

Board of Trustees of Northeastern Illinois University
Finance, Buildings and Grounds Committee Meeting Minutes
February 13, 2025

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Thursday, February 13, 2025 in the Student Union – Alumni Hall North located at 5500 N. St. Louis Avenue, Chicago, IL 60625. Trustee J. Todd Phillips, Chair of the Committee, called the meeting to order at 9:43 a.m.

Roll was called and the following Trustees were present: Anna Meresidis and J. Todd Phillips

Other Trustees present: Carlos Garcia via video conference

Also present: Katrina Bell-Jordan, President; Karl Voigt, Assistant Secretary to the Board; vice presidents, students, staff, and University community members both in person and viewing online.

Motion to Permit Remote Participation by Trustees

Trustee Meresidis, seconded by Trustee J. Todd Phillips, moved to permit remote participation in today's meeting to Trustee Paula Wolff pursuant to section 7(a) of the IL Open Meetings Act and Section 2. A. (2) of the Board's Bylaws. Trustee Wolff notified the Assistant Secretary in advance to request remote participation.

Discussion: there was no discussion. Roll was called and the vote was as follows:

Meresidis: Yes

Phillips: Yes

The motion carried.

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

Trustee Phillips announced the opportunity for public comment. There were two registrations received in advance.

1. **Heather Carper**, representing herself
Topic: ceiling leaks, basement flooding, and crumbling infrastructure
2. **Laurie Fuller**, representing NEIU Land Acknowledgement and Action Committee
Topic: asking the Board to grant in-state tuition to Native students as UIC does

Chair's and President's Remarks

President Bell-Jordan announced that Spring 2025 enrollment is up 1.7% compared to Spring 2024. The Fall to Spring retention rate is 82% and credit hours are up 1.9% compared to Spring 2024. The University is meeting its budget targets. There were 456 degrees conferred in December 2024 an increase of 15% compared to December 2023. February 19 will be the Governor's FY2026 budget address and State of the State address.

Trustee Phillips thanked the President and the University on the progress in enrollment, retention and graduation figures in a time when other colleges and universities are experiencing enrollment declines. Keep looking for ways to improve University operations and for curriculum to stay relevant.

ITEMS FOR INFORMATION

FY2025 2nd Quarter Budget to Actual Report

Beni Ortiz, Interim Vice President of Finance and Administration reported at the Board's request, quarterly reports are provided for the unrestricted operating budget, which supports most University departments and ongoing operations.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2025 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDED DECEMBER 31, 2024
UNAUDITED FIGURES

	FY2023 Q2			FY2024 Q2			FY2025 Q2				
	Adopted Budget	FY23 Actual YTD	% of Budget	Adopted Budget	FY24 Actual YTD	% of Budget	Adopted Budget	Adjusted Budget	Actual Year to Date	% of Current Budget	FY25 vs FY24 ACTUALS
Revenue											
State Appropriations	\$ 37,345,300	\$ 29,428,376	78.8%	\$ 39,960,000	\$ 27,478,656	68.8%	\$ 40,758,700	\$ 40,758,700	\$ 30,007,897	73.6%	\$ 2,529,241 (A)
Net Tuition Revenue	42,172,200	37,506,753	88.9	41,874,400	37,872,272	90.4%	45,134,178	45,134,178	38,682,614	85.7%	810,342 (B)
Net Differential Tuition Revenue	972,400	654,266	67.3	689,000	684,179	99.3%	820,122	820,122	759,412	92.6%	75,233 (B)
Investment Income	1,000,000	1,065,345	106.5	2,276,600	2,206,396	96.9%	3,700,000	3,700,000	2,057,297	55.6%	(149,099) (C)
All Other Sources	2,450,100	93,003	3.8	500,000	363,314	72.7%	500,000	500,000	290,338	58.1%	(72,976) (C)
Total Revenue	\$ 83,940,000	\$ 68,747,743	81.9%	\$ 85,300,000	\$ 68,604,817	80.4%	\$ 90,913,000	\$ 90,913,000	\$ 71,797,558	79.0%	\$ 3,192,741
Expenditures											
Personnel Services	\$ 67,142,441	\$ 29,326,735	43.7%	\$ 67,901,380	\$ 30,951,015	45.6%	\$ 70,829,802	\$ 71,043,134	\$ 30,485,923	42.9%	\$ (465,092) (D)
Contractual Services	11,208,876	3,659,769	32.7	14,631,783	4,443,108	30.4%	14,821,712	15,587,340	4,297,463	27.6	(145,645) (E)
Equipment	846,410	120,946	14.3	431,986	101,140	23.4%	383,986	398,773	129,275	32.4	28,135
Commodities	775,075	151,665	19.6	807,401	234,893	29.1%	818,150	886,275	236,423	26.7	1,530
Telecommunications	176,422	49,785	28.2	176,700	31,279	17.7%	176,700	306,116	147,452	48.2	116,173 (F)
Travel	168,841	40,263	23.8	197,750	57,380	29.0%	193,650	282,862	64,493	22.8	7,113
Permanent Improvements	25,000	-	-	25,000	-	0.0%	25,000	25,000	-	-	-
Operation of Auto Equip	20,935	14,009	66.9	21,000	14,009	66.7%	24,000	42,500	20,244	47.6	6,235
Scholarships, Awards and Grants	1,299,000	657,502	50.6	1,299,000	639,821	49.3%	1,299,000	-	-	-	(639,821) (G)
Other/Transfer Out/Debt Service	2,277,000	1,131,903	49.7	2,308,000	1,150,208	49.8%	2,341,000	2,341,000	1,166,027	49.8	15,820
Total Expenditures	83,940,000	35,152,577	41.9%	87,800,000	37,622,853	42.9%	90,913,000	90,913,000	36,547,301	40.2%	(1,075,552)
<i>ECIT Reserve Allocation</i>	-	-	-	(2,500,000)	-	-	-	-	-	-	-
Net Expenditures	\$ 83,940,000	\$ 35,152,577	41.9%	\$ 85,300,000	\$ 37,622,853	44.1%	\$ 90,913,000	\$ 90,913,000	\$ 36,547,301	40.2%	\$ (1,075,552)

Notes:
1. Adopted Budget column reflects the FY2025 budget approved by the Board of Trustees on September 19, 2024.
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 January 6, 2025 and does not include encumbrances.
4. All Other Sources includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.)

FY25 Q2 vs. FY24 Q2 Actuals Explanation for Change

- {A}** Change from PY (totaling \$2.5 million) relates to timing of requesting reimbursements from the State. Full State appropriation amount is expected to be exhausted by Q3.
- {B}** The increase in Net Tuition Revenue and Net Differential Revenue (\$886K) was mainly due to the impact of lower budgeted percentage of allowance for bad debts and tuition waivers compared to last year - from 12% in FY24 to 10% in FY25.
- {C}** Investment income is mostly attributable to income earned from the Illinois Funds. Note that reimbursements from the State are deposited to the Illinois Funds. The following table presents the investment income earned per month:

	Investment Income Earned		
	As of December 2024	As of December 2023	Difference
July	\$ 374,486	\$ 333,400	\$ 41,086
August	344,166	333,891	10,276
September	332,241	345,689	(13,448)
October	336,073	400,740	(64,667)
November	347,750	390,764	(43,014)
December	322,581	401,913	(79,332)
	\$ 2,057,297	\$ 2,206,396	\$ (149,099)

The \$149K decrease in investment income can be attributed to a combination of factors, including the Federal Reserve's decision to reduce rates starting September 2024 and fluctuations in the investment balance.

{D} The decrease in Personnel Services of \$465K is mainly due to following:

1. Timing of vouchering to the State of Group Insurance expenses. In FY24, the State strongly encouraged vouchering for early spending by September 11, 2023, thereby the University charged the full annual cost at \$1,072,600 in the first quarter of FY24. In FY25, the University reverted back to quarterly vouchering to the State.

	<u>Q2 FY25</u>	<u>Q2 FY24</u>	<u>Difference</u>
CMS Group Health Insurance	\$ 536,300	\$ 1,072,600	\$ (536,300)

2. Salary increases of union and non-union employees estimated to be approx. \$827K.
3. Estimated salary savings totaling (\$756K).

{E} The increase in Contractual Services is primarily due to the timing of incurring or recording expenses.

{F} The \$116K increase in Telecommunications expenses is primarily attributed to costs that were previously covered by pandemic funding, such as \$81.5K of Zoom conference calling fees, which we now need to continue covering.

{G} The decrease in Scholarships, Awards and Grants can be attributed to the reclassification of FY2025 expenses from the State fund to the IBHE Pell55 grant. In the previous year, the reclassification of expenses was done at a later time due to timing of receipt of the grant. Note that the University strategically reallocated the released funds towards various one-time initiatives in Academic Affairs, Enrollment Management, and Student Affairs. These initiatives are specifically designed to enhance the overall student and faculty experience at the University.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2025 BUDGET TO FORECAST COMPARISONS
FOR THE PERIOD ENDED DECEMBER 31, 2024
UNAUDITED FIGURES

	Adopted Budget	Budget Adjustment	Adjusted Budget	Actual Year to Date as of 12/31/2024	Forecasted Revenue/Expenses Thru 06/30/25	Annual Forecast	Adjusted Budget Vs Annual Forecast
Revenue							
State Appropriations	\$ 40,758,700	-	\$ 40,758,700	\$ 30,007,897	\$ 10,750,803	\$ 40,758,700	\$ -
Net Tuition Revenue	45,134,178	-	45,134,178	38,682,614	6,474,292	45,156,906	22,728 ***
Net Differential Tuition Revenue	820,122	-	820,122	759,412	70,587	829,999	9,877 ***
Investment Income	3,700,000	-	3,700,000	2,057,297	1,804,107	3,861,404	161,404 {AA}
All Other Sources	500,000	-	500,000	290,338	209,662	500,000	-
Total Revenue	90,913,000	-	90,913,000	71,797,558	19,309,451	91,107,009	194,009
Expenditures							
Personnel Services	70,829,802	213,332	71,043,134	30,485,923	39,817,782	70,303,704	739,430 {BB}
Contractual Services	14,821,712	765,628	15,587,340	4,297,463	11,233,429	15,530,891	56,449
Equipment	383,986	14,787	398,773	129,275	166,673	295,948	102,825
Commodities	818,150	68,125	886,275	236,423	497,657	734,080	152,195
Telecommunications	176,700	129,416	306,116	147,452	138,368	285,820	20,296
Travel	193,650	89,212	282,862	64,493	150,085	214,579	68,283
Permanent Improvements	25,000	-	25,000	-	-	-	25,000
Operation of Auto Equip	24,000	18,500	42,500	20,244	20,780	41,025	1,475
Scholarships, Awards and Grants	1,299,000	(1,299,000)	-	-	394,428	394,428	(394,428) {BB}
Other/Transfer Out/Debt Service	2,341,000	-	2,341,000	1,166,027	1,175,240	2,341,267	(267)
Total Expenditures	90,913,000	(0)	90,913,000	36,547,301	53,594,442	90,141,742	771,258
Excess Revenue Over Expenditures	\$ -	\$ 0.00	\$ -	\$ 35,250,257	\$ (34,284,990)	\$ 965,267	\$ 965,267

Notes:

1. Adopted Budget column reflects the FY2025 budget approved by the Board of Trustees on September 19, 2024.
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 January 6, 2025 and does not include encumbrances.
4. All Other Sources includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.)
5. "Forecasted Revenue/Expenses Thru 06/30/25" is based on historical trends, adjusted for knowledge of new initiatives/projects or spendings.
6. "Budget Adjustment" reflects net budget transfers processed between organizations and accounts.

*** Tuition Revenue Forecast will be updated after Spring 2025 Census on February 3, 2025.

FY2025 Budget to Forecast Comparison Explanation for Variance

{AA} The \$161K favorable variance in investment income can be attributed to the updated projections made by the Federal Reserve in December 2024 regarding the anticipated number of interest rate cuts in 2025.

{BB} The favorable variance in personnel services is due to salary salvage. These savings can stem from factors such as personnel reductions, delays in filling vacant positions, leave without pay actions, recruitment delays for new roles, and part-time employment arrangements. In December 2024, the Illinois Student Assistance Commission (ISAC) announced an 8% reduction in MAP awards for the Spring 2025 semester, creating a funding shortfall of \$607,427 that will affect approximately 2,500 students at the University. Acknowledging the significant impact this will have on students, the University has decided to cover part of this shortfall from the salary savings and part from an increase in NEIU for YOU scholarships (for eligible students).

NEIU for You (for eligible students)	\$	212,999
Operations (from lapsed funds from vacant positions)		394,428
Total	\$	607,427

Buildings and Grounds Updates

Josh Sumner, Executive Director of Facilities Management, reported on the five University locations and provided a summary of the 2019 facilities plan. Construction on the Education Building will begin in the next few weeks. Crews will begin marking off the area on February 24th. Interior and exterior images were presented of the vacant buildings on the 3400 block of West Bryn Mawr Avenue and of the vacant commercial buildings adjacent to the El Centro location. Trustees expressed interest in the University providing a risk assessment for the vacant buildings at both locations and to make recommendations as to next steps at the March committee meeting.

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

Committee Recommendation Regarding FY2026 Tuition and Fees

Beni Ortiz reported that the proposed modest increase in tuition and fees for FY26 came after extensive discussions at the University through its shared governance process. The proposal recommends a 0% increase in undergraduate base tuition, an across the board 3% increase in the graduate base tuition for both in-state and out-of-state students, and a \$15 increase in mandatory fees, raising the fee from \$85 to \$100 per credit hour.

The proposal also recommended expanding the tuition differential model. Currently only applied to graduate courses in the College of Business and Technology (CBT), the proposal is to increase the CBT differential to 15% from 10%, and introduce differential rates for three other graduate programs with high operational costs: the Master's in Education Leadership (School), the Master's in Counselor Education, and the Master's in Social Work. CBT and Master Education Leadership will have a differential of 15%, while the other two programs will be set at 10%.

Trustee Meresidis, seconded by Trustee Phillips, moved to recommend approval of the FY2026 tuition and fees proposal which accounts for a 0% increase in the undergraduate base tuition, a 3% increase in the graduate base tuition, an increase in the general fee from \$85 to \$100 per credit hour, an increase in the graduate tuition differential in the College of Business and Management of 15%, and introducing differential tuition for the following graduate programs with high operational costs: Master in Education Leadership (School) at 15%, Master in Counselor Education at 10%, and Master in Social Work at 10%.

Discussion: Trustees engaged in a lengthy discussion about the proposal and support its approval. Trustees thanked Beni and team for their thorough analysis and presentation.

Roll was called and the vote was as follows:

Meresidis: Yes

Phillips: Yes

Wolff: Yes

The motion carried.

Committee Recommendation Regarding Resolution Delegating Authority to Adopt and Execute Declarations of Official Intent

Beni Ortiz reported that as of July 1, 2025, the University's direct and indirect obligations are all callable and are eligible to be refinanced. The University is currently assessing whether refinancing would be beneficial and is also considering funding certain new expenditures by including them in a refinancing transaction. To include new expenditures in this transaction, U.S. Treasury regulations require the University to first adopt a declaration of official intent. The University can bring each declaration to the Board for approval or the Board can delegate this authority to an Authorized Officer (Chief Financial Officer), allowing the Authorized Officer to adopt the declarations as needed. Delegating the authority to

declare an official intent would not eliminate the requirement for Board approval. The Board would still need to approve an authorizing resolution before any issuance of tax-exempt obligations can occur.

A RESOLUTION DELEGATING AUTHORITY TO THE CHIEF FINANCIAL OFFICER OF NORTHEASTERN ILLINOIS UNIVERSITY TO ADOPT AND EXECUTE DECLARATIONS OF OFFICIAL INTENT IN CONNECTION WITH THE ISSUANCE OR PROSPECTIVE ISSUANCE OF TAX-EXEMPT DEBT OBLIGATIONS

WHEREAS, Treas. Reg. §1.150-2 provides that if a current expenditure is to be permanently financed by a later issue of tax-exempt obligations an issuer of such obligations must declare its intention to reimburse itself for the expenditure from proceeds of a tax-exempt obligation within 60 days from when the expenditure is made;

WHEREAS, the Board of Trustees of Northeastern Illinois University (the “Board”) has heretofore adopted declarations of intent in accordance with Treas. Reg. §1.150-2 in connection with the issuance or prospective issuance of tax-exempt obligations;

WHEREAS, Treas. Reg. §1.150-2 permit an issuer of tax-exempt obligations to designate an official or employee to make declarations of official intent (each a “Declaration of Intent”) on its behalf;

WHEREAS, the Board desires to delegate to the Chief Financial Officer of Northeastern Illinois University (and, for purposes of this Resolution, including any person duly appointed to any successor office or position that has substantially the same responsibilities even if such successor office or position has a variation in title name and also includes any person duly appointed to any such office or position on an acting or an interim basis) (the “Authorized Officer”) the authority to execute a Declaration of Intent in accordance with Treas. Reg. §1.150-2 on behalf of the Board in connection with the reimbursement of expenditures with the proceeds of an issuance or prospective issuance of tax-exempt obligations; and

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board as follows:

Section 1. Delegation by Authorized Officer

This Board hereby delegates authority to the Authorized Officer to declare the official intent of the Board to pay or reimburse expenditures in accordance with Treas. Reg. §1.150-2 by executing a Declaration of Intent if deemed by such Authorized Officer useful or necessary in connection with the issuance or prospective issuance of tax-exempt debt obligations without further action by the Board, all as contemplated by this Resolution.

Section 2. Form of Declaration

Any such Declaration of Intent shall be in substantially the form attached as *Exhibit A* hereto.

Section 3. Prior Resolutions

All previous resolutions of this Board which are inconsistent with this Resolution be, and the same hereby are, repealed, revoked and rescinded to the extent of such inconsistency.

Section 4. Resolution Effective on Passage

This Resolution shall become effective upon its passage.

Adopted this ____ day of _____, 2025

By: _____
Chair, Board of Trustees

ATTEST: _____
Secretary

(SEAL)

Exhibit A

Declaration of Official Intent Under Treas. Reg. §1.150-2

I, _____, being the Chief Financial Officer of Northeastern Illinois University, hereby declares as follows:

- (i) the Board of Trustees of Northeastern Illinois (the “*Issuer*”) reasonably expects to reimburse itself for the expenditures set forth in *Exhibit A* hereto (the “*Projects*”) with the proceeds of tax-exempt obligations to be incurred by the Issuer;
- (ii) all or a portion of the costs of the Projects have been or will be paid no earlier than 60 days prior to the date of this declaration or will be paid on or after the date of this declaration; and
- (iii) the maximum principal amount of obligations expected to be issued for the Projects is: \$ _____; and
- (iv) the Issuer reasonably expects to reimburse original expenditures that were paid no earlier than 60 days prior to the adoption of this declaration and after adoption of this declaration, but prior to the issuance of tax-exempt obligations with proceeds of such obligations.

Dated: _____, 20_____

By: _____
Title: Chief Financial Officer

Trustee Meresidis, seconded by Trustee Wolff, moved to recommend approval of the resolution delegating authority to adopt and execute declarations of official intent to the University’s Chief Financial Officer as presented.

Discussion: Trustees briefly discussed the recommendation.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Motion to Convene in Closed Session

At 11:41 a.m. Trustee Meresidis, seconded by Trustee Wolff, moved to convene in Closed Session pursuant to sections 2(c)1, 2(c)2, and 2(c)11 of the IL Open Meetings Act to discuss personnel, collective bargaining, and litigation matters.

Discussion: there was no discussion. Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

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

Motion to Reconvene in Open Session

At 11:49 a.m. Trustee Meresidis, seconded by Trustee Wolff, moved to reconvene in Open Session. The motion carried by unanimous consent.

Old / New Business

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

Motion to Adjourn

At 11:55 a.m. Trustee Meresidis, seconded by Trustee Wolff, moved to adjourn. The motion carried by unanimous consent.

Respectfully submitted,

J. Todd Phillips, Chair of the Committee
Karl Voigt, Assistant Secretary to the Board
Approved April 17, 2025