



President's Report

to the
Board of Trustees

February 13, 2025



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ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

At the September 19, 2024 full board meeting, the Audit Committee presented their recommendations of the University's 2025 Internal Auditing Charter and its 2025-26 Detailed Auditing Plan for full board approval, to which the Board unanimously consented.

Effective January 1, 2025, however, new auditing standards (IIA Global Internal Auditing Standards) became effective, creating the need for the University to amend its 2025 Internal Auditing Charter to include revised language. Additionally, the 2025-26 Detailed Auditing Plan was modified to reflect the actual number of hours required of the internal auditor in external audit coordination. The amended documents are presented on the following pages.

Recommended Action

I request that the Board adopt the Audit Committee's recommendation to approve the amended 2025 Internal Auditing Charter and the 2025-26 Detailed Auditing Plan as presented.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

**Northeastern Illinois University
 Internal Audit Department
 FY 2025-2026
 Detailed Audit Plan
 (as of January 2025)**

2025 (July 1, 2024 – June 30, 2025)		2026 (July 1, 2025 – June 30, 2026)	
Audit Projects	Hours	Audit Projects	Hours
Payroll Processes – Workday ⁽¹⁾	60	Tuition Waivers ⁽²⁾	300
Grants – CCAS ⁽¹⁾	300	EI Centro Internal Controls Review	130
Implementation – Workday Finance ⁽¹⁾	500	CCIS – Internal Controls Review	130
		Revenue/Receivables ⁽¹⁾	300
Administrative & Compliance Activities and Reporting		Administrative & Compliance Activities and Reporting	
FCIAA Certification Coordination	40	FCIAA Certification Coordination	40
Annual Planning/Risk Assessment	30	Annual Planning/Risk Assessment	30
Annual Report	30	Annual Report	30
Follow-up	60	Follow-up	60
Unplanned Activities	200	Unplanned Activities	200
Quality Assessment Review	80	Quality Assessment Review	80
External Audit Coordination	300	External Audit Coordination	300
Total Hours for 2025	1,600	Total Hours for 2026	1,600

⁽¹⁾Audit areas listed in the State Accounting Manual (SAM) as part of the State of Illinois' internal control framework. Per FCIAA, major accounting activities should be considered for audit every two years. This factor has been considered as part of the risk ranking in the development of the annual planning risk assessment. Departmental/Center audits are anticipated to cover the majority of 11 functional areas identified in the Control Framework but will be further defined at the audit level risk assessment and the availability of audit resources.

⁽²⁾Tuition and Fee Waivers are required to be periodically reviewed based on IBHE Tuition and Fee Waiver Guidelines.

Other Items for Audit Consideration:

Petty Cash & Local Funds
 Auxiliary Services-Parking, Rec. Center, etc.
 Budget Process
 Financial Aid

Student Services
 Union Building Administration & Conferences
 Capital Projects/Construction
 Compliance Areas (Title IX, Cleary Act, PCI, Record Retention, Ethics, etc.)
 Grading & Registrar Office

Please note the plan is subject to change based upon staffing and unforeseen issues that may develop. Whenever possible, integrated audits will be performed to address technologies associated with the area under review. Any significant changes to the plan will be communicated to the NEIU Management and the Board of Trustees Audit Committee Chairperson.

Approvals:

Katrina E. Bell-Jordan 1/8/25

 Dr. Katrina E. Bell-Jordan Date
 Northeastern Illinois University Interim President

Anna Meresidis 1/8/25

 Anna Meresidis Date
 Board of Trustees, Audit Committee Chairperson

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN



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Internal Auditing Charter

Purpose and Mission

The purpose of Northeastern Illinois University's (NEIU) Internal Audit Department is to provide independent, objective assurance and advising services designed to add value and improve NEIU's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, insight and foresight. The Internal Audit Department enhances NEIU's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The NEIU Internal Audit Department is most effective when:

- Internal audits are performed by competent professionals in conformance with The Institute of Internal Auditors' (IIA) Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Trustees through its Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Mandate

The Fiscal Control and Internal Auditing Act (30 ILCS 10/Articles 1, 2, and 3) (FCIAA) is the state legislation which provides mandates for internal audit activities of state agencies. It is the policy of the State of Illinois that the chief executive officer of every State agency is responsible for effectively and efficiently managing the agency and establishing and maintaining an effective system of internal control. NEIU, defined as a designated agency within and for the purposes of this Act, is required to maintain a full-time program of internal auditing. The President, as the chief executive officer of NEIU, is responsible for the development and implementation of the program of internal auditing. The President

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

has delegated the chief audit executive (positioned within the Internal Audit Department), jointly with the Board of Trustees through its Audit Committee, to establish guidelines which give direction to the overall internal audit function of NEIU. This Charter constitutes these guidelines, and as developed and amended, will be transmitted to the President for concurrence and to the Audit Committee for approval.

In accordance with FCIAA Article 2, the State of Illinois Internal Audit Advisory Board has adopted the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements, as the standard of performance to which all State internal auditors must adhere. The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Independence, Organizational Position and Reporting Relationships

The chief audit executive is positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive reports functionally to the President and the Board of Trustees through its Audit Committee, and administratively to the Vice President of Finance and Administration. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguard employed to achieve the principle of independence. The chief audit executive will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

Authority

The internal audit function's authority is created by its direct functional reporting to the President of NEIU and the Board of Trustees through its Audit Committee. Such authority allows for unrestricted access to the Board of Trustees and/or the Audit Committee.

The President and the Board of Trustees through its Audit Committee authorize the internal audit function to:

- Have full, free, and unrestricted access to all functions, data, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives and to issue reports.
- Obtain assistance from the necessary NEIU personnel, as well as specialized services from within or outside NEIU in order to complete engagements. Management's approval will be obtained when it is deemed necessary for resources external to NEIU.

Changes to Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, the Audit Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the organization.
- Significant changes in the chief audit executive, composition of the Audit Committee, and/or senior management.
- Significant changes to NEIU's strategies, objectives, risk profile, or the environment in which NEIU operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

The responsibilities of the Audit Committee are outlined in the NEIU Audit Committee Charter. Some of those responsibilities include:

- Approve the Internal Audit Department's charter.
- Approve the two-year, annual internal *Audit Plan*.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

- Approve the Internal Audit Department budget and resource plan (following normal university procedures.)
- Receive communications from the Director of Internal Auditing on the Internal Audit Department's performance relative to its plan and other activities.
- Approve decisions regarding the appointment and removal of the Director of Internal Auditing.
- Approve the remuneration of the Director of Internal Auditing (following normal University procedures).
- Make appropriate inquiries of management and the Director of Internal Auditing to determine whether there are inappropriate scope or resource limitations.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of NEIU and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with NEIU's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for NEIU.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any NEIU employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to the chief audit executive at least annually. The chief audit executive will consider whether impairments should be reported to others and will do so as deemed necessary, including the Audit Committee or management.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- Annually develop a flexible two-year risk-based internal audit plan that considers the input of the Audit Committee and management. Discuss the plan with senior management and submit the plan to the Audit Committee for feedback and approval. In accordance with FCIAA, submit the audit plan to the President in order for the President to approve by June 30 of each year.
- Report to the Board of Trustees and Audit Committee by September 30 of each year the scope and results of audits and the adequacy of management's corrective actions.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the audit plan, as necessary, in response to changes in NEIU's risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management on a quarterly basis for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact NEIU and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to NEIU's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

Communicating with the Audit Committee and Senior Management

The chief audit executive will report periodically to the Audit Committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of NEIU's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

Quality Assurance and Improvement Program

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measures to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. Periodic internal and external assessments will be conducted under the guidelines provided by the State Internal Audit Advisory Board. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside NEIU. Qualifications must include at least one assessor holding an active Certified Internal Auditor® credential. Public sector competencies and knowledge as well as knowledge of the Global Internal Audit Standards should be considered when selecting external assessors.

Scope of Internal Audit Activities

The scope of internal audit services covers the entire breadth of the organization, including all the activities, assets, and personnel of NEIU which includes its related organizations, and organizations required to submit financial statements to NEIU. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board of Trustees and management on the adequacy and effectiveness of governance, risk management, and control processes for NEIU.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Advisory services may also include those less formal in nature such as providing advice, facilitation, and training. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of NEIU's strategic objectives are appropriately identified and managed.
- The actions of NEIU's officers, directors, employees, and contractors are in compliance with NEIU's policies, procedures, and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations of programs are being carried out effectively, efficiently, ethically and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact NEIU or its affiliates.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently and protected adequately.

The Director of Internal Auditing will report periodically to senior management and the Board of Trustees Audit Committee regarding:


- The Internal Audit Department's purpose, authority and responsibilities.
- The Internal Audit Department's plan and performance relative to its plan.
- The Internal Audit Department's conformance with the *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by the Board Audit Committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to NEIU.

Internal audit engagements can also include conducting or assisting in the investigation of significant suspected fraudulent activities within or against NEIU and notifying management and the Audit Committee of the results, as well as law enforcement as appropriate.

ACTION ITEM I. A. AMENDED 2025 INTERNAL AUDITING CHARTER AND 2025-26 DETAILED AUDITING PLAN

Internal Auditing Charter

Approval/Signatures



Chrystal D. Temples, Director of Internal Auditing

10/31/2024
Date



Dr. Katrina Bell-Jordan, President

11/22/24
Date



Anna Meresidis, BOT Secretary

1/9/25
Date

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Background

Northeastern Illinois University (NEIU) reviews and adjusts tuition and fees annually to keep up with inflationary cost pressures, address essential operational needs, and ensure the continued quality of its academic programs. Equally important is the effort to maintain affordability for students.

For this reason, Northeastern Illinois University has kept base tuition increases for its undergraduate students to an average of 1.2% over the past five years, even during periods of reduced state appropriations and despite substantial additional expenses related to the pandemic. Tuition rates for graduate students have increased modestly, averaging 2.4% in the same time period. In contrast, inflation, as measured by the Consumer Price Index (CPI), has risen at a much higher rate, particularly in recent years, averaging 5.1% per year over the past five years and 2.7% in the last 12 months.

Additionally, the truth-in-tuition guarantee locks in a student's tuition rate for 4 to 6 years, but the costs of teaching those courses rise each year the student remains enrolled.

It’s important to note that, despite political pressures to maintain level base tuition, last month the University of Illinois’ board of trustees approved tuition and fee increases for FY26 across its three campuses. It is expected that several other institutions will follow suit with similar increases in the coming months.

FY 26 Tuition and Fees Recommendations

After extensive discussions at the University through its shared governance process, the administration is proposing the following modest increase in tuition and fees: The proposal includes a 0% increase in undergraduate base tuition and a 3% graduate base tuition increase for both in-state and out-of-state students. The recommendation also includes a \$15 increase in mandatory fees, raising the fee from \$85 to \$100.

Additionally, the administration is recommending adjusting the tuition differential model. Currently, a 10% differential is applied for the College of Business and Technology (CBT) courses, and we propose increasing this rate to 15%. We also recommend introducing a new differential rate for three 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%.

Undergraduate base tuition	0% increase	
Graduate base tuition	3% increase	
Mandatory General Fee	\$15 increase	(from \$85 to \$100/credit hour, up to 16 credit hours)
Differentials:	College of Business and Technology (CBT)	Increase from 10% to 15%
*NEW	Master’s in Education Leadership (School)	15%
*NEW	Master’s in Counselor Education	10%
*NEW	Master’s in Social Work	10%

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

The recommendation for the differential tuition arose from a review of specific graduate programs, which are generally more costly than undergraduate programs for several reasons:

1. They tend to have smaller class sizes which means fewer students are paying tuition to cover the costs of instruction, making it necessary to charge higher rates to maintain program quality.
2. Often offer specialized, high-demand fields of study that require experienced faculty, a high level of academic resources and more intensive instruction which all contribute to higher cost.
3. Many graduate programs require significant investment in research resources, labs and other specialized facilities which can drive up program cost
4. These programs often rely on faculty with higher qualifications, including advanced terminal degree and professional experience which result in higher salaries and benefits.
5. These programs often require a maximum faculty to student ratio required by accreditation bodies which adds to budgetary pressures
6. The programs also typically incur recurring annual dues for accreditations.

In short, the specialized nature of graduate education, combined with factors like smaller classes, higher faculty expertise, and additional resources, all contribute to higher tuition and fees.

Peer Institution Comparison Analysis

Graduate Base Tuition

NEIU's graduate base tuition currently ranks 5th out of 12 among all Illinois public universities for FY25. Even with the proposed 3% increase in graduate base tuition for FY26, we believe the university will maintain its competitive position relative to other Illinois public institutions.

Mandatory General Fee

Since 2018, NEIU has had the lowest fees of any public university in Illinois for both undergraduate and graduate students. This followed the decision to discontinue the mandatory health insurance fee and instead guide our students to purchase more comprehensive and cheaper health plan options through the Affordable Care Act.

While this positioned NEIU as an affordable option for its students, the low fee structure has impacted our ability to invest in student support services and facilities. While we strive to keep costs affordable, it has limited the resources available for maintaining and enhancing campus infrastructure and providing the full range of services that support student success.

Differential Tuition

Northeastern currently applies a 10% differential only to courses in the College of Business and Technology (CBT). In comparison, NIU applies a differential to many more programs, with rates ranging from 2-3% all the way up to nearly 85%.

At UI-Urbana-Champaign and UI-Chicago, differential tuition is commonly applied to multiple programs at both campuses. In fact, UI-Urbana-Champaign's differential tuition exceeds 100% of the base graduate tuition rate on specific programs. No other institution has a differential that exceeds 100% of the base graduate tuition. Western & Eastern does not employ differential tuition rates and Illinois State instituted differential tuition rates for the first time in FY25.

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Budget Impact and other Strategies

To address the estimated \$9.6 million FY26 fiscal gap, several strategies are being considered. Enrollment and retention initiatives are expected to generate approximately \$600K - 1.8 million, with initial enrollment targets projecting a 1-3% increase in credit hour enrollment for FY26. These projections will continue to be refined as Spring 2025 data is analyzed and applications for incoming students are processed.

Additionally, tuition and fee adjustments, recommended today for FY26, are anticipated to contribute an additional \$2.7 million. This includes graduate tuition increases of \$300K, fee adjustments totaling \$1.785 million, and differential tuition changes amounting to \$645K.

Despite these efforts, a remaining gap of approx. \$4-6 million will need to be addressed through financial and operational restructuring. One strategy involves advocating for increased state appropriations. For example, a 3% increase in state appropriations could contribute approximately \$1.3 million toward closing the gap. Additionally, ongoing engagement and collaboration with the Illinois Commission on Equitable Public University Funding will help ensure a more equitable appropriation allocation.

Other strategies involve conducting department reviews, revising hiring plans, and managing vacancies or delaying hiring when necessary. Beyond that, exploring investment options with higher returns, evaluating debt refinancing opportunities, and leveraging the foundation's resources to close the funding gap through enhanced student support services and campaigning to share in the Nursing Lab construction costs are key priorities.

Once these measures are finalized, any remaining shortfall will be resolved through the budget-setting process, potentially requiring expense reductions.

The next steps in the budgeting process involve finalizing revenue and expense estimates, allocating necessary adjustments to vice presidential areas, and working within these areas to determine specific budgetary modifications.

Overall, these recommendations acknowledge the financial needs of the colleges after long periods of modest but inadequate tuition and fee increases and growing inflationary pressures while being mindful of the need to maintain access and affordability for resident students.

Recommended Action 1

I request that the Board accept the Finance, Buildings and Grounds Committee's recommendation to approve the graduate base tuition increase of 3%

Recommended Action 2

I request that the Board accept the Finance, Buildings and Grounds Committee's recommendation of a Mandatory General Fee increase of \$15, from \$85 to \$100 per credit hour, up to 16 credit hours

Recommended Action 3

I request that the Board accept the Finance, Buildings and Grounds Committee's recommendation to approve tuition differential rates as follows:

- College of Business and Technology (CBT), increase from 10% to 15%
- Master's in Education Leadership (School) at 15% differential
- Master's in Counselor Education at 10% differential
- Master's in Social Work at 10% differential

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

PRESIDENT'S REPORT TO THE
 BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY

Table 1
 NORTHEASTERN ILLINOIS UNIVERSITY
 Schedule of Proposed Tuition and Fees

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Change FY25 to FY26	
							Dollar	Percent
TUITION (per credit hour)								
Undergraduate - post 6-year (enrolled prior to Fall 2020)*	\$ 412.20	\$ 420.44	\$ 420.44	\$ 430.95	430.95	430.95	\$ -	0 %
Undergraduate - newly enrolled Fall 2020 ¹	412.20	412.20	412.20	412.20	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2021 ¹	-	420.44	420.44	420.44	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2022 ¹	-	-	420.44	420.44	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2023 ¹	-	-	-	430.95	430.95	430.95	-	-
Undergraduate - newly enrolled Fall 2024 ¹	-	-	-	-	430.95	430.95	-	-
Undergraduate - newly enrolled Fall 2025	-	-	-	-	-	430.95	n/a	-
CBT Undergraduate Differential								
Undergraduate - post 6-year (enrolled prior to Fall 2020)*					474.05	495.59	21.55	4.5 %
Undergraduate - newly enrolled Fall 2020 1					462.48	462.48	-	-
Undergraduate - newly enrolled Fall 2021 1					462.48	462.48	-	-
Undergraduate - newly enrolled Fall 2022 1					462.48	462.48	-	-
Undergraduate - newly enrolled Fall 2023 1					474.05	474.05	-	-
Undergraduate - newly enrolled Fall 2024 1					474.05	474.05	-	-
Undergraduate - newly enrolled Fall 2025						495.59	n/a	-
Graduate	420.44	432.80	441.46	463.53	463.53	477.44	\$ 13.91	3.0 %
CBT Graduate Differential		15% of Base Graduate Rate			509.89	549.05	39.17	7.7
Master's Education Leadership (School) Differential		15% of Base Graduate Rate				549.05	n/a	-
Master's Counselor Education Programs Differential		10% of Base Graduate Rate				525.18	n/a	-
Master's Social Work Programs Differential		10% of Base Graduate Rate				525.18	n/a	-
Non-resident Undergraduate - post 6-year *	824.40	840.88	840.88	861.90	861.90	861.90	\$ -	0 %
Non-resident Undergraduate - newly enrolled Fall 2020 ¹	824.40	824.40	824.40	824.40	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2021 ¹	-	840.88	840.88	840.88	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2022 ¹	-	-	840.88	840.88	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2023 ¹	-	-	-	861.90	861.90	861.90	-	-
Non-resident Undergraduate - newly enrolled Fall 2024	-	-	-	-	861.90	861.90	-	-
Non-resident Undergraduate - newly enrolled Fall 2025	-	-	-	-	-	861.90	n/a	-
CBT Non-Resident Undergraduate Differential								
Non-resident Undergraduate - post 6-year *					948.09	991.19	43.10	4.5 %
Non-resident Undergraduate - newly enrolled Fall 2020 1					924.97	924.97	-	-
Non-resident Undergraduate - newly enrolled Fall 2021 1					924.97	924.97	-	-
Non-resident Undergraduate - newly enrolled Fall 2022 1					924.97	924.97	-	-
Non-resident Undergraduate - newly enrolled Fall 2023 1					948.09	948.09	-	-
Non-resident Undergraduate - newly enrolled Fall 2024					948.09	948.09	-	-
Non-resident Undergraduate - newly enrolled Fall 2025						991.19	n/a	-
Non-resident Graduate	840.88	865.60	882.92	927.06	927.06	954.87	\$ 27.81	3.0 %
CBT Graduate Differential		15% of Base Graduate Rate			1,019.77	1,098.10	78.34	7.7
Master's Education Leadership (School) Differential		15% of Base Graduate Rate				1,098.10	n/a	-
Master's Counselor Education Programs Differential		10% of Base Graduate Rate				1,050.36	n/a	-
Master's Social Work Programs Differential		10% of Base Graduate Rate				1,050.36	n/a	-
MANDATORY FEES								
General Student Fee	80.35	81.95	83.50	85.00	85.00	100.00	\$ 15.00	17.6 %
U-Pass (Full-time Students only)	155.00	155.00	155.00	155.00	155.00	155.00	-	-

* Post 6-year students in FY2025 are those enrolled prior to Fall 2020 (or FY2021).

¹ Per Public Act 93-0028 starting Fall 2004, Illinois undergraduate students newly enrolled will have their tuition held constant for a period of four continuous academic years. This policy was extended at NEIU to non-resident undergraduate students. Public Act 96-1293 effective Fall 2010, extended the tuition guarantee for two additional years at the rate of the following class.

Note: Other than the Upass Fee, tuition and fees are charged on a credit hour basis for each credit hour enrolled per semester up to 16 credit hours. There will be no tuition and fee charges for credit hours enrolled above 16 hours per semester.

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Overview

Background/Challenges

- Currently projecting a budgetary gap of \$9.6m for FY26 due to rising operational costs *(see Appendix - Slide 15)*
- Variety of approaches will be used to close the budgetary gap.


Different Approach to Tuition and Fee Request for FY26

- Hold base undergraduate tuition flat
- Focus Graduate tuition and Mandatory fees - programs/areas with significant need.
- Consideration for NEIU's relative position with other IL public institutions and competing program costs *(see Appendix - Slide 23)*.

Key Factors supporting this approach include:

- Tuition guarantee for undergraduates
- Focus on accessibility, success and retention
- Gradual cost increases
- Graduate tuition flexibility

3



Overview, Continued


Graduate programs are generally more expensive *(see Appendix - Slides 16 to 19):*

- Smaller class sizes
- Require substantial investments in research resources, labs, etc.
- Rely on faculty with higher qualifications, advanced and/or terminal degrees
- Maximum faculty-to-student ratio
- Large annual dues for accreditation

Known FY26 Requests by Other IL Publics

- University of Illinois approved tuition and fee increases for FY26
 - Base Undergrad: UIUC (2.2%), UIC (2.2%) and UIS (2%).
 - Base Grad: UIUC (3%), UIC (3%) and UIS (2%).
 - Fees: UIUC (2.1%), UIC (1.9%) and UIS (2%).
- Indications are that several other institutions are likely to request an increase in tuition, fees and or differentials.

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

FY26 Tuition and Fee Recommendation

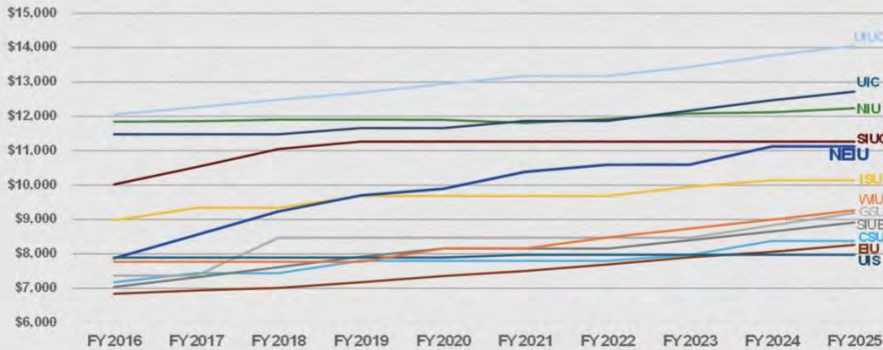
- **Undergraduate (base) tuition: 0%** increase. Remains unchanged at \$430.95 per credit hour (in-state) and \$861.90 (out-of-state).
- **Graduate (base) tuition: 3%** increase. Increase in per credit hour cost of \$463.53 to \$477.40 (in-state) and \$927.06 to \$954.80 (out-of-state).
- **Mandatory (General) Student Fee: \$15** increase from \$85 to \$100 per credit hour (up to 16 credit hours).
- **Differentials:**
 - **CBT Tuition Differential:** Increase from 10% to **15%**
 - **NEW - Master's Education Leadership (School): 15%**
 - **NEW - Master's Counselor Education Programs: 10%**
 - **NEW - Master's Social Work Programs: 10%**

5 See Appendix - Slide 22 for Tuition and Fee History.




Graduate Base Tuition - FY2026

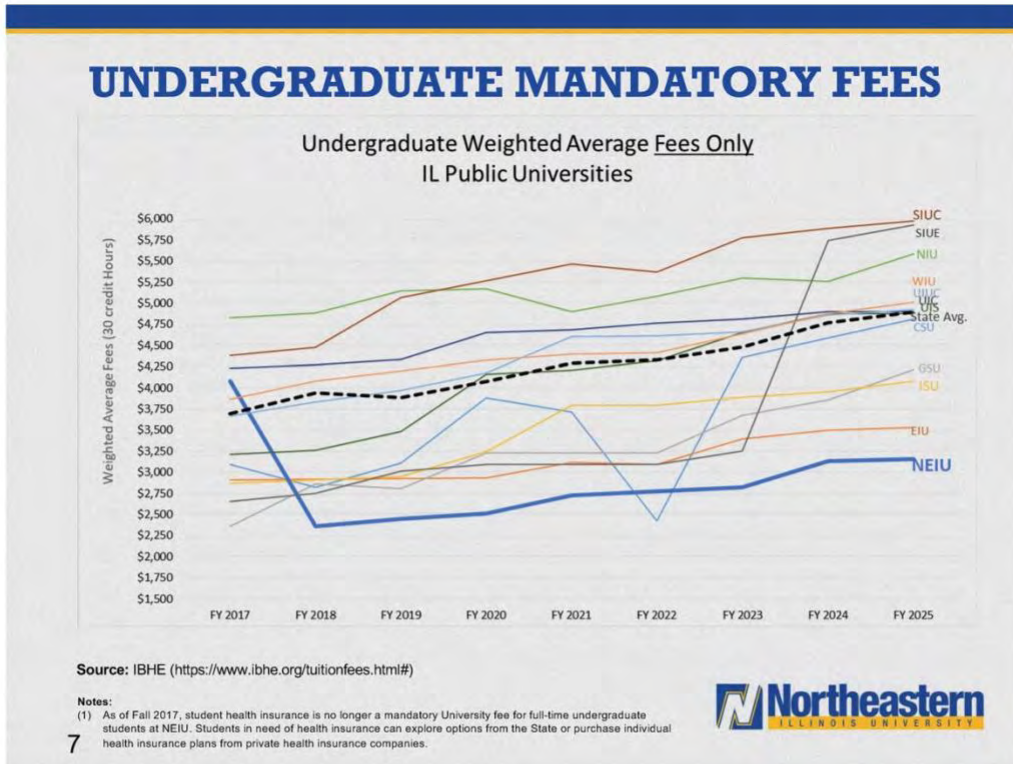
- Proposal: 3% increase in the per credit hour graduate tuition rate.
 - IL Resident: \$463.53 to \$477.40
 - Out-of-State: \$927.06 to \$954.80
- NEIU currently ranks 5/12 for IL Public Universities for graduate base tuition rates.



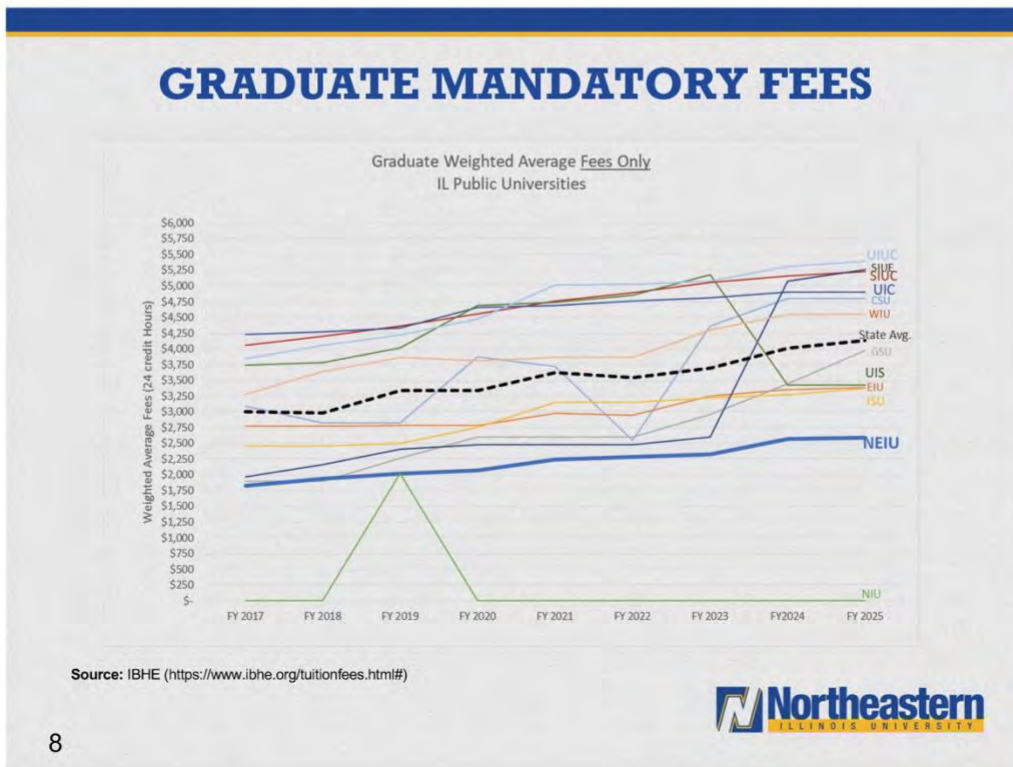
6 Source: IBHE (<https://www.ibhe.org/tuitionfees.html#>)



ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

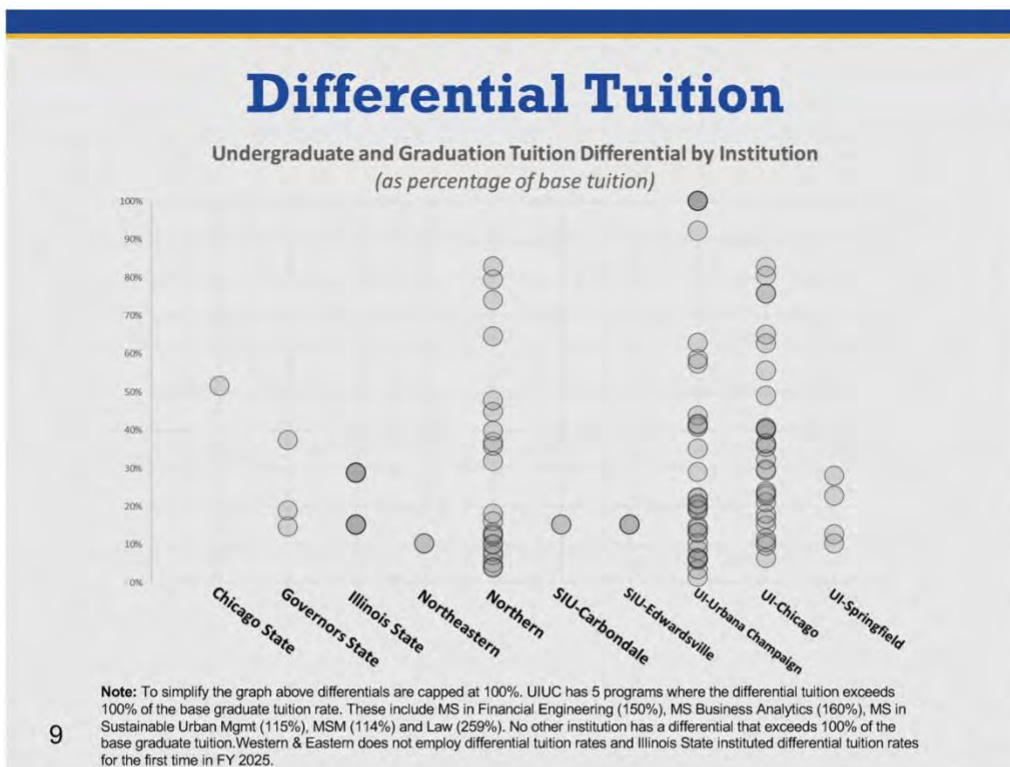


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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS



9

Impact of Proposed CBT Tuition Differential & Fee Increase - Undergraduates

NORTHEASTERN ILLINOIS UNIVERSITY
 NET PRICE TO STUDENTS AFTER THE CONSIDERATION OF AWARDED FINANCIAL AID
 BASED ON Fall 2024 FULL-TIME ENROLLMENTS

	Undergraduate Students With Financial Need					NO FAFSA
	Highest Need	Some Need	Minimal Need	No Need	Unknown	
Avg Adjusted Gross Income*	SAI-900	SAI 901-6000	SAI 6001-9000	SAI-9001	Unknown	
\$	24,860	43,505	61,495	90,630	Unknown	
% of UNGD students**	54%	21%	4%	11%	10%	
# of New Fall 2024 UNGD Admits	674	262	50	138	125	
FY25 Tuition and Fee Cost (incl. CBT differential)***	\$ 13,417	\$ 13,417	\$ 13,417	\$ 13,417	\$ 13,417	
FY26 Proposed Tuition (\$0 Increase) and Fee (\$15 Increase) Cost (incl. CBT differential @ 15%)***	\$ 14,294	\$ 14,294	\$ 14,294	\$ 14,294	\$ 14,294	
<i>(Based on 12 credit hours for newly enrolled students)</i>						
Average Financial Aid Per Student	\$ 19,487	\$ 16,591	\$ 12,237	\$ 4,478	\$ 2,002	
Pell and Other Federal Aid	6,990	3,945	917	-	-	
Illinois Monetary Award Program	6,468	5,896	4,968	-	-	
Other State Scholarships	4,500	4,500	4,500	3,075	-	
Institutional Scholarships/Waivers	1,529	2,250	1,852	1,403	2,002	
Net Price or (Refund) at Current FY25 Tuition and Fee Rates	\$ (6,070)	\$ (3,174)	\$ 1,180	\$ 8,939	\$ 11,415	
<i>Net Price (FY25) - Percent Average Paid</i>	<i>-45%</i>	<i>-24%</i>	<i>9%</i>	<i>67%</i>	<i>85%</i>	
Net Price or (Refund) at Proposed FY26 Tuition and Fee Rates	\$ (5,193)	\$ (2,297)	\$ 2,087	\$ 9,816	\$ 12,292	
<i>Net Price (FY26) - Percent Estimated Out of Pocket</i>	<i>-38%</i>	<i>-16%</i>	<i>15%</i>	<i>73%</i>	<i>86%</i>	
* Federal Tax Income data from US Dept. of Education	100%	100%	86%	31%	14%	
** Percent of UG Students based on the Fall 2024 census						
*** Excludes U-PASS and Parking fees.						

Note: Approximately 75% of new freshman/transfer full-time students will be awarded a financial aid package that covers more than 100% of the tuition and fees. See Appendix - Slide 25 for graphical presentation.

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS


Impact on Graduate Student

NORTHEASTERN ILLINOIS UNIVERSITY
 NET PRICE TO STUDENTS AFTER THE CONSIDERATION OF AWARDED FINANCIAL AID
 BASED ON Fall 2024 FULL-TIME ENROLLMENTS (Degree-Seeking)

	Graduate Students With Financial Need					NO FAFSA
	Highest Need	Some Need	Minimal Need	No Need		
Avg Adjusted Gross Income*	\$ 24,860	\$ 43,505	\$ 61,495	\$ 90,630	Unknown	Unknown
% of GRAD students**	2%	5%	3%	13%	76%	76%
# of Fall 2024 GRAD Admits	34	76	50	202	1,146	1,146
FY25 Tuition and Fee Cost (incl. CBT differential @10%)*	\$ 10,708	\$ 10,708	\$ 10,708	\$ 10,708	\$ 10,708	\$ 10,708
FY26 Proposed Tuition (3% Increase) and Fee (\$15 Increase)						
Cost (incl. tuition differential @15%)*	\$ 11,683	\$ 11,683	\$ 11,683	\$ 11,683	\$ 11,683	\$ 11,683
<i>(Based on 9 credit hours for newly enrolled students)</i>						
Average Financial Aid Per Student	\$ 11,744	\$ 15,817	\$ 15,997	\$ 18,771	\$ 11,717	\$ 11,717
TEACH and Other Federal Grants***	3,772	4,936	3,724	3,351	5,136	5,136
Special Education Teacher Tuition Waiver	5,191	5,190	4,291	3,772	-	-
GRAD Merit & Need Tuition Scholarships	2,781	2,970	1,802	2,723	1,645	1,645
GRAD Assistantships	-	-	2,671	3,403	4,936	4,936
Federal Direct Loans	-	2,721	3,509	5,522	-	-
Net Price or (Refund) at Current FY25 Tuition and Fee Rates	\$ (1,036)	\$ (5,109)	\$ (5,289)	\$ (8,063)	\$ (1,009)	\$ (1,009)
<i>Net Price (FY25) - Percent Average Paid</i>	<i>-10%</i>	<i>-48%</i>	<i>-49%</i>	<i>-75%</i>	<i>-9%</i>	<i>-9%</i>
Net Price or (Refund) at Proposed FY26 Tuition and Fee Rates	\$ (61)	\$ (4,134)	\$ (4,314)	\$ (7,088)	\$ (34)	\$ (34)
<i>Net Price (FY26) - Percent Estimated Out of Pocket</i>	<i>-1%</i>	<i>-35%</i>	<i>-37%</i>	<i>-61%</i>	<i>0%</i>	<i>0%</i>

* Federal Tax Income data from US Dept. of Education
 ** Percent of GR Students based on the Fall 2024 census
 *** Source of Federal Grants Institutional Sponsored Programs (refundable)
 **** Excludes U-PASS and Parking fees.

Percentage of Federal Direct Loan borrowers by Academic Program (out of 322 students):
 a. College of Business - 6%
 b. Education Leadership - 7%
 c. Counselor Education - 21%
 d. Social Work - 16%



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Other Strategies


Strategies to Close \$9.6M Fiscal Gap

- Enrollment and Retention Initiatives = ~\$600K-\$1.8 million
 - Initial enrollment targets suggest approx. 1%-3% in credit hour enrollment for FY26
 - >Tuition: (1,155CHs - 3,466CHs X \$430) = \$600K-\$1.5 million
 - >Fees: (1,155CHs - 3,466CHs X \$85) = \$100K-\$300K
 - Enrollment projections will continue to be refined as applications for incoming students are processed.
- FY26 Tuition and Fee Requests = ~\$2.72 million to \$2.76 million
 - >Graduates Tuition (about 20% of overall CHs): (23,340CHs - \$23,802CHs X \$13.87) = \$323K-\$330K
 - >Tuition Differential: \$645K
 - >Fees (116,699CHs - \$119,010CHs X\$15) = \$1.750 million - \$1.785 million
- Advocacy for Increased State Funding (assuming 1-2% increase) (\$400K-\$800K) (see Appendix - Slides 20 and 21)
- New program growth: (ie: Master in Nursing and doctorate (Ed.D.) in Education, Artificial Intelligence) (see Appendix - Slide 24)
- Embark on a review of course fees (\$50k - \$100k)
- Implemented stricter enforcement of billing policies - improve cash flow and reduce bad debt

Remaining Gap, after the above = \$4.24million - \$5.88 million

- Leveraging the Foundation's resources and other grant funding (\$2M goal Nursing)
- Department/Program Review to Increase Efficiencies (consolidation of programs)
- Financial and Debt Management (debt refinance, investment performance evaluation)
- Vacancies/delayed hiring/salary salvage

Once the above are developed and finalized, the remaining gap will be addressed through the budget setting process (budget reductions)



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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Next Steps

Next steps in Budgeting Process


- Finalize revenue and expense estimates, identifying the fiscal gap
- Allocate required adjustments to VP areas.
- VPs collaborate with their respective areas to determine necessary adjustments.
- Presentation of initial assumptions will be presented to FBG/BOT in March/April.
- *See timeline in Appendix (Slide 26).*

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Appendix

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Preliminary FY 2026 Budget Outlook

Revenue Projection = \$ 106,278,700


- Anticipated tuition and fee revenue = \$55,200,000
Assumes flat enrollment, tuition and fee rates.
- State Appropriations (\$40,758,700, 0%)
- Investment Income (\$3,000,000, -700k)
- Other (\$7,320,000 +0.5%)

Expense Projection = \$ 115,950,000

- Personnel increased at agreed upon ATB for negotiated personnel, 3% for non-negotiated personnel.
Salary salvage assumed at \$1.4m (down from \$2.3m in FY25).
 Current vacancies have an estimated value of \$3.1m
- Non-Personnel estimated based on FY25 budgets, unless FY26 contractual amounts known.

Starting Fiscal Gap = \$9,671,300

- This represents a base scenario similar to the FY26 request budget provided in October.



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College of Business and Technology Fiscal Overview

(Accounting Business Law Finance, Computer Science, Management and Marketing)

Fiscal Year	2019	2020	2021	2022	2023	2024
Revenue						
Undergraduate Tuition Revenue, Net*	10,579,429	10,534,008	10,634,401	9,527,934	8,225,468	8,364,284
Differential Tuition	322,540	483,914	535,517	792,239	728,785	760,109
<small>Credit Hours</small>	28,661	27,158	26,423	22,873	19,486	19,427
<small>Student / Faculty Ratio**</small>	22.2	22.7	22.5	20.2	17.4	17.9
Graduate Tuition Revenue, Net*	1,744,271	1,896,155	1,809,875	1,641,599	1,878,317	1,855,215
Differential Tuition	95,330	143,304	137,989	148,849	162,935	175,005
<small>Credit Hours</small>	3,911	3,996	3,789	3,292	3,239	3,019
<small>Student / Faculty Ratio**</small>	12.0	13.0	11.3	10.0	9.1	8.2
Course Fees	25,685	31,964	29,429	25,142	26,702	22,598
Federal and State Grants	267,077	308,467	41,703	58,799	458,327	609,819
Other Contract Revenue	116,666	62,806	213,493	241,862	263,575	211,102
All Other Revenue	0	0	0	0	1,341	1,620
Total Revenue***	13,965,497	14,076,416	13,973,329	12,612,289	11,864,108	12,086,587
<small>% Change in Total Revenue (YoY)</small>	3.0%	0.8%	-0.7%	-9.7%	-5.9%	1.9%
<small>% Change in Credit Hours (YoY)</small>	-2.8%	-4.4%	-3.0%	-13.4%	-13.1%	-1.2%
Expenses						
State Fund (110010) - Labor	6,151,929	6,287,309	5,994,574	6,762,846	6,753,279	6,959,949
State Fund (110010) - Non-Personnel	43,346	19,030	25,447	22,055	40,156	34,900
Non-State Fund Expenses	490,409	376,154	222,425	282,913	737,537	789,506
Total Expenses (Direct)	6,685,685	6,682,493	6,242,445	7,067,814	7,530,972	7,784,356
<small>% Change in Expenses (YoY)</small>	9.5%	0.0%	-6.6%	13.2%	6.6%	3.4%
Margin (before overhead)	7,279,812	7,393,923	7,730,884	5,544,475	4,333,136	4,302,231
Overhead Charges (Admin & Facilities)	6,150,600	6,130,271	6,177,105	5,809,518	5,277,561	5,393,233
Contribution Margin	1,129,212	1,263,652	1,553,778	(265,043)	(944,425)	(1,091,002)

* Bad Debt and Tuition Waivers assumed to be 10% of Gross Revenue
 ** Student to Faculty ratio calculated based on final CLSS data for term. Sections of certain types are excluded from the calculations.
 *** Total Revenue is based on revenue directly attributable to the Department/College and does not include an allocation of State Appropriations, Investment Income, Other Income or Course/Material fees. There is no reallocation of revenue between general education and major courses.

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

LLD + Special Ed. Department Fiscal Overview

Fiscal Year	2019	2020	2021	2022	2023	2024
Revenue						
Undergraduate Tuition Revenue, Net*	1,335,315	1,222,922	1,243,626	1,249,278	1,102,951	928,680
Differential Tuition	0	0	0	0	0	0
Credit Hours	3,641	3,179	3,127	3,056	2,662	2,194
Student / Faculty Ratio**	12.7	11.6	13.6	12.8	11.0	10.5
Graduate Tuition Revenue, Net*	2,944,946	2,943,058	3,121,357	2,647,863	2,258,056	2,467,384
Differential Tuition	0	0	0	0	0	0
Credit Hours	7,423	7,210	7,269	6,078	5,062	5,340
Student / Faculty Ratio**	10.3	9.9	12.0	10.1	8.8	8.9
Course Fees	654	1,024	946	873	661	626
Federal and State Grants	3,674	0	0	0	0	0
Other Contract Revenue	28,875	75,000	117,651	181,048	40,366	146,613
All Other Revenue	7,450	4,963	1,973	4,850	2,325	4,390
Total Revenue***	4,320,913	4,246,968	4,485,553	4,083,911	3,404,359	3,547,693
% Change in Total Revenue (YoY)	3.9%	-1.7%	5.6%	-9.0%	-16.6%	4.2%
% Change in Credit Hours (YoY)	-1.1%	-6.1%	0.1%	-12.1%	-15.4%	-2.5%
Expenses						
State Fund (110010) - Labor	2,739,578	2,618,359	2,417,614	2,560,649	2,513,685	2,707,600
State Fund (110010) - Non-Personnel	24,296	9,268	471	6,585	9,601	34,293
Non-State Fund Expenses	64,496	79,869	86,545	85,436	48,915	94,810
Total Expenses (Direct)	2,828,370	2,707,496	2,504,631	2,652,670	2,572,201	2,836,702
% Change in Expenses (YoY)	5.4%	-4.3%	-7.5%	5.9%	-3.0%	10.3%
Margin (before overhead)	1,492,543	1,539,472	1,980,923	1,431,241	832,158	710,990
Overhead Charges (Admin & Facilities)	2,096,735	2,051,278	2,060,517	1,952,678	1,742,135	1,820,551
Contribution Margin	(604,192)	(511,806)	(79,594)	(521,437)	(909,977)	(1,109,561)

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* Bad Debt and Tuition Waivers assumed to be 10% of Gross Revenue
 ** Student to Faculty ratio calculated based on final CLSS data for term. Sections of certain types are excluded from the calculations.
 *** Total Revenue is based on revenue directly attributable to the Department/College and does not include an allocation of State Appropriations, Investment Income, Other Income or Course/Material fees. There is no reallocation of revenue between general education and major courses.

Counselor Education Fiscal Overview

Fiscal Year	2019	2020	2021	2022	2023	2024
Revenue						
Graduate Tuition Revenue, Net*	1,287,634	1,664,760	2,005,700	2,112,282	1,894,305	1,915,364
Differential Tuition	0	0	0	0	0	0
Credit Hours	3,227	4,041	4,658	4,787	4,214	4,125
Student / Faculty Ratio**	12.2	14.2	13.7	13.7	13.2	12.9
Course Fees	1,065	1,186	19,461	37,152	12,605	9,083
Federal and State Grants	203,661	259,694	210,348	190,794	226,516	748,759
Other Contract Revenue	0	0	0	0	14,289	13,179
All Other Revenue	0	0	0	0	0	0
Total Revenue***	1,492,361	1,925,640	2,235,509	2,340,228	2,147,714	2,686,385
% Change in Total Revenue (YoY)	12.2%	29.0%	16.1%	4.7%	-8.2%	25.1%
% Change in Credit Hours (YoY)	3.8%	25.2%	15.3%	2.8%	-12.0%	-2.1%
Expenses						
State Fund (110010) - Labor	973,881	1,075,020	1,168,534	1,391,888	1,450,172	1,580,976
State Fund (110010) - Non-Personnel	7,117	3,792	5,406	5,439	3,548	29,427
Non-State Fund Expenses	210,410	263,179	214,354	196,521	300,788	818,189
Total Expenses (Direct)	1,191,407	1,341,991	1,388,293	1,593,848	1,754,507	2,428,592
% Change in Expenses (YoY)	10.0%	12.6%	3.5%	14.8%	10.1%	38.4%
Margin (before overhead)	300,954	583,650	847,216	746,380	393,206	257,793
Overhead Charges (Admin & Facilities)	806,851	891,811	1,035,002	1,116,134	1,015,158	1,063,392
Contribution Margin	(505,897)	(308,162)	(187,786)	(369,754)	(621,951)	(805,599)

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* Bad Debt and Tuition Waivers assumed to be 10% of Gross Revenue
 ** Student to Faculty ratio calculated based on final CLSS data for term. Sections of certain types are excluded from the calculations.
 *** Total Revenue is based on revenue directly attributable to the Department/College and does not include an allocation of State Appropriations, Investment Income, Other Income or Course/Material fees. There is no reallocation of revenue between general education and major courses.

ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Social Work Fiscal Overview

Fiscal Year	2019	2020	2021	2022	2023	2024
Revenue						
Graduate Tuition Revenue, Net*	857,255	879,035	1,390,087	1,611,648	1,454,398	1,241,314
Differential Tuition	0	0	0	0	0	0
Credit Hours	2,129	2,145	3,228	3,621	3,245	2,686
Student / Faculty Ratio**	17.5	17.1	17.3	15.5	13.6	11.9
Course Fees	0	0	0	0	0	0
Federal and State Grants	0	0	0	0	0	0
Other Contract Revenue	0	5,724	0	0	0	0
All Other Revenue	0	0	0	0	0	0
Total Revenue***	857,255	884,758	1,390,087	1,611,648	1,454,398	1,241,314
% Change in Total Revenue (YoY)	22.2%	3.2%	57.1%	15.9%	-9.8%	-14.7%
% Change in Credit Hours (YoY)	17.1%	0.7%	50.5%	12.2%	-10.4%	-17.2%
Expenses						
State Fund (110010) - Labor	673,241	705,691	778,462	883,546	859,170	1,009,035
State Fund (110010) - Non-Personnel	2,164	1,394	6,158	529	1,992	317
Non-State Fund Expenses	0	5,723	0	0	0	0
Total Expenses (Direct)	675,405	712,809	784,620	884,075	861,162	1,009,351
% Change in Expenses (YoY)	37.3%	5.5%	10.1%	12.7%	-2.6%	17.2%
Margin (before overhead)	181,850	171,949	605,467	727,573	593,236	231,963
Overhead Charges (Admin & Facilities)	382,198	396,583	616,907	742,252	683,653	605,957
Contribution Margin	(200,348)	(224,634)	(11,439)	(14,679)	(90,417)	(373,994)

* Bad Debt and Tuition Waivers assumed to be 10% of Gross Revenue
 ** Student to Faculty ratio calculated based on final CLSS data for term. Sections of certain types are excluded from the calculations.
 *** Total Revenue is based on revenue directly attributable to the Department/College and does not include an allocation of State Appropriations, Investment Income, Other Income or Course/Material fees. There is no reallocation of revenue between general education and major courses.

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State of Illinois FY2025 Appropriation

FY2025 Operating Appropriation
\$1,344,887,200

		FY2025 General Funds		% of Total
Governor State University	GSU	\$26,579,300.00	2.00%	
Northeastern Illinois University	NEIU	\$41,258,700.00	3.00%	
Chicago State University	CSU	\$43,437,700.00	3.00%	
Eastern Illinois University	EIU	\$47,978,100.00	4.00%	
Western Illinois University	WIU	\$56,836,500.00	4.00%	
Illinois State University	ISU	\$79,806,800.00	6.00%	
Northern Illinois University	NIU	\$100,643,300.00	7.00%	
Southern Illinois University	SIU	\$226,970,100.00	17.00%	
University of Illinois	UI	\$721,376,700.00	54.00%	
State Total Appropriations		\$1,344,887,200.00		

Source: <https://www.ibhe.org/hesb.html#content5-al>

Remain hopeful but given state budget issues, currently not anticipating an increase in appropriations for FY 2026.

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Adequacy Gaps in State Appropriations for IL Publics: Report of the Illinois State Commission on Equitable Public University Funding (2024)

NEIU has the largest adequacy gap in state funding among all Illinois Public Universities, and receives less funding than its urban peers, i.e. we've been doing more with less, year after year.

Table 9: Output of Model Using Preliminary Data – Institutional Adequacy Targets, Resource Profiles, and Adequacy Gaps

Institution	Degree-Seeking Enrollment	Adequacy Target	Resource Profile	Adequacy Gap	Percent of Adequacy Target Funded
CSU	2,322	\$73,946,649	\$51,438,569	\$22,508,080	69.6%
EIU	6,339	\$160,407,847	\$97,935,521	\$62,472,325	61.1%
GSU	4,412	\$111,172,532	\$49,525,882	\$61,646,650	44.5%
ISU	20,425	\$453,992,211	\$254,010,543	\$199,981,667	56.0%
NEIU	5,943	\$163,265,538	\$84,126,329	\$99,139,209	39.3%
NIU	15,856	\$388,784,729	\$215,983,232	\$172,801,497	55.6%
SIUC	10,657	\$266,135,262	\$217,501,218	\$48,634,044	81.7%
SIU-SOM	406	TBD	TBD	TBD	TBD
SIUE	12,660	\$314,140,274	\$195,929,158	\$118,211,115	62.4%
UIC	31,498	\$823,257,774	\$507,297,056	\$315,960,718	61.6%
UIC-SOM	1,528	TBD	TBD	TBD	TBD
UIS	3,937	\$88,395,275	\$63,419,909	\$24,975,365	71.7%
UIUC	53,491	\$1,178,179,841	\$1,081,201,494	\$96,978,347	91.8%
UIUC-SOM	149	TBD	TBD	TBD	TBD
WIU	7,370	\$189,057,837	\$118,547,564	\$70,510,272	62.7%
Illinois	176,991	\$4,465,740,432	\$3,057,682,563	\$1,408,057,869	68.5%

Note: The data used in the formula to generate these estimates is current through Fiscal Year 2023 and Academic Year 2021-2022, and will need to be updated going forward, which will change some of the output estimates.



Tuition & Fee History

TUITION (per credit hour)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Average Increase
Undergraduate (resident)	\$ 404.11	\$ 412.20	\$ 420.44	\$ 420.44	\$ 430.95	\$ 430.95	\$ 430.95	4.97
	\$ Change \$ 7.92	\$ 8.09	\$ 8.24	\$ -	\$ 10.51	\$ -	\$ -	1.2%
	% Change 2%	2%	2%	0%	2%	0%	0%	
Graduate (resident)	\$ 412.19	\$ 432.80	\$ 432.80	\$ 441.46	\$ 463.53	\$ 463.53	\$ 477.44	10.48
	\$ Change \$ 8.08	\$ 20.61	\$ -	\$ 8.66	\$ 22.07	\$ -	\$ 13.91	2.4%
	% Change 2%	5%	0%	2%	5%	0%	3%	
CBT Tuition Differential	10% of Base Tuition Rate						15% of Base Tuition Rate	
Master's Education Leadership (School) Tuition Differential							15% of Base Tuition Rate	
Master's Counselor Education Programs Tuition Differential							10% of Base Tuition Rate	
Master's Social Work Programs Tuition Differential							10% of Base Tuition Rate	
MANDATORY FEES (per credit hour)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Average Increase
General Student Fee	\$ 73.25	\$ 80.35	\$ 81.95	\$ 83.50	\$ 85.00	\$ 85.00	\$ 100.00	4.14
	\$ Change \$ 2.25	\$ 7.10	\$ 1.60	\$ 1.55	\$ 1.50	\$ -	\$ 15.00	6.2%
	% Change 3%	10%	2%	2%	2%	0%	18%	
Activity Fee	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.10	\$ 7.25	\$ 7.07		
Student Union Fee	\$ 8.25	\$ 9.25	\$ 9.25	\$ 9.80	\$ 10.00	\$ 9.75		
Campus Recreation Fee	\$ 5.40	\$ 5.70	\$ 5.70	\$ 5.80	\$ 6.00	\$ 5.85		
Performing Arts Fee	\$ 1.20	\$ 1.90	\$ 2.00	\$ 2.05	\$ 2.10	\$ 2.12		
Student Health and Wellness Fee	\$ 5.50	\$ 5.50	\$ 5.50	\$ 6.60	\$ 6.00	\$ 6.85		
Computer Resources Fee	\$ 20.95	\$ 21.75	\$ 22.25	\$ 22.80	\$ 32.00	\$ 31.21		
Academic Enhancement Fee	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.50	\$ 9.26		
Campus Improvement Fee	\$ 3.50	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.50	\$ 8.38		
Library Fee	\$ 3.20	\$ 5.00	\$ 5.00	\$ 5.10	\$ 5.25	\$ 5.12		
Green Fee	\$ -	\$ -	\$ -	\$ -	\$ 0.40	\$ 0.39		
Parking Fee (waivable)	\$ 9.00	\$ 10.00	\$ 10.00	\$ 10.00	Opt-in	Opt-in	Opt-in	
Green Fee - rate per semester	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ -	\$ -	\$ -	
U-PASS (Full-time Students Only)	\$ 155.00	\$ 155.00	\$ 155.00	\$ 155.00	\$ 155.00	\$ 155.00	\$ 155.00	



ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS

Program Cost Comparisons

Comparison of Per Credit Tuition and Fee Rates for AACSB Accredited Institutions

	NEIU (Current)	NEIU (Proposed)	WIU	NIU	SIUC	UIC* (Est. FY26)	UIUC* (Est. FY26)
UG	559.05	595.59	508.80	527.17	568.63	799.58	973.75
Grad	594.88	649.05	576.13	834.75	757.92	922.92	1,190.25

Note: Undergraduate tuition is for incoming/new students

Comparison of Per Credit Tuition and Fee Rates for MA in Counseling Programs

	NEIU* (Current)	NEIU* (Proposed)	EIU*	NIU*	GSU*	CSU*
	548.53	625.18	485.29	509.75	548.50	549.58
Grad	SIUC*	UIC* (Est. FY26)	Depaul*	National Louis*	UIUC* (Est. FY26)	Roosevelt* (FY26)
	687.42	784.75	737.17	812.92	830.75	1,168.08

+ CACREP accredited programs

Comparison of Per Credit Tuition and Fee Rates for MA in Educational Leadership (School) Programs

	NEIU (Current)	NEIU (Proposed)	EIU	GSU	CSU	ISU
	548.53	649.05	485.29	548.50	549.58	563.21
Grad	NIU	WIU	Depaul	UIC*	National Louis*	Loyola
	574.75	576.13	723.00	752.83	822.92	949.00

Note: Only programs resulting in the State of Illinois Principal Endorsement were considered.

Comparison of Per Credit Tuition and Fee Rates for Master's of Social Work Programs

	NEIU (Current)	NEIU (Proposed)	GSU	CSU	ISU
	548.53	625.18	548.50	549.58	563.21
Grad	SIUC	UIC* (Est. FY26)	Depaul	UIUC* (Est. FY26)	Loyola
	687.42	784.75	802.17	943.67	1,304.00

** assumes 12 credit hours per semester.*

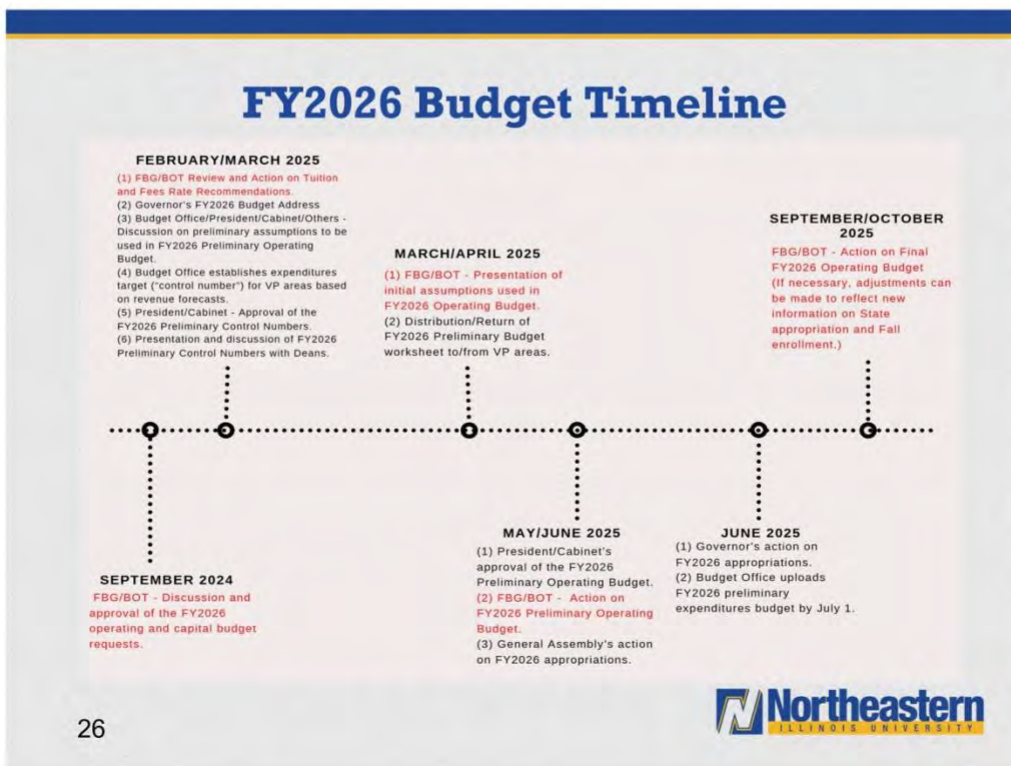
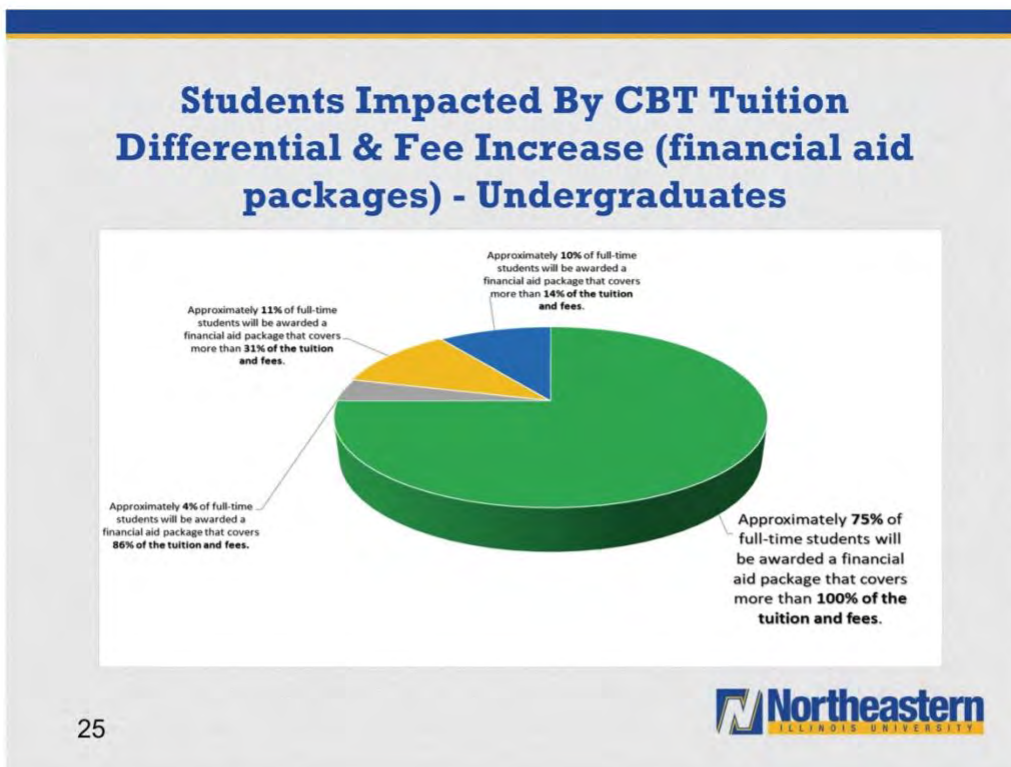
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Increasing Efficiencies/ Facilitating Revenue Growth

- **College of Arts and Sciences** - creating consolidating programs where possible.
 - Program ie: merge: Geography (B.A.), Environmental Studies (B.A.) & Earth Science (B.S.) into single program with multiple concentrations:
- **Goodwin College of Education** - launching two new programs:
 - Ed.D program in Leadership, Equity and Inquiry (LEI)
 - Masters in Nursing (MSN)
- **College of Business and Technology; planning to launch program in areas, such as:**
 - Artificial intelligence (AI)
 - Human Resources

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ACTION ITEM I. B. FY2026 TUITION AND FEES RECOMMENDATIONS



**ACTION ITEM I. C. RESOLUTION DELEGATING AUTHORITY TO ADOPT AND EXECUTE
DECLARATIONS OF OFFICIAL INTENT**

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. If it is determined to be advantageous, the University will present an authorizing resolution to the Board of Trustees for approval of the transaction.

If the refinancing proceeds, the University is also considering funding certain new expenditures by including them in the refinancing transaction. To include these new expenditures in such a transaction, Treasury regulations require the University to first adopt a declaration of official intent. This declaration simply allows the University to include the expenditures in a tax-exempt issuance; it does not mandate that the transaction be included nor authorize any new borrowings. In essence, the declaration preserves the University's option to fund the expenditures with new debt at a later date, should it choose to do so.

The University has two options for adopting declarations of official intent; it can bring each declaration to the Board for approval or the Board can delegate this authority to an Authorized Officer, allowing the Authorized Officer to adopt the declarations as needed. The University is requesting the Board of Trustees delegate authority to the Chief Financial Officer of Northeastern Illinois University to declare an official intent to seek reimbursement of expenditures from the proceeds of an issuance of tax-exempt obligations (debt).

There are several benefits to delegating this authority. First, it ensures that the University retains the option of using tax-exempt financing without burdening the Board for approval for every expenditure. Second, since declarations must be adopted within 60 days of the expenditure, delegating this authority ensures timely adoption without the need for special board meetings.¹ Third, the University would be able to adopt declarations during the planning stages of projects, even before true costs are known, which would avoid the need to amend declarations as project parameters evolve.

If the University decides to move forward with issuing tax-exempt obligations - whether to fund new projects or refinance existing obligations- 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.

¹ If the declaration is not adopted within the required 60-day time frame, the expenditure is not eligible to be financed using tax-exempt obligations

ACTION ITEM I. C. RESOLUTION DELEGATING AUTHORITY TO ADOPT AND EXECUTE DECLARATIONS OF OFFICIAL INTENT

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)

**ACTION ITEM I. C. RESOLUTION DELEGATING AUTHORITY TO ADOPT AND EXECUTE
DECLARATIONS OF OFFICIAL INTENT**

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

INFORMATION ITEM II. A. FY25 2ND QUARTER BUDGET TO ACTUAL REPORT

The Northeastern Illinois University Board of Trustees at its September 19, 2024 meeting approved the University’s final operating budget, which represented spending plans for fiscal year 2025 (FY2025). 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 FY2025 totals \$154,972,075. Of that total, \$90,913,000 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 \$64,059,075 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 second quarter spending in the unrestricted budget and is summarized in Table 1, which also includes a comparison with year-to-date spending for both FY2024 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, adjusted to account for new initiatives/funding sources, any anticipated new spending, and current commitments/encumbrances.

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.)

INFORMATION ITEM II. A. FY25 2ND QUARTER BUDGET TO ACTUAL REPORT

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		Difference
	As of December 2024	As of December 2023	
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)
	<u>\$ 2,057,297</u>	<u>\$ 2,206,396</u>	<u>\$ (149,099)</u>

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.

	Q2 FY25	Q2 FY24	Difference
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.

INFORMATION ITEM II. A. FY25 2ND QUARTER BUDGET TO ACTUAL REPORT

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.

INFORMATION ITEM II. A. FY25 2ND QUARTER BUDGET TO ACTUAL REPORT

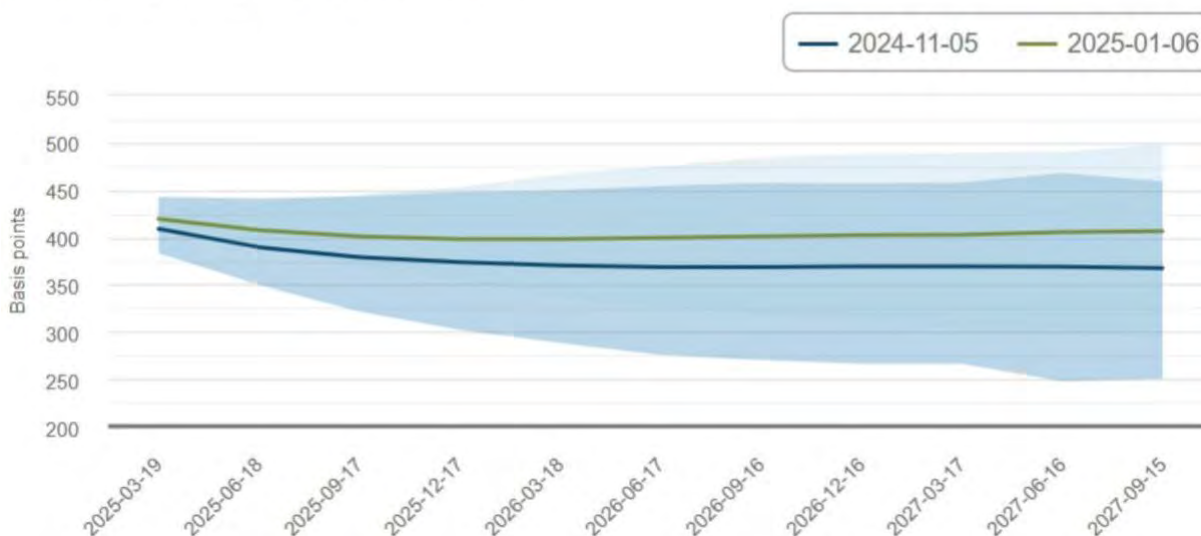
FY2025 Budget to Forecast Comparison Explanation for Variance

{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.

The graph below illustrates a comparison of rates in November versus the most recent rates utilized in our projections. Notably, the current projected rates (indicated by the green line) have shown an increase when compared to November's figures (indicated by the blue line), following updates from the Federal Reserve in December 2024. As a result, our investment income projection has improved as compared to the previous quarter.

The Expected Three-Month Average SOFR Path

Current target range: 425 - 450 basis points



Source: [Market Probability Tracker - Federal Reserve Bank of Atlanta](#)

{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