 353,215	\$ 409,424	\$ 396,445	\$ 373,788	\$ 351,205	\$ 4,432,059



Investment Balance

Fiscal Year	Actuals/Forecast											
	July	August	September	October	November	December	January	February	March	April	May	June
FY23	\$ 75,351,507	\$ 78,063,036	\$ 79,342,679	\$ 83,015,700	\$ 79,922,499	\$ 87,884,058	\$ 84,883,030	\$ 79,846,758	\$ 94,151,994	\$ 91,009,214	\$ 86,422,861	\$ 82,818,486
FY24	\$ 73,193,743	\$ 70,547,850	\$ 85,723,595	\$ 87,207,904	\$ 85,857,382	\$ 89,711,614	\$ 87,814,025	\$ 84,261,286	\$ 94,040,775	\$ 89,450,199	\$ 84,846,644	\$ 80,220,431



Notes:

- 1 The investment balance and income include The Illinois Funds, Money Market Funds, and High Yield Savings Accounts. The non-interest bearing operating accounts, COPs/revenue bond accounts, and petty cash are excluded from this presentation.
- 2 Investment balance for the FY24 - April to June period are based on historical trends and adjusted with assumed utilization of investment balance. Assumptions used in forecast:
 - a. April, May and June: Since State appropriations is exhausted by March 2024, it's anticipated that withdrawals will be made in The Illinois Funds during these months to cover portion of payroll.

President’s Report to the Finance, Buildings and Grounds Committee
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Information Item: Notification to the Board of Certain Expenditures: Purchases of at Least \$100,000 but Less Than \$250,000

Board of Trustees’ Regulations require that the President report to the Board purchases of at least \$100,000 but less than \$250,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

VENDOR	DESCRIPTION	CONTRACT AMOUNT
Holabird & Root, LLC (Non-BEP)*	Architectural and engineering design services for the new Nursing Program at El Centro	\$162,800.00

*Holabird & Root, LLC BEP Subcontractors:

- Nest Builders, Inc. d/b/a dbHMS (18% - Hispanic Male)
- CCS International, Inc. (2% - Asian Male)

Facilities Planning and Construction

**Manage and Oversee 32 Capital Projects:
Main Campus, El Centro and CCICS**

4 Categories:

- Marketing Initiative Projects
- Risk Mitigation Projects
- Capital Development Board Projects
- Misc. Projects

Marketing Initiative Projects

El Centro Sign Replacement:
Projected Completion, Winter '25



Main Campus Signage Update:
Completed Winter 2024



Existing Side A - NTS



Proposed Side A - NTS



Risk Mitigation Projects

PE Building, Pool Investigation Project:
Ongoing, Arch/Engr Contract to be executed by Spring '24



BBH Administrative Offices, Asbestos Abatement & Trip Hazard: Completed



Capital Development Board

Roof Replacement Projects Projected Completion, Fall '24



New Roof at BBH

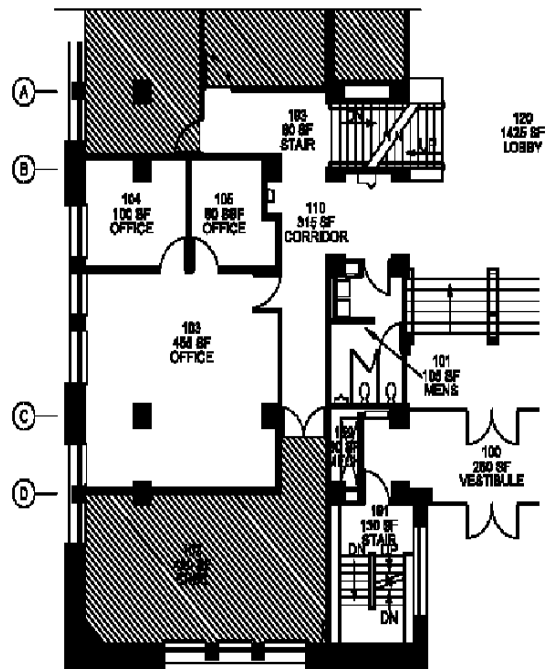


Ongoing New Roof Installation at
LWH

Capital Development Board

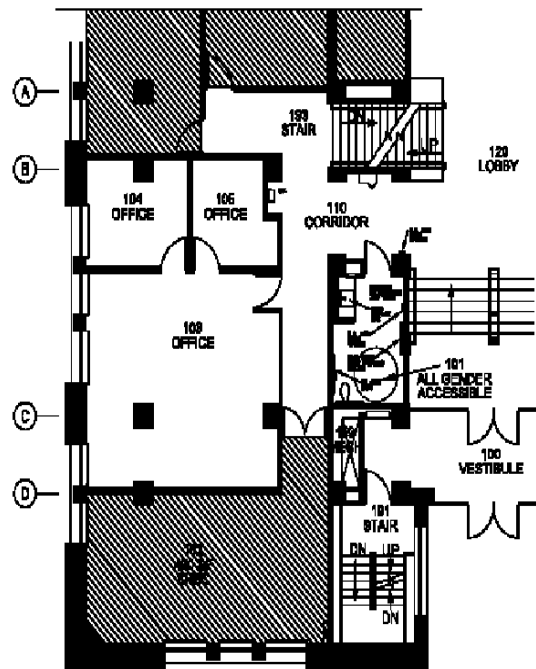
Business Innovation & Growth Center (CCICS) Ongoing, Projected Completion Spring '25

Business Innovation & Growth Center, Parking Facility Ongoing, Projected Completion Spring '25



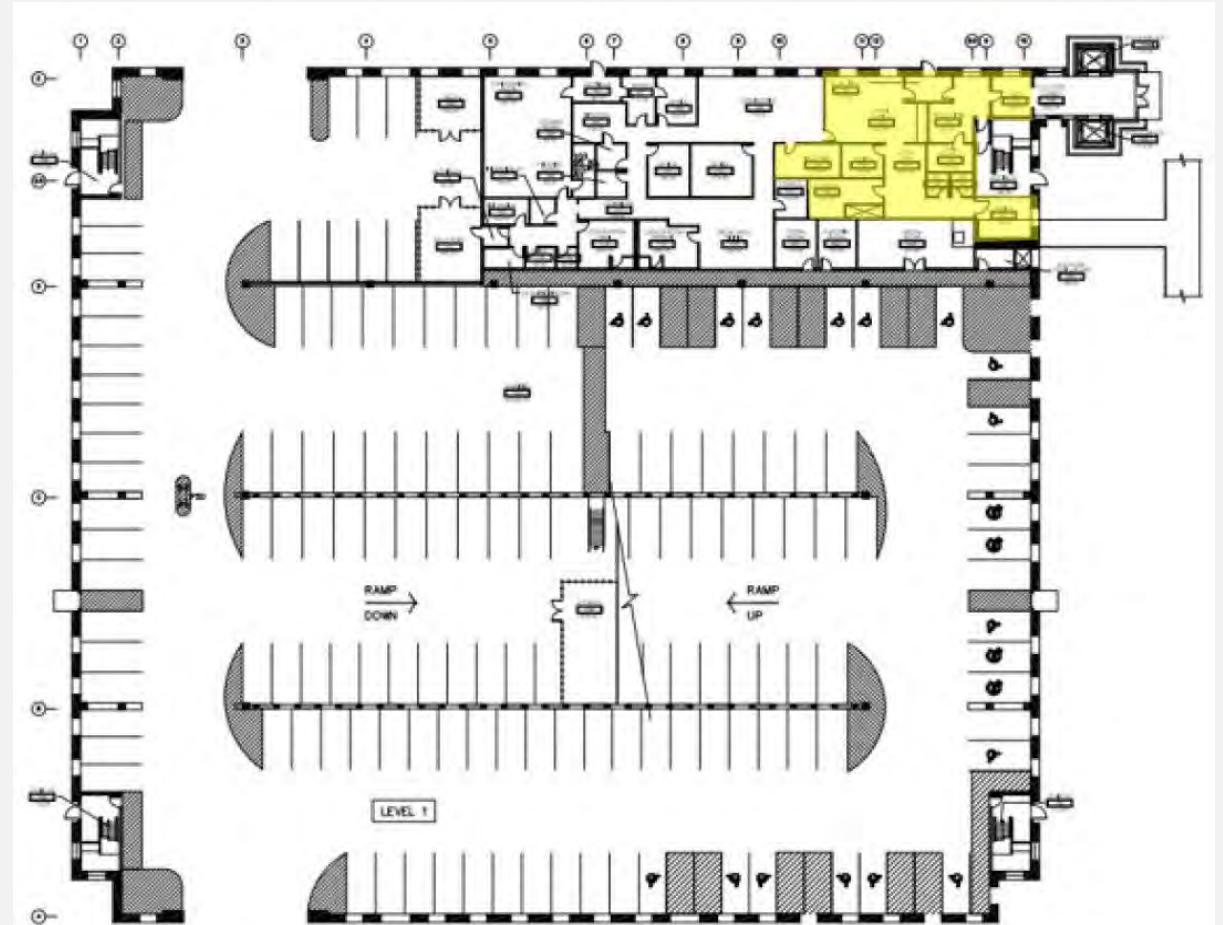
CCICS EXISTING FIRST FLOOR PLAN

0 5 10 20 FT



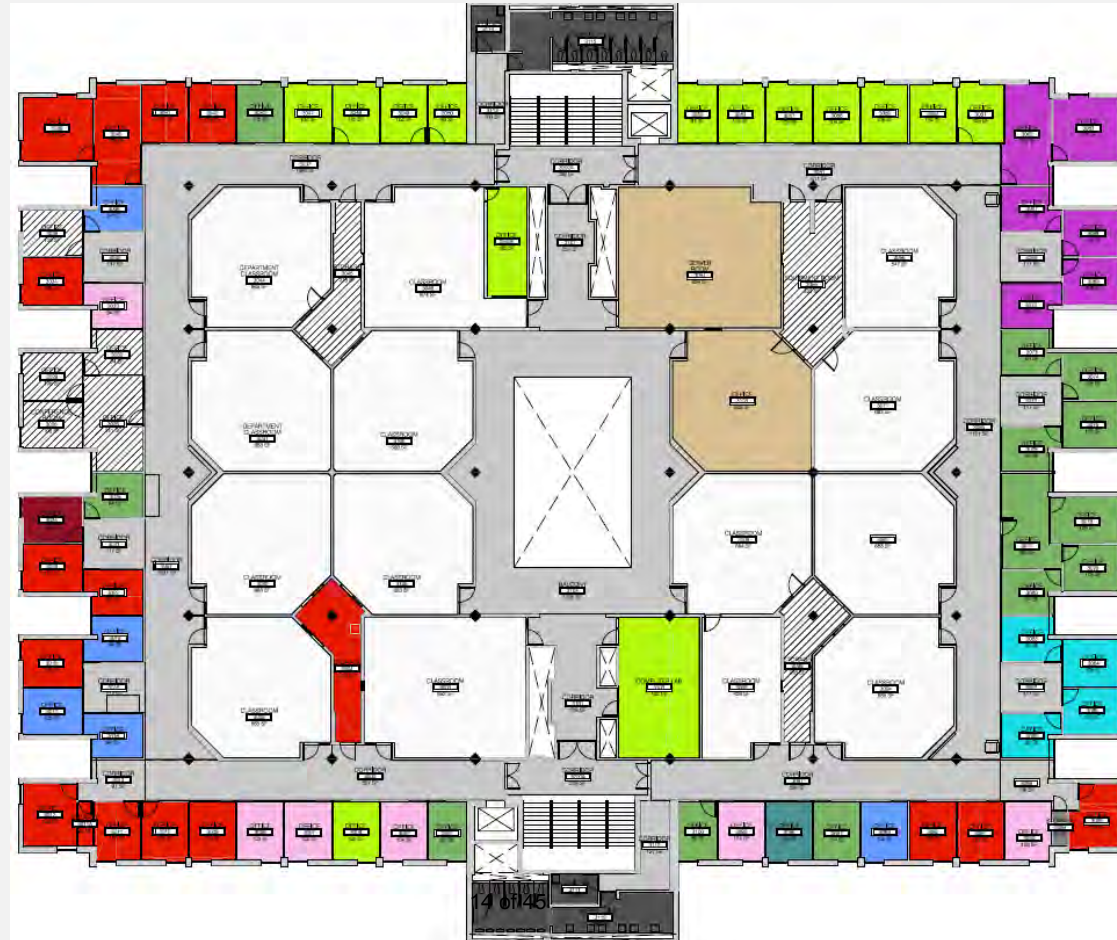
CCICS PROPOSED BIG CENTER FLOOR PLAN

0 5 10 20 FT



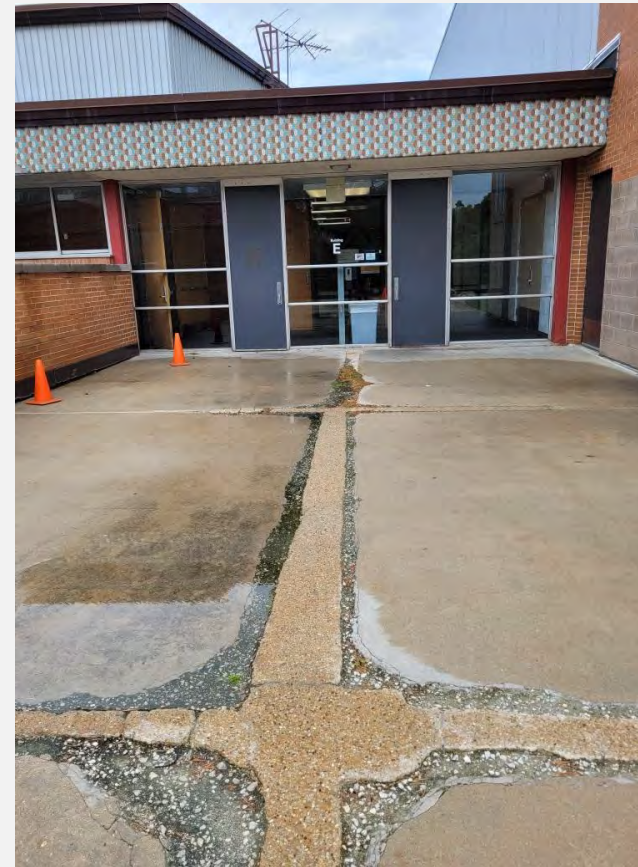
Capital Development Board

Lech Walesa Hall, HVAC Upgrade Project: Projected Completion, Fall '24



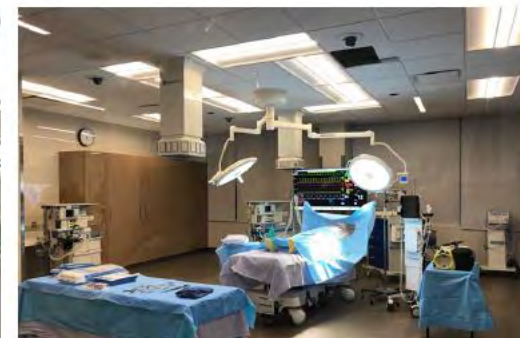
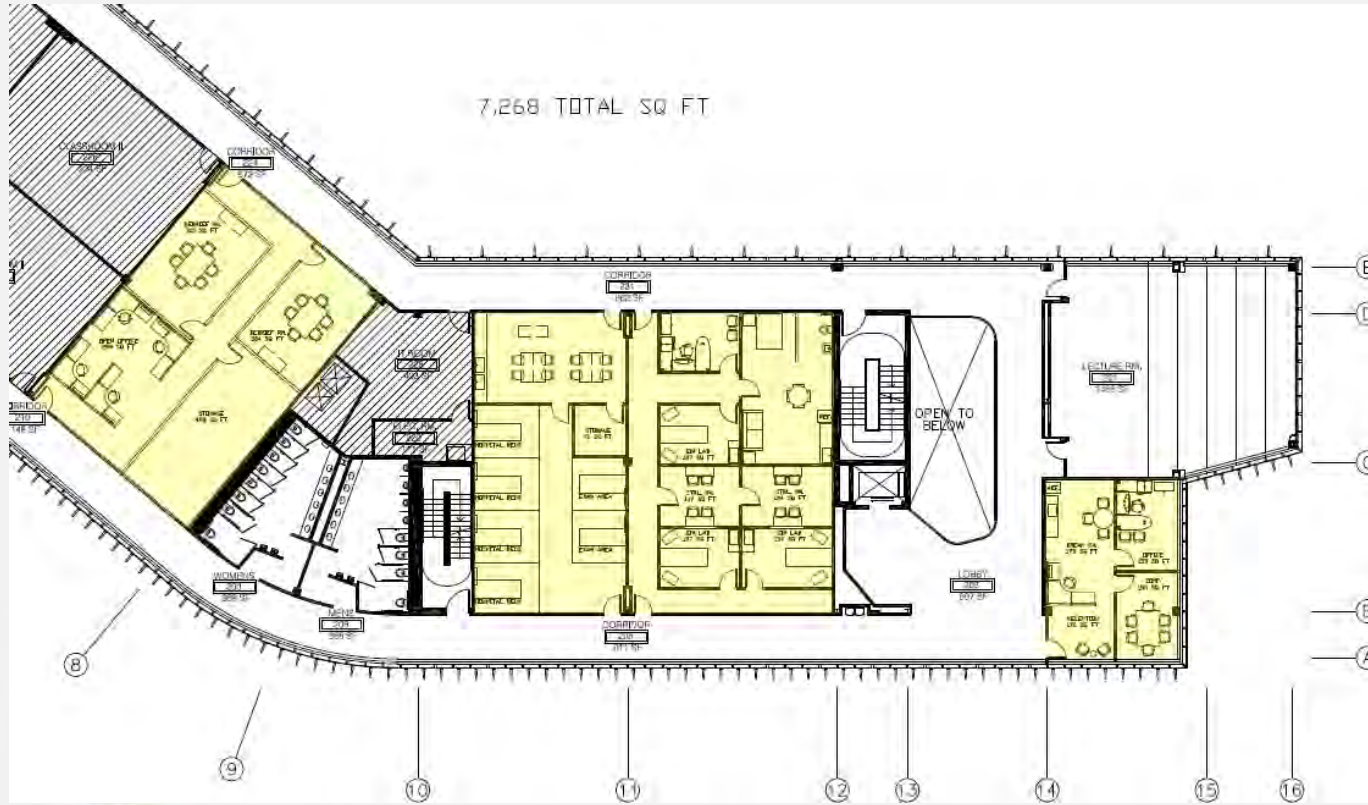
Capital Development Board

Main Campus Entrance Walkway Repairs: Projected Completion, Fall '24



Misc. Projects

El Centro, Nursing Program Lab: Design Phase, Projected Completion, Winter '25



Misc. Projects

Fine Arts Dust Collector Project:
Completion in the Summer '24



Misc. Projects

**El Centro, Green Lab:
Completed**



**Bernard Brommel Hall, Data Lab 211:
Completed**



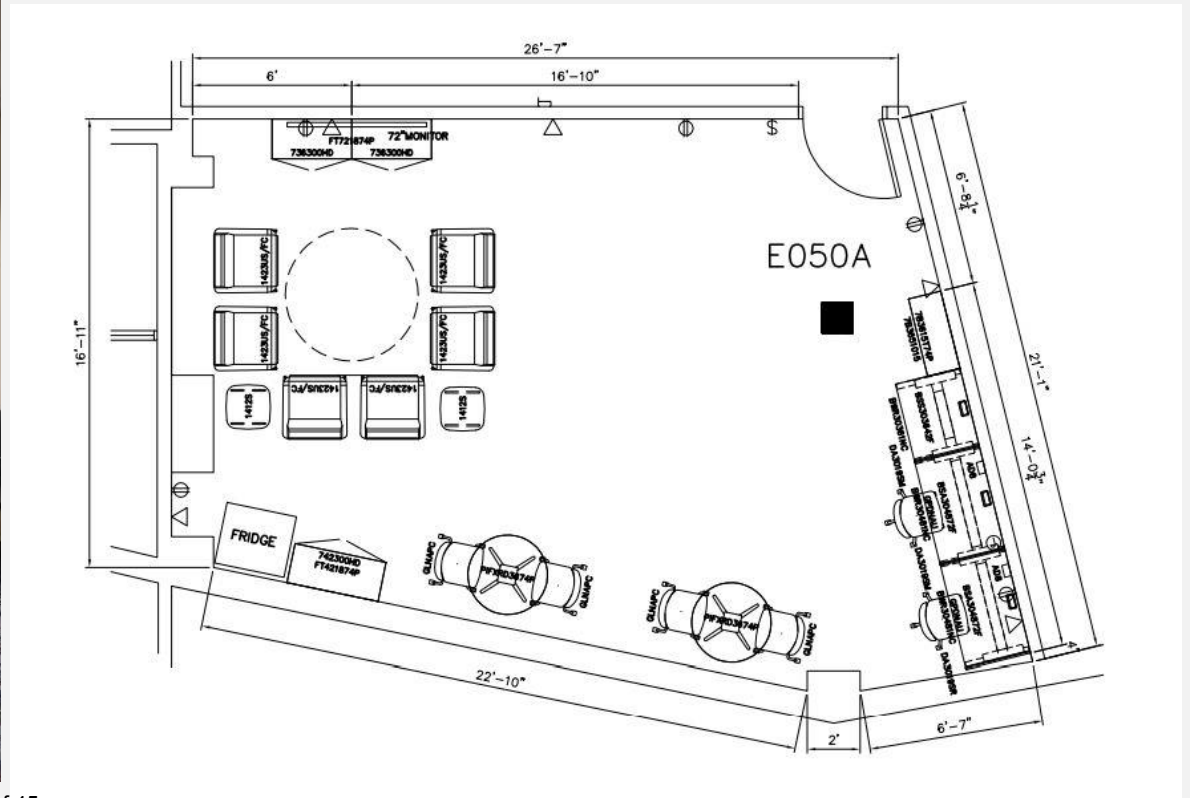
Misc. Projects

Building E, Lower Level, Veterans Lounge:

- Planning and Procurement stage,
- Completion late Fall '24



Existing Layout



Proposed Layout

Misc. Projects

Bernard Brommel Hall, Chemistry Lab 210:
In progress, completion projected for Fall '24



Then



20 of 45

Now



Misc. Projects

Bernard Brommel Hall, Chemistry Lab 210:
In progress, completion projected for Fall '24



Then



21 of 45

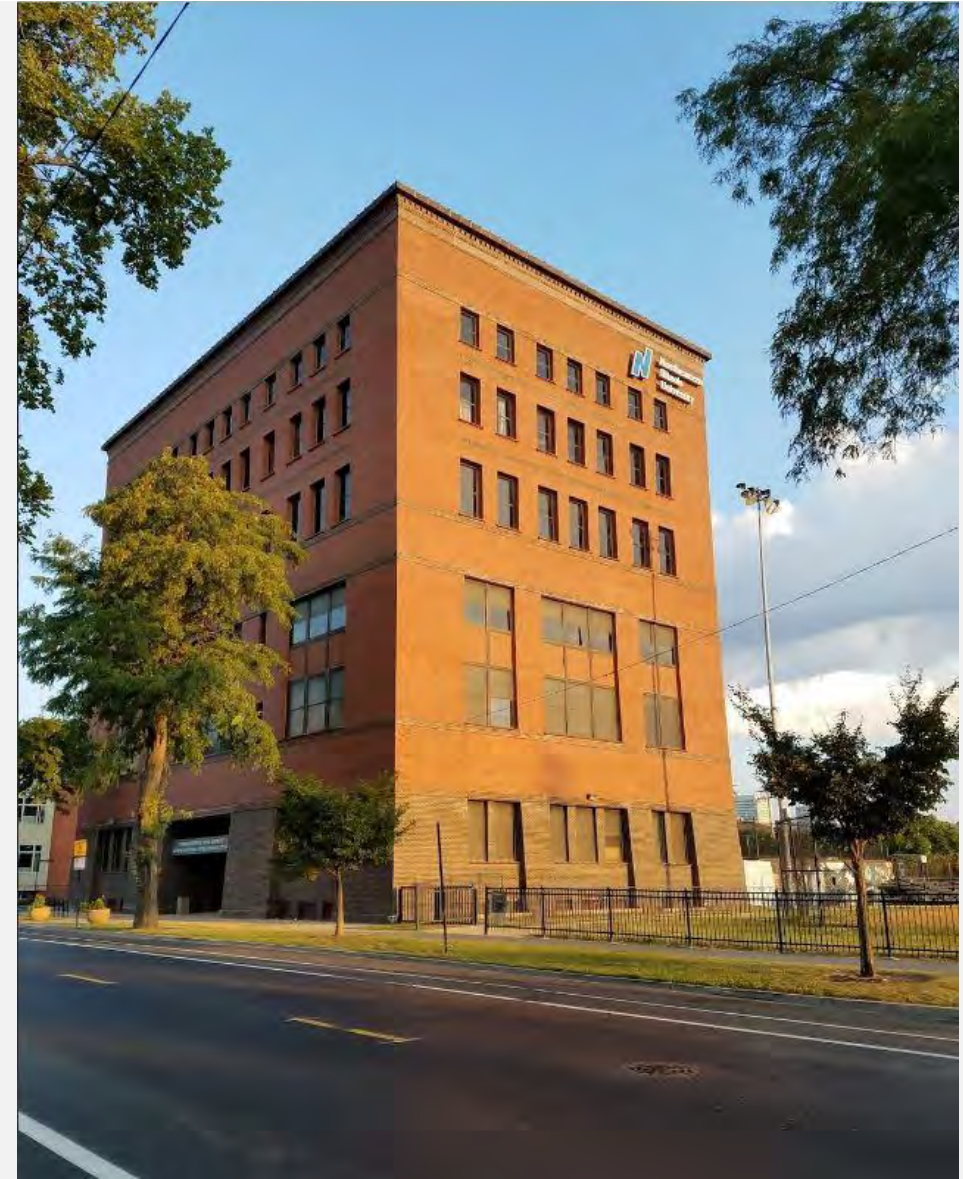
Now



Misc. Projects

CCICS, Façade Tuckpointing Project:

- Planning stage,
- Completion Spring '25

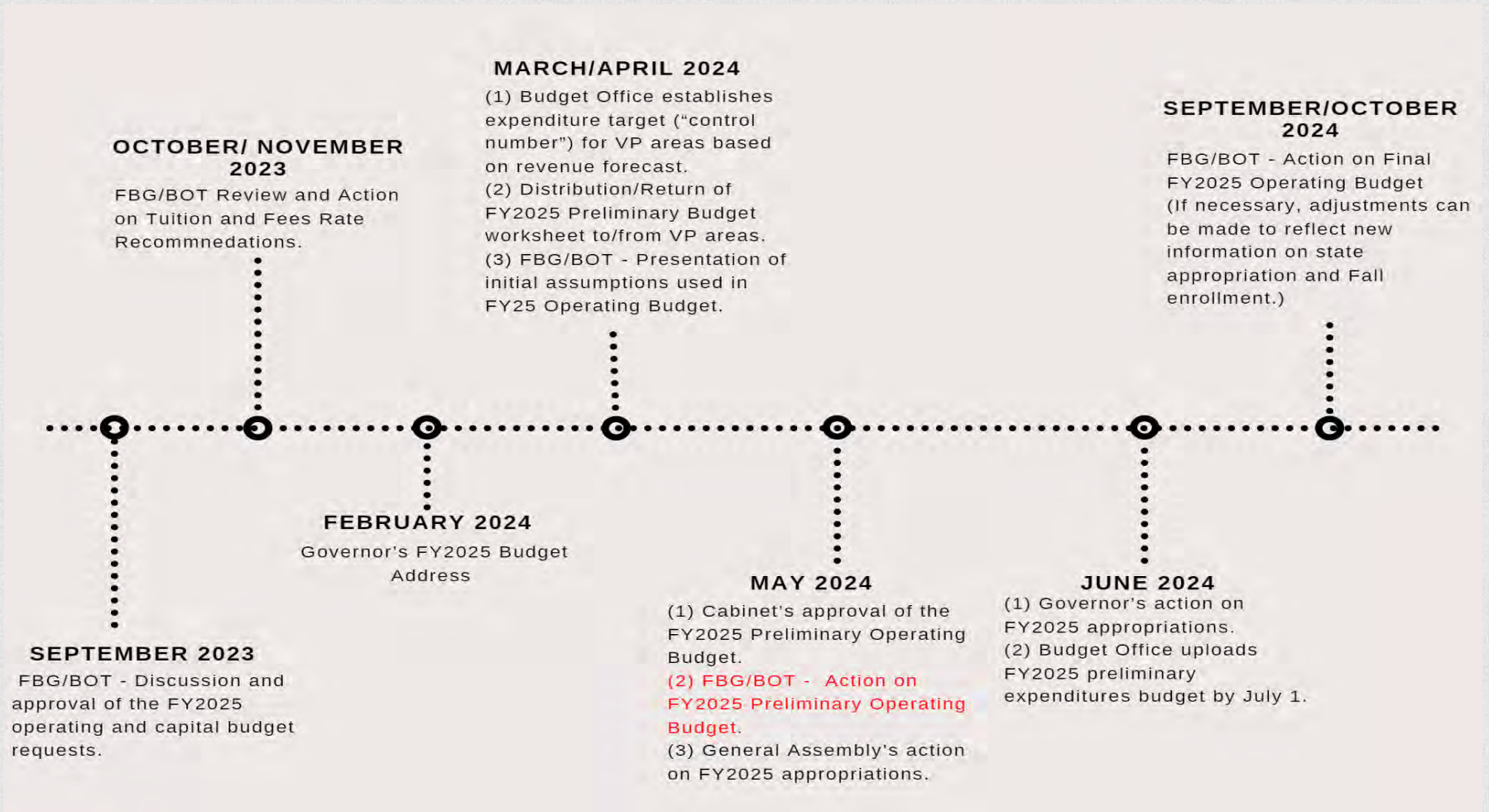


Discussion of FY2025 Preliminary Operating Budget

Overview

- Introduction
 - Budget Timeline
- FY25 Preliminary Unrestricted Operating Budget
 - Review of assumptions used in projecting revenues/expenses.
 - Comparison to previous year's budget
 - Projected growth in expenses
 - Uncertainties/opportunities for the upcoming fiscal year
- FY25 Preliminary Restricted Operating Budget
 - Review of assumptions used in projecting revenues/expenses.
 - Comparison to previous year's budget
- FY25 Preliminary Operating Budget (Unrestricted and Restricted)
- Obtain Board's approval of the FY25 Preliminary Operating Budget (Unrestricted and Restricted). Note that the Final FY25 Operating Budget will be presented and approved in September/October.

FY2025 Budget Timeline



Current FY25 Budget Projection (Unrestricted Funds)

- Unrestricted operating revenue projected to increase to \$90.8 million (from \$85.3 million).
 - State appropriations assumed at \$40.8 million. This is a 2% or \$799K increase over FY24 appropriations (\$39.96 million)
 - Tuition revenue based on a credit hour enrollment of 115,544.
 - FY24 budget is at 110,500 credit hours.
 - FY24 Fall-Spring Actual/ Summer Trend is at 112,989 credit hours.
 - Summer 2024 credit hours is expected to surpass the trend. Trend: 11,898 vs Actual: 11,184 (as of 5/2)
 - Allowance for bad debts and tuition waivers is set at 10% (FY24 is at 12%)
 - Investment Income at \$3.7 million (Increase of \$1.5 million from FY24 budget)
- Unrestricted operating expenses projected to increase to \$94.3 million (from \$85.3 million). Expenses include salary increases based on the assumed or contracted wage increases.
 - Non-personnel budgets are carried over at FY24 levels, unless otherwise adjusted
 - Salary salvage pool of \$2.3 million
 - NEST expenses est. \$2.85 million
- The resulting \$3.5 million in-balance, was covered through reductions in planned expenditures.
- *See Appendix A for additional details on credit hour projections and other assumptions used for estimated revenues and expenses.*

Comparison to Previous Year's Budget (Unrestricted Funds)

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2025 Preliminary Operating Budget
(with comparable data provided for Fiscal Year 2024)

	FY2024 Budget	FY2025 Preliminary Budget	Annual Change		
			Dollar	Percent	
<u>Unrestricted Operating Budget</u>					
State General Funds Appropriations	\$ 39,960,000	\$ 40,758,700	\$ 798,700	2.0	%
University Income Fund - Tuition	41,874,400	45,134,178	3,259,778	7.8	
University Income Fund - Tuition Differential	689,000	737,648	48,648	7.1	
University Income Fund - Investment Income	2,276,600	3,700,000	1,423,400	62.5	
University Income Fund - Others	500,000	500,000	-	0.0	
<i>Unrestricted Operating Budget</i>	<u>\$ 85,300,000</u>	<u>\$ 90,830,526</u>	<u>\$ 5,530,526</u>	6.5	%

Projected Growth in Expenses (Unrestricted Funds)

Expense Description	FY2024 Budget	Projected FY2025 (Preliminary)	Projected Growth	
			Amount	%
Personal Services	\$ 65,837,887	\$ 70,795,897	\$ 4,958,010	8% {A}
Contractual Services	14,631,783	16,190,058	1,558,275	11% {B}
Travel	197,750	197,750	-	0%
Commodities	807,401	822,401	15,000	2%
Equipment	431,986	398,986	(33,000)	-8%
Telecommunications	176,700	176,700	-	0%
Operations of Auto	21,000	21,000	-	0%
Permanent Improvements	25,000	25,000	-	0%
Awards and Grants	1,299,000	1,299,000	-	0%
Benefits/Social Security/Medicare	986,893	1,048,824	61,931	6%
Health Insurance Reserve Fund	1,076,600	1,072,600	(4,000)	0%
Other/Transfer Out/Debt Service	2,308,000	2,341,000	33,000	1%
Total Expenditures	87,800,000	94,389,217	6,589,217	8%
<i>BOT Reserve Allocation</i>	(2,500,000)	-	2,500,000	-100% {C}
Net Expenditures	85,300,000	94,389,217	9,089,217	11%

{A} - Mainly represents FY25 salary increases based on the assumed or contracted wage increases.

{B} - Increase primarily due to expenses previously covered by HEERF grant/Others

{C} - Expiration of BOT reserve allocation (\$2.5 million);

Comparison to Previous Year's Budget (Unrestricted Funds)

<u>Line Item Categories</u>	FY2024	FY2025	Annual Change	
	Budget	Preliminary Budget	Dollar	Percent
Personal Services	\$ 65,837,887	\$ 68,759,141	\$ 2,921,254	4%
Contractual Services	14,631,783	14,611,675	(20,108)	0%
Travel	197,750	193,650	(4,100)	-2%
Commodities	807,401	818,150	10,749	1%
Equipment	428,986	410,786	(18,200)	-4%
Telecommunications	176,700	176,700	-	0%
Operations of Auto	24,000	24,000	-	0%
Permanent Improvements	25,000	25,000	-	0%
Awards and Grants	1,299,000	1,299,000	-	0%
Benefits/Social Security/Medicare	986,893	1,098,824	111,931	11%
Health Insurance Reserve Fund	1,076,600	1,072,600	(4,000)	0%
Other/Transfer Out/Debt Service	2,308,000	2,341,000	33,000	1%
Total Expenditures	87,800,000	90,830,526	3,030,526	3%
<i>BOT Reserve Allocation</i>	<i>(2,500,000)</i>	-	<i>2,500,000</i>	<i>-100%</i>
Net Expenditures	\$ 85,300,000	\$ 90,830,526	\$ 5,530,526	6%

Uncertainties/Opportunities for the Upcoming Fiscal Year (Unrestricted Funds)

- State appropriations not yet final - expected to be finalized by 5/24 or any day thereafter.
- Projected credit hours -115,544
 - Enrollment projections and the resulting revenue projections for the FY2025 budget were based upon historical enrollment trends and goals of Enrollment Management.
 - Enrollment management goals:
 - New students (UG - 11% increase, Grad - 15% increase in Fall 2024)
 - 5% increase in Fall 2024 overall credit hours
 - Actual credit hours is continuously being monitored to determine if any adjustments to preliminary projections are needed.
- Investment income
 - Subject to market rate fluctuations, investment income will be monitored quarterly to ensure that budgeted amount will be met.

Restricted Operating Budget

- Restricted operating budget includes the following:
 - Student fees
 - Sales/Auxiliary Services
 - Grants, including student funds from Pell, MAP, and AIM High.
 - Indirect cost recovery
- The current projection for the preliminary operating budget is based on projections of both revenues and expenses.
 - Student fees revenues are based on projected credit hours (115,544) multiplied by \$85 (standard rate), less estimated bad debts. This also includes prior year carryover balance.
 - Sales and auxiliary services revenues/expenses were projected by respective Finance Managers based on historical trends and anticipated results operations.
 - Grants revenue were projected by determining existing grants that will continue in FY25 and estimating revenues/expenses based on available funding and historical spends.
 - Indirect cost recovery includes indirect costs earned from grants and internal service fees.

Comparison to Previous Year's Budget (Restricted Funds)

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2025 Preliminary Operating Budget
(with comparable data provided for Fiscal Year 2024)

	FY2024 Budget	FY2025 Preliminary Budget	Annual Change	
			Dollar	Percent
REVENUES				
Student Fee Programs*	\$ 7,240,000	\$ 11,438,391	\$ 4,198,391	58%
Sales & Services	2,755,000	2,551,750	(203,250)	-7%
Auxiliary Services*	3,457,300	1,534,524	(1,922,776)	-56%
Indirect Costs Recovery	1,301,400	1,167,050	(134,350)	-10%
Grants & Contracts-Education	600,000	600,000	-	0%
State and Local Grants & Contracts**	13,812,500	15,521,711	1,709,211	12%
Federal Grants & Contracts***	17,680,000	25,833,455	8,153,455	46%
Private Grants & Contracts	917,000	770,028	(146,972)	-16%
Total	\$ 47,763,200	\$ 59,416,909	\$ 11,653,709	24%
EXPENDITURES				
Personal Services	\$ 7,972,622	\$ 10,490,361	\$ 2,517,739	32%
Contractual Services	13,450,104	14,087,999	637,895	5%
Travel	230,348	418,294	187,946	82%
Commodities	425,931	562,925	136,994	32%
Equipment	769,500	1,228,854	459,354	60%
Telecommunications	6,404	48,260	41,856	654%
Operations of Auto	-	5,680	5,680	100%
Awards and Grants	21,856,503	27,469,898	5,613,395	26%
Benefits/Social Security/Medicare	1,302,637	1,554,593	251,956	19%
Other/Transfer Out/Debt Service	1,749,152	3,550,045	1,800,893	103%
Total	\$ 47,763,200	\$ 59,416,909	\$ 11,653,709	24%

*Includes a change in presentation of certain student fees (i.e. campus improvement and student union) from Auxiliary Services to Student Fee Programs.

**FY2025 budget includes tuition grants from the State (e.g. AIM HIGH, ISAC Early Childhood Scholarship).

***FY2025 budget includes financial aid from federal grants (e.g. SEOG, FWS, TEACH, PELL). Excludes federal direct loans.

FY25 Preliminary Operating Budget (Unrestricted and Restricted)

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2025 Preliminary Operating Budget
(with comparable data provided for Fiscal Year 2024)

<u>REVENUES</u>	<u>FY2024 Budget</u>	<u>FY2025 Preliminary Budget</u>	<u>Annual Change</u>		
			<u>Dollar</u>	<u>Percent</u>	
<u>Unrestricted Operating Budget</u>					
State General Funds Appropriations	\$ 39,960,000	\$ 40,758,700	\$ 798,700	2.0	%
University Income Fund - Tuition	41,874,400	45,134,178	3,259,778	7.8	
University Income Fund - Tuition Differential	689,000	737,648	48,648	7.1	
University Income Fund - Investment Income	2,276,600	3,700,000	1,423,400	62.5	
University Income Fund - Others	500,000	500,000	-	0.0	
<i>Unrestricted Operating Budget</i>	<u>\$ 85,300,000</u>	<u>\$ 90,830,526</u>	<u>\$ 5,530,526</u>	<u>6.5</u>	<u>%</u>
<u>Restricted Operating Budget</u>					
Student Fee Programs*	\$ 7,240,000	\$ 11,438,391	\$ 4,198,391	58.0	%
Sales & Services	2,755,000	2,551,750	(203,250)	(7.4)	
Auxiliary Services*	3,457,300	1,534,524	(1,922,776)	(55.6)	
Indirect Costs Recovery	1,301,400	1,167,050	(134,350)	(10.3)	
Grants & Contracts-Education	600,000	600,000	-	0.0	
State and Local Grants & Contracts**	13,812,500	15,521,711	1,709,211	12.4	
Federal Grants & Contracts***	17,680,000	25,833,455	8,153,455	46.1	
Private Grants & Contracts	917,000	770,028	(146,972)	(16.0)	
<i>Restricted Operating Budget</i>	<u>\$ 47,763,200</u>	<u>\$ 59,416,909</u>	<u>\$ 11,653,709</u>	<u>24.4</u>	<u>%</u>
Total Operating Budget	<u>\$ 133,063,200</u>	<u>\$ 150,247,435</u>	<u>\$ 17,184,235</u>	<u>12.9</u>	<u>%</u>

FY25 Preliminary Operating Budget (Unrestricted and Restricted)

<u>EXPENDITURES</u>	General		
<u>Line Item Categories</u>	Operating Fund (State and Tuition)	Restricted Funds*	Total
Personal Services	\$ 68,759,141	\$ 10,490,361	\$ 79,249,502
Contractual Services	14,611,675	14,087,999	28,699,674
Travel	193,650	418,294	611,944
Commodities	818,150	562,925	1,381,075
Equipment	410,786	1,228,854	1,639,640
Telecommunications	176,700	48,260	224,960
Operations of Auto	24,000	5,680	29,680
Permanent Improvements	25,000	-	25,000
Awards and Grants	1,299,000	27,469,898	28,768,898
Benefits/Social Security/Medicare	1,098,824	1,554,593	2,653,417
Health Insurance Reserve Fund	1,072,600	-	1,072,600
Other/Transfer Out/Debt Service	2,341,000	3,550,045	5,891,045
Total	\$ 90,830,526	\$ 59,416,909	\$ 150,247,435

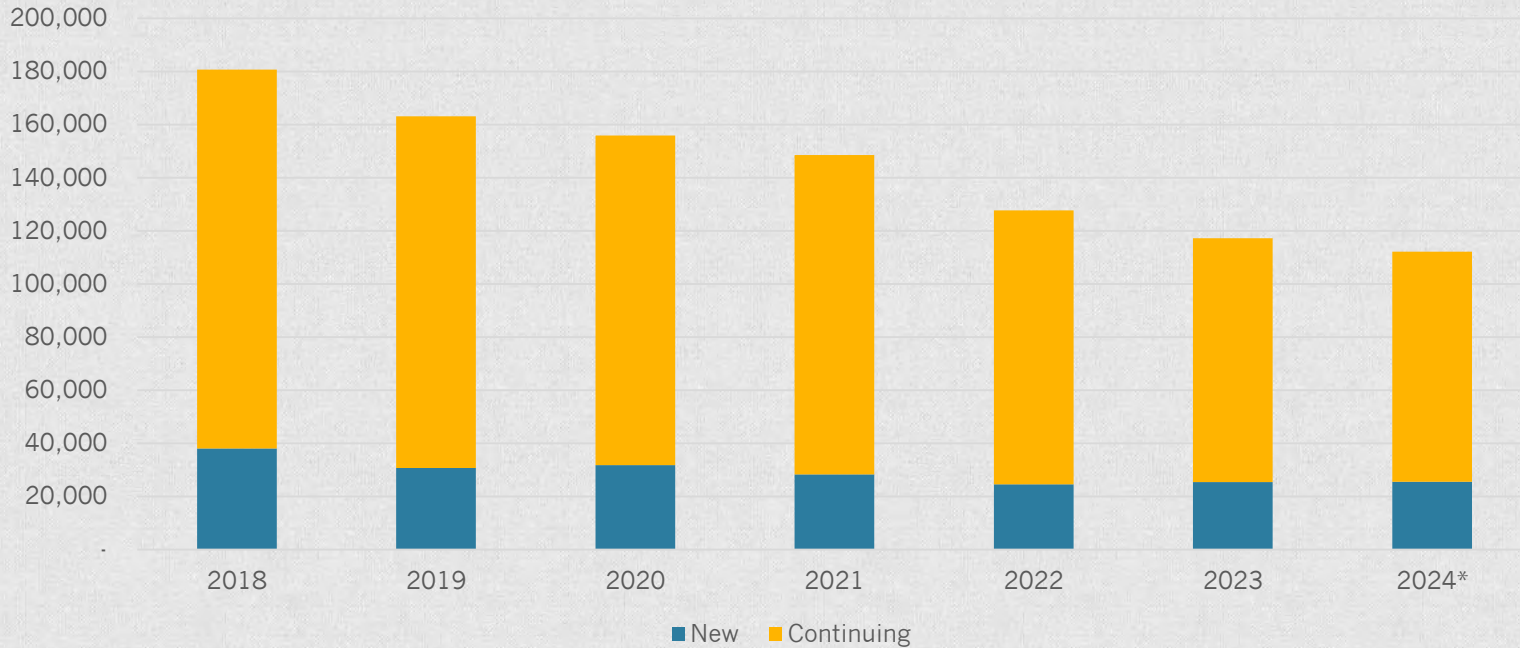
Appendix A: Additional Information

Estimating FY25 Revenues

- State appropriation - 2% increase (\$799K) per Governor's proposal (total \$40.8 million)
- Tuition waivers and bad debt set at 10%
 - Previous values: FY24 (12%), FY23 (12.5%)
 - Intent is to provide explicit budget amounts for tuition waivers
- Net Tuition includes Differential Adjustment
- Investment Income at \$3.7 million
 - Increase of \$1.5 million from FY24 budget
 - Total actual/projected in FY24 is currently tracking at \$4.2 million
 - As rates continue to change, this assumption will be revisited.
- Other income at \$500,000
(Includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.))
- No increase in tuition and fees (resulting in foregone revenue of \$1.463 million @115,544 credit hours)

Historical Credit Hours

Credit Hours By Academic Year



*AY2024: This includes Fall/Spring Actuals and Summer Trend .

Credit Hour Projections

- Factors considered in projections
 - Historical data and assessment of current trends
 - Enrollment Management goals
- Enrollment Managements Goals (Headcount)
 - New students (UG - 11% increase, Grad - 15% increase in Fall 2024)

	<u>Fall 2024</u>	<u>Spring 2025</u>
New First Year	610	24
New Transfer	690	280
New Graduate	540	300
New Others	230	125
	<u>2,070</u>	<u>729</u>

- 2% increase in credit hours of continuing students for Fall 2024.
- 5% increase in Fall 2024 overall credit hours.

Credit Hour Projections

Academic Year	2023	2024	2025
Source	Actual	Actual + Trend	EM Goals
Total	117,169	112,160	116,784
UG - New	19,778	19,815	21,990
UG - Continuing	73,188	69,407	70,987
Grad. - New	5,566	5,685	6,204
Grad. Continuing	18,637	17,253	17,603
Fall	53,903	51,845	54,607
UG - New	14,361	14,692	16,434
UG - Continuing	29,723	28,014	28,473
Grad. - New	3,099	3,126	3,591
Grad. Continuing	6,720	6,013	6,109
Spring	49,484	48,417	48,686
UG - New	4,178	3,962	4,029
UG - Continuing	35,815	35,300	35,081
Grad. - New	1,592	1,584	1,656
Grad. Continuing	7,899	7,571	7,920
Summer	13,783	11,898	13,491
UG - New	1,239	1,161	1,527
UG - Continuing	7,651	6,093	7,433
Grad. - New	875	975	957
Grad. Continuing	4,018	3,669	3,574

- Projected credit hours:
 - Trend (ARIMA) model (run after Spring 24 census)
 - Projection - AY25: 104,486 FY25: 105,732
 - Continues/Accelerates recent trends and cannot incorporate increased retention and recruitment efforts.
 - Enrollment Management Goals.
 - Goal for new students incorporates increased recruitment efforts
 - Goal for continuing students incorporates efforts related to student retention and larger new student classes in Fall 2024
- Academic Year vs Fiscal Year
 - Fiscal Year 2025: 44% of Summer 2024 and 56% of Summer 2025
- Budget Basis for FY25
 - Incorporate split across summer
 - Credit Hours from Enrollment Management
 - Summer 2025 credit hours estimated adjusting the Summer 2024 goals

Head Count/Credit Hour Budget 2024 and 2025

Head Count

BUDGET

FY2024	Fall	Spring	Summer	Total
Undergraduate New	1,374	424	99	1,897
Undergraduate Continuing	2,668	3,132	1,068	6,868
Graduate New	470	265	159	894
Graduate Continuing	992	1,273	837	3,102
Total	5,504	5,094	2,162	12,760

Credit Hours

FY2024	Fall	Spring	Summer	Total
Undergraduate New	14,762	3,128	499	18,389
Undergraduate Continuing	27,724	33,727	6,528	67,979
Graduate New	3,337	1,675	1,025	6,036
Graduate Continuing	6,312	7,888	3,896	18,096
Total	52,135	46,417	11,948	110,500

ACTUAL + FORECAST

FY2024	Fall	Spring	Summer	Total
Undergraduate New	1,374	420	226	2,020
Undergraduate Continuing	2,668	3,291	1,296	7,255
Graduate New	470	287	164	921
Graduate Continuing	992	1,207	815	3,014
Total	5,504	5,205	2,501	13,210

FY2024	Fall	Spring	Summer	Total
Undergraduate New	14,692	3,962	1,195	19,849
Undergraduate Continuing	28,014	35,300	6,779	70,093
Graduate New	3,126	1,584	931	5,641
Graduate Continuing	6,013	7,571	3,822	17,406
Total	51,845	48,417	12,727	112,989

PRELIMINARY BUDGET

FY2025	Fall	Spring	Summer	Total
Undergraduate New	1,530	429	246	2,205
Undergraduate Continuing	2,743	3,255	1,114	7,112
Graduate New	540	300	184	1,024
Graduate Continuing	989	1,244	744	2,977
Total	5,802	5,228	2,288	13,318

FY2025	Fall	Spring	Summer	Total
Undergraduate New	16,434	4,029	1,424	21,887
Undergraduate Continuing	28,473	35,081	6,294	69,848
Graduate New	3,591	1,656	980	6,227
Graduate Continuing	6,109	7,920	3,553	17,582
Total	54,607	48,686	12,251	115,544

18 *Increase in credit hours can be linked to initiatives like Assist to Persist, NEIU for You 2.0 among others that demonstrates NEIU's commitment to its students.

Projected FY25 Revenue

	FY2022	FY2023	FY2024	FY2025 Budget Basis	FY2025 E.M. Goals
State Appropriations	\$ 35,566,900	\$ 37,345,300	\$ 39,960,000	\$ 40,758,700	\$ 40,758,700
Gross Tuition Revenue	58,825,371	49,308,114	48,367,500	50,968,695	51,507,712
Allowance for Bad Debt	(7,353,171)	(6,163,514)	(5,804,100)	(5,096,870)	(5,150,771)
Allowance for Tuition Waivers					
Net Tuition Revenue	51,472,200	43,144,600	42,563,400	45,871,826	46,356,940
Net Tuition Revenue	50,780,200	42,421,200	41,874,400	45,134,178	45,610,863
Net Differential Tuition	692,000	723,400	689,000	737,648	746,078
Other Income	3,188,700	3,450,100	2,776,600	4,200,000	4,200,000
Investment Income	400,000	1,000,000	2,276,600	3,700,000	3,700,000
All Other*	2,788,700	2,450,100	500,000	500,000	500,000
Total Estimated Revenue	\$ 90,227,800	\$ 83,940,000	\$ 85,300,000	\$ 90,830,526	\$ 91,315,640

* FY22-FY23 "All Other" includes pandemic assistance.

- After consideration of the multiple credit hour projections, management has decided to use **115,544 credit hours** as the basis of the FY25 preliminary control. This decision allows for a more balanced approach that considers both the potential higher and lower end outcomes. This can help to mitigate the risks of associated with uncertainties or variations in the data and provide a more reliable projection for budgeting and resource planning purposes. Note that the FY25 budget projection will continue to be refined and updated based on new information.

Fiscal Year

	% in FY25	Trend Model	E.M. + Trend	E.M. Goals + Summer Split	Budget Basis	E.M. Goals
Summer 2024	44%	5,235	5,936	5,936	5,936	13,491
Fall 2024	100%	49,776	51,915	54,607	54,607	54,607
Spring 2025	100%	45,645	47,212	48,686	48,686	48,686
Summer 2025	56%	5,076	5,076	5,076	6,315	-
FY25 Credit Hours		105,732	110,139	114,305	115,544	116,784



Estimating FY25 Expenses

- Personnel budgets are increased based on the assumed or contracted wage increases.
 - Required explicit budgeting of overtime expenses
- Non-personnel budgets are carried over at FY24 levels, unless otherwise adjusted

Additional Assumptions:

- Salary salvage pool of \$2,300,000
- NEST expenses est. \$2,850,000

Comparison to Previous Year's Budget (Unrestricted Funds)

Expense Account	FY24 Final	FY25 Projected	Increase (Decrease)	% Change
	Budgeted Expenses	Expenses		
Academic Support Professional	\$ 1,229,635.0	\$ 1,358,540	\$ 128,905.0	10%
Adjuncts	2,428,878	2,351,858	(77,020)	-3%
Administrative & Other Professionals	11,680,964	12,048,184	367,220	3%
Chair	2,793,788	2,864,187	70,399	3%
Civil Service	19,834,708	21,351,436	1,516,728	8%
CS Extra Help	134,600	107,800	(26,800)	-20%
Graduate Assistants	354,644	331,200	(23,444)	-7%
Instructor	7,297,988	7,773,016	475,028	7%
Resource Professionals	671,812	646,952	(24,860)	-4%
Student Help	538,049	563,349	25,300	5%
Teaching Professionals	18,818,269	19,391,561	573,292	3%
SURS Employer Reimbursement	50,000	50,000	-	0%
FICA Employer	940,893	1,004,324	63,431	7%
Health, Dental and Life Insurance	1,072,600	1,072,600	-	0%
Housing Allowance	54,552	44,500	(10,052)	-18%
Contractual Services	14,631,783	14,609,533	(22,251)	0%
Travel	197,750	193,650	(4,100)	-2%
Commodities	807,401	818,150	10,749	1%
Equipment	431,986	383,986	(48,000)	-11%
Telecommunications	176,700	176,700	-	0%
Operations of Auto	21,000	24,000	3,000	14%
Tuition Scholarships	1,299,000	1,299,000	-	0%
Permanent Improvements	25,000	25,000	-	0%
Debt Service	2,308,000	2,341,000	33,000	1%
Total Expenditures	87,800,000	90,830,526	3,030,526	3%
<i>BOT Reserve Allocation</i>	(2,500,000)	-	2,500,000	-100%
Net Expenditures	\$ 85,300,000	\$ 90,830,526	\$ 5,530,526	6%

Budget Calendar

Date	Description
02/28/2024	FY2025 Budget Presentation to President and Cabinet and Approval of FY25 Control Numbers
03/07/2024	Academic Affairs: FY2025 Budget Presentation to Dean's Council
03/15/2024	Budget Office: Distribution of FY2025 Preliminary Budget worksheet
03/21/2024	FBG: Budget Update - Presentation of initial assumptions used in FY25 Operating Budget (Informational Item)
04/12/2024	Budget Office/EM Group: Finalize enrollment projection for FY2025 Preliminary Operating Budget
04/15/2024	VPs/Deans: Return of FY2025 Preliminary Budget worksheet
05/01/2024	Cabinet's approval of FY2025 Preliminary Operating Budget
05/14/2024	FBG: Presentation of FY2025 Preliminary Operating Budget
05/28/2024	BOT: Approval of FY2025 Preliminary Operating Budget (Action Item)
09/05/2024	FBG: Presentation of FY2025 Final Operating Budget and FY2026 Preliminary Operating and Capital Budget Requests
09/19/2024	BOT: Approval of FY2025 Final Operating Budget and FY2026 Preliminary Operating and Capital Budget Requests (Action Item)

President's Report to the Finance, Buildings and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
May 14, 2024

Action Item: Committee Recommendation of Board Treasurer

On April 1, 2024, Beni Ortiz began her duties as the University's Interim Vice President for Finance and Administration. As approved by the Board at its February 18, 2020 meeting, Manish Kumar was approved to serve as its *ex-officio* Treasurer.

This recommendation is requested in accordance with Northeastern Illinois University Law (110 ILCS 680/25-30), which states: "Ex-officio Treasurer. The Board shall designate a member of the staff of Northeastern Illinois University as treasurer to serve the Board, but not as a member, and shall furnish a bond in such amount and with such security as is satisfactory to the Board." The Northeastern Illinois University Board of Trustees Bylaws (Section V., F. Treasurer) outline the duties of its Treasurer: "The Treasurer shall: 1) Keep the financial records of the Board; 2) Carry out such other functions as the Board shall assign or as may be required by law; and 3) Furnish a bond in such amount and with such security as is satisfactory to the Board." The University has made application for a bond as described above.

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend appointment of Beni Ortiz, Interim Vice President for Finance and Administration, to the *ex-officio* role of Board Treasurer in accordance with Northeastern Illinois University Law and the Board's Bylaws.