

ACTION ITEM: APPROVAL OF FINAL FISCAL YEAR 2024 UNIVERSITY OPERATING BUDGET

Summary

The University is requesting an operating budget of \$85,300,000 for Fiscal Year 2024. This represents an increase of 1.6 percent from FY2023, due primarily to stabilizing operations and the Board's decision to support the operating budget for FY2024. The FY2024 budget is based on a 1.35 percent decline in projected tuition revenue and a 7.0 percent increase in the State appropriation. The requested operating budget is balanced between revenues and expenditures, in part by relying on a \$2.5 million special allocation approved by the Board of Trustees. Additionally, approximately \$600,000 in salaries are covered by the NEIU for You program and are scheduled to return to the operating budget in FY2025. These transitory funding streams will not be available in FY2025, and sustainability planning is necessary to address the gap.

The final operating budget presented in this request is significantly similar to the FY2024 Preliminary Operating Budget presented to the Executive Committee on May 31, 2023. The enrollment outcomes for the Summer and Fall semesters were sufficiently close to projections that there is no need to revise the projected credit hours or the resulting net tuition revenue for FY2024.

Overview

The Northeastern Illinois University Board of Trustees is asked to approve the University operating budget that represents estimated spending plans for the current fiscal year beginning on July 1, 2023 and ending on June 30, 2024. A budget strategy with respect to a targeted use of reserves and the resulting preliminary FY2024 budget was approved at the May 31, 2023 Executive Committee of the Board of Trustees.

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

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

This report provides the information required by the IBHE for the FY2024 internal budget.

The University's unrestricted operating budget is comprised of two main sources of funds – state general funds appropriations (approximately 47 percent of operating revenues) and university income funds (approximately 53 percent of operating revenues).

State appropriation

In FY2023, the University received an appropriation of \$37,345,300. In April 2023, the Governor signed into law a budget that called for a 7.0 percent increase of \$2,614,700, to a total of \$39,960,000 for FY2024.

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Income fund

The unrestricted operating budget reflects the tuition and fee rates adopted by the Board in November 2022 for FY2024, and enrollment projections developed internally by the University. These tuition rates include an increase of 2.5 percent or \$10.51 in undergraduate tuition, currently for Illinois residents (from \$420.44 to \$430.95 per credit hour) and a 5.0 percent increase for new graduate students from \$441.46 to \$463.53 per credit hour for Illinois residents.

The forecast for FY2024 tuition revenues is based on an examination of the flow of new and continuing graduate and undergraduate students.

The preliminary and final operating budgets anticipated 110,500 credit hours for FY2024. This projection represents a decline of 2,300 credits hours or 2.0 percent from the FY2023 final operating budget and a decline of 6,669 credit hours or 5.7% from realized credit hour enrollment in FY2023. The drop in the budgeted level of tuition differential is due to a reconciliation adjustment for budgeted and actual enrollments prior to FY2023 and no reconciliation adjustment was applied to FY2024 for differential tuition.

In the previous fiscal year, Other Income included \$2,400,000 in federal COVID-19 relief funding. Federal COVID-19 relief fundings are no longer present in the "Other" category of the University Income Fund. Despite the loss of relief funding in FY2024, the "Other" category is only anticipated to decline by approximately \$673,500. This is due primarily due to a large increase in income from investments and to the return of income associated with the return of students to on-campus instruction. This is reflected as part of Other Income in Table 1.

Expenditures

Expenditures for FY2024 are balanced to anticipated operating revenues of \$85,300,000 as outlined above, with up to \$2,500,000 of FY24 operating expenditures covered by the special reserve allocation approved by the Executive Committee of the Board of Trustees on May 31, 2023. Relative to FY2023, expenditures covered by operating revenues are budgeted to increase \$1.36 million or 1.6 percent in FY2024, while total operating expenditures are budgeted to increase \$3.86 million or 4.6 percent in FY2024.

Restricted operating funds

In addition to the unrestricted operating budget, the final plan includes forecasts for the restricted operating budget. The restricted operating budget includes expenditures from revenue sources that are restricted either by an external requirement or by internal accounting policy; these restrictions apply to student fee programs, auxiliary services, indirect costs and grant sources (local, state, federal and private). The budgets for Student Fee Programs and a portion of Auxiliary Services reflect the student fee rates as approved by the Board of Trustees in November 2022.

In total, the revenues for restricted operating funds are projected to total \$47,763,200 in FY2024. This represents a decline of \$11,516,100 from FY2023, primarily due to the decline in federal COVID-19 support and reduce revenue and funding from declines in credit hour enrollment.¹

¹ The values related to State, Federal and Private grants are preliminary and will be updated once final accounting entries are submitted for FY2023.

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The differences within the Student Fee Programs, Sales & Services, Auxiliary Services and Indirect Cost Recovery categories can be attributed to declines in enrollment, changes to the calculation approach used to estimate revenues and the expiration of carryover or fund balance amounts being incorporated into the operating budgets for these restricted categories.

The total FY2024 budget is summarized in Table 1. Resources available for operating purposes in FY2024 are estimated at \$133,063,200, a decrease of \$10.15 million or 7.1 percent, from the final FY2023 budget.

Recommended Action

It is requested that the Finance, Buildings and Grounds Committee recommend approval of the final FY2024 budget as presented in Table 1, Table 2, and as outlined in the narrative above.

**Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2024 Operating Budget
(with comparable data provided for Fiscal Year 2023)**

	FY2023 Budget	FY2024 Budget	Annual Change	
			Dollar	Percent
<u>Unrestricted Operating Budget</u>				
State General Funds Appropriations	\$ 37,345,300	\$ 39,960,000	\$ 2,614,700	7.0 %
University Income Fund - Tuition	42,172,200	41,874,400	(297,800)	(0.7)
University Income Fund - Tuition Diff.	972,400	689,000	(283,400)	(29.1)
University Income Fund - Other*	3,450,100	2,776,600	(673,500)	(19.5)
<i>Unrestricted Operating Budget</i>	\$ 83,940,000	\$ 85,300,000	\$ 1,360,000	1.6 %
<u>Restricted Operating Budget</u>				
Student Fee Programs	\$ 8,412,600	\$ 7,240,000	\$ (1,172,600)	(13.9) %
Sales & Services	2,463,800	2,755,000	291,200	11.8
Auxiliary Services	4,056,500	3,457,300	(599,200)	(14.8)
Indirect Costs Recovery	1,870,600	1,301,400	(569,200)	(30.4)
Grants & Contracts-Education	600,000	600,000	-	-
State and Local Grants & Contracts	12,028,100	13,812,500	1,784,400	14.8
Federal Grants & Contracts*	28,926,000	17,680,000	(11,246,000)	(38.9)
Private Grants & Contracts	921,700	917,000	(4,700)	(0.5)
<i>Restricted Operating Budget</i>	\$ 59,279,300	\$ 47,763,200	\$ (11,516,100)	(19.4) %
Total Operating Budget	\$ 143,219,300	\$ 133,063,200	\$ (10,156,100)	(7.1) %

* FY23 Other Income included \$2.4 million of COVID relief funding.

** FY23 Federal Grants & Contracts included approximately \$3.4m of COVID related funding.

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Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2024 Operating Budget
by Function and Line Item

<u>Functional Categories</u>	Unrestricted Operating Budget (State and Tuition)	Restricted Operating Budget	Total
Instruction	\$ 44,440,907	\$ 10,451,636	\$ 54,892,543
Organized Research	199,227	989,860	1,189,087
Public Service	788,804	3,130,502	3,919,306
Academic Support	7,242,132	1,442,723	8,684,855
Student Services	4,071,584	23,507,437	27,579,021
Institutional Support	14,445,375	3,102,827	17,548,202
Operations and Maintenance	12,048,478	2,500,423	14,548,901
Independent Operations	-	2,637,792	2,637,792
Benefits/Social Security/Medicare	986,893	-	986,893
Health Insurance Reserve Fund	1,076,600	-	1,076,600
Total	\$ 85,300,000	\$ 47,763,200	\$ 133,063,200

<u>Line Item Categories</u>	General Operating Fund (State and Tuition)	Restricted Funds	Total
Personal Services	\$ 65,837,887	\$ 7,972,622	\$ 73,810,509
Contractual Services	12,131,783	13,450,104	25,581,887
Travel	197,750	230,348	428,098
Commodities	807,401	425,931	1,233,332
Equipment	452,986	769,500	1,222,486
Telecommunications	176,700	6,404	183,104
Awards/Grants/Tuition Waivers	1,299,000	21,856,503	23,155,503
Permanent Improvements	25,000	-	25,000
Benefits/Social Security/Medicare	986,893	1,302,637	2,289,530
Health Insurance Reserve Fund	1,076,600	-	1,076,600
Indirect Costs	-	471,762	471,762
Other/Transfer Out (Debt Service)	2,308,000	1,277,389	3,585,389
Total	\$ 85,300,000	\$ 47,763,200	\$ 133,063,200

ACTION ITEM: FY2025 TUITION AND FEES

Beginning with the Fall 2025 semester, the University is recommending the following increases:

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

With a commitment centered on increased student recruitment and retention, while recognizing the financial realities presented by the current inflationary environment, the University believes that the following proposed tuition increase is our best pathway to advance our mission of providing “an exceptional environment for teaching, learning, and scholarship.”

Further detail on the proposed increases is presented in Table 1; while additional detail and supporting information can be found in the Appendix.

This document continues to memorialize and clarify tuition rates for students pursuing a second bachelor's degree. These students will be assessed tuition as a continuing student in their original cohort and will be assessed tuition differential for courses affected by the appropriate differential rate.

Background

In FY2023, the University did not raise tuition for undergraduate students and increased tuition for graduate students by 2.0 percent. For FY2024, the University had a modest increase of 2.5% and 5%, respectively. Under the tuition guarantee program in Illinois, students are guaranteed the tuition rate they receive upon entering the university for their first four years and the rate from the second year for their fifth and sixth years. This guarantee means that the impact of tuition setting policy persists across several years but also has a limited impact in a given year, meaning that it can be difficult to “catch up” if necessary. This reality is summarized in Table 2 below, which shows that for FY2025, the proposed tuition increase for undergraduate students would impact the newly enrolled student in FY2025 (Fall 2024) and the student enrolled in FY2019 or before but in FY2025, the proposed increase would not impact any other cohorts of undergraduate students.

ACTION ITEM: FY2025 TUITION AND FEES

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

**Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Schedule of Proposed Tuition and Fees**

	FY2023	FY2024	FY2025	Change FY23 to FY24	
				Dollar	Percent
<u>TUITION (per credit hour)</u>					
Undergraduate - post 6-year (enrolled prior to Fall 2018)*	420.44	\$ 430.95	443.88	\$ 12.93	3.0 %
Undergraduate - newly enrolled Fall 2019 ¹	404.11	412.20	412.20	-	-
Undergraduate - newly enrolled Fall 2020 ¹	412.20	412.20	420.44	8.24	2.0
Undergraduate - newly enrolled Fall 2021 ¹	420.44	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2022 ¹	420.44	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2023 ¹	-	430.95	430.95	-	-
Undergraduate - newly enrolled Fall 2024	-	-	443.88	n/a	n/a
CBT Undergraduate Differential					
Graduate	441.46	463.53	486.71	\$ 23.18	5.0 %
CBT Graduate Differential					
Non-resident Undergraduate - post 6-year *	840.88	861.90	887.76	\$ 25.86	3.0 %
Non-resident Undergraduate - newly enrolled Fall 2019 ¹	808.22	824.40	824.40	16.18	2.0
Non-resident Undergraduate - newly enrolled Fall 2020 ¹	824.40	824.40	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2021 ¹	840.88	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2022 ¹	840.88	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2023 ¹	-	861.90	861.90	-	-
Non-resident Undergraduate - newly enrolled Fall 2024	-	-	887.76	n/a	n/a
Non-resident Graduate	882.92	927.07	973.42	\$ 46.35	5.0 %
<u>MANDATORY FEES</u>					
General Student Fee	83.50	85.00	89.25	\$ 4.25	5.0 %
U-Pass (Full-time Students only)	155.00	155.00	155.00	-	-
<u>TUITION AND FEES (based on 15 credit hours)</u>					
Undergraduate - continuing *	7,717.10	7,894.27	8,151.94	257.68	3.3
Undergraduate - newly enrolled Fall 2019 ¹	7,472.15	7,613.00	7,676.75	63.75	0.8
Undergraduate - newly enrolled Fall 2020 ¹	7,593.50	7,613.00	7,800.35	187.35	2.5
Undergraduate - newly enrolled Fall 2021 ¹	7,717.10	7,736.60	7,800.35	63.75	0.8
Undergraduate - newly enrolled Fall 2022 ¹	7,717.10	7,736.60	7,800.35	63.75	0.8
Undergraduate - newly enrolled Fall 2023 ¹	-	7,894.27	7,958.02	63.75	0.8
Undergraduate - newly enrolled Fall 2024	-	-	8,151.94	n/a	n/a
Graduate	8,032.40	8,383.00	8,794.39	411.40	4.9
Non-resident Undergraduate - continuing *	14,023.70	14,358.53	14,810.14	451.61	3.1
Non-resident Undergraduate - newly enrolled Fall 2019 ¹	13,533.80	13,796.00	13,859.75	63.75	0.5
Non-resident Undergraduate - newly enrolled Fall 2020 ¹	13,776.50	13,796.00	14,106.95	310.95	2.3
Non-resident Undergraduate - newly enrolled Fall 2021 ¹	14,023.70	14,043.20	14,106.95	63.75	0.5
Non-resident Undergraduate - newly enrolled Fall 2022 ¹	14,023.70	14,043.20	14,106.95	63.75	0.5
Non-resident Undergraduate - newly enrolled Fall 2023 ¹	-	14,358.53	14,422.28	63.75	0.4
Non-resident Undergraduate - newly enrolled Fall 2024	-	-	14,810.14	n/a	n/a
Non-resident Graduate	14,654.30	15,335.99	16,095.04	759.05	4.9

* Post 6-year students in FY2025 are those enrolled prior to Fall 2019 (or FY2020).

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: FY2025 TUITION AND FEES

Table 2. Current Tuition Rates for Undergraduate Students by Enrollment Cohort

FY of Enrolled	Student's Enrollment Cohort						
	2019	2020	2021	2022	2023	2024	2025
2019	396.19						
2020	396.19	404.11					
2021	396.19	404.11	412.20				
2022	396.19	404.11	412.20	420.44			
2023	404.11	404.11	412.20	420.44	420.44		
2024	404.11	412.20	412.20	420.44	420.44	430.95	
2025	443.88	412.20	420.44	420.44	420.44	430.95	443.88
2026			420.44	420.44	420.44	430.95	443.88
2027				420.44	430.95	430.95	443.88
2028					430.95	443.88	443.88
2029						443.88	443.88
2029							443.88
2030							

For FY25, anticipated cost increases are generally due to inflation collective bargaining agreements and non-negotiated personnel costs. Initial estimates for FY25 suggest that costs supported by the operating budget are estimated to increase by approximately \$5.65 million in FY25. Broadly these cost increases come from three categories; general cost inflation as measured by the Higher Education Price Index (HEPI) (\$520,000), increases in personnel costs (negotiated \$1.2 million, non-negotiated of \$800,000), the expiration of the NEIU for You 2.0 special allocation for personnel expenses (\$592,000) and expiration of the board’s one-time commitment to support the FY24 operating budget (\$2.5 million).

If adopted, the proposed tuition rate increases are estimated to generate additional tuition and fee revenue of approximately \$1.2 million during FY25 based in a flat enrollment scenario. The remaining gap of \$4.4 million would need to be covered by a mixture of increased enrollment, revenue enhancements, cost reductions or state appropriations. To maintain a balanced budget in the above scenario, strictly on the basis of enrollment, enrollment would need to increase by approximately 11,650 credit hours or about 11% over projected FY24 levels.

While the University is working hard to reverse past enrollment trends, given the reality of enrollment in prior years the University has considered several alternative ways to produce an ongoing balanced budget. These include both revenue enhancements and expense consolidation.

Revenue Considerations

- In response to the current fiscal surplus in Illinois, the University will work to identify state-level funding opportunities over and above state appropriations; these include research and infrastructure support grants with the potential to generate indirect cost recovery and partnership opportunities.
- The University will seek to leverage investments in facilities and organizational capacity such as the Business Innovation and Growth (BIG) center that can provide opportunities for additional revenue to support grants, faculty revenue-generating activity and scholarships.
- The University will examine expanded differential tuition to provide targeted support to critical and higher-cost programs.

ACTION ITEM: FY2025 TUITION AND FEES

- Implementing best practice early-warning systems through advanced technology has the potential to enhance retention and persistence to degrees.
- The University will continue partnering with the NEIU Foundation to identify and develop private support to offset the cost of tuition through private funding.

Expense Considerations

- The University will monitor enrollments to ensure classes run at minimum to higher class size per contractual agreement to ensure fiscal sustainability and ensure that instructional resources are allocated in proportion to declining enrollment.
- The University will work to build technologically efficient advising infrastructure through investments in software to support student-to-advisor ratios that are consistent with industry standards as outlined in the collective bargaining agreements.

Additional Considerations

- **NEIU Foundation:** During the last five years, the NEIU Foundation has nearly doubled the endowment drawdown from \$292,750 in FY20 to \$550,000 in FY24. Foundation endowed funds primarily support student scholarships.
- **Pell Grant:** During the last five years there has been a steady increase in funding available via the Pell Grant, with the maximum award increasing by \$1,200 or 19.3% since FY2020.
 - For the FY2025 award year, the Department of Education will replace the expected family contribution (EFC) with the Student Aid Index (SAI). This is not expected to have a major impact on the award levels for the majority NEIU students.
- **MAP Grant:** During the last five years there has been a significant increase in funding available via the MAP Grant, with the maximum award increasing by \$3,060 or 57.3% since FY2020.
- When combined, the maximum award for the Pell and MAP programs increased by \$1,700 for FY2024. Table 3 shows a summary of maximum Pell, MAP and AIM High grant amounts that can be offered to students. Also included is the tuition and fees that would be charged to incoming students or students beyond the six years of the tuition guarantee program. The tuition and fee values are for 30 credit hours or 15 credit hours per semester.

ACTION ITEM: FY2025 TUITION AND FEES

Table 3: Comparison of Max. Award Offers to Tuition and Fees
(assumes 15 credit hours per semester)

Academic Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Semesters	Fall 2019 / Spring 2020	Fall 2020 / Spring 2021	Fall 2021 / Spring 2022	Fall 2022 / Spring 2023	Fall 2023 / Spring 2024
Max Pell	6,195	6,345	6,495	6,895	7,395
Max MAP	5,340	5,340	5,496	7,200	8,400
Max AIM High	4,000	4,000	4,000	4,000	4,000
Total Programs					
Max Award	15,535	15,685	15,991	18,095	19,795
NEIU Tuition and Fees (New UG)	13,380	13,729	14,000	14,024	14,359

Note: The total maximum award across the three highlighted programs has exceeded NEIU tuition and fees for a full-time student since at least FY2020. But, due to the significant increases in Pell and Grant funding of the last several years, starting in FY 2023, the total maximum award from Pell and MAP exceeded NEIU’s full-time tuition and fees for a new undergraduate student (based on 15 credit hours).

- State Appropriations:** In FY24, net tuition revenue is anticipated to 55% of projected operating revenue while appropriations from the state are anticipated to be 42.5% of operating revenue. Over the past several years the state has increased direct appropriations to the University, with increases of \$1.8 million for FY22 and \$2.6 million in FY24 or collectively, \$4.4 million of the past two years. In credit hour terms, using FY24 tuition rates, this would be the revenue equivalent of 4,617 credit hours (FY23) and 6,788 credit hours (FY24). Stated differently, if state appropriations had continued at FY22 levels, the University would need 11,405 additional credit hours to maintain a balance budget.

The initial planning for each fiscal year assumes flat appropriations from the state. The University does not consider an increase or decrease in state appropriations in its budget planning due to the timing of when appropriations are determined each year.

If state appropriations were to decrease the funding gap (\$5.6 million) discussed in the Background section above would increase, while if state appropriations were to increase, the funding gap would decrease. Unfortunately, the direct appropriations are not known until months or weeks prior to the next fiscal year; after the enrollment cycle has largely played out. Given this reality the University has historically set tuition rates early in the enrollment cycle to ensure prospective students and families have clarity on expected tuition costs.

Recommended action 1:

I request that the Finance, Buildings and Grounds Committee recommend approval of the Fiscal Year 2025 Tuition Recommendations as detailed in Table 1 providing for a 3.0 percent tuition increase for undergraduate students not covered by the guaranteed tuition program and a 5 percent increase for graduate students.

Recommended action 2:

I request that the Finance, Buildings and Grounds Committee recommend approval of the Fiscal Year 2025 Fee Recommendations as detailed in Table 1 providing for an increase in the general fee for students to \$89.25.

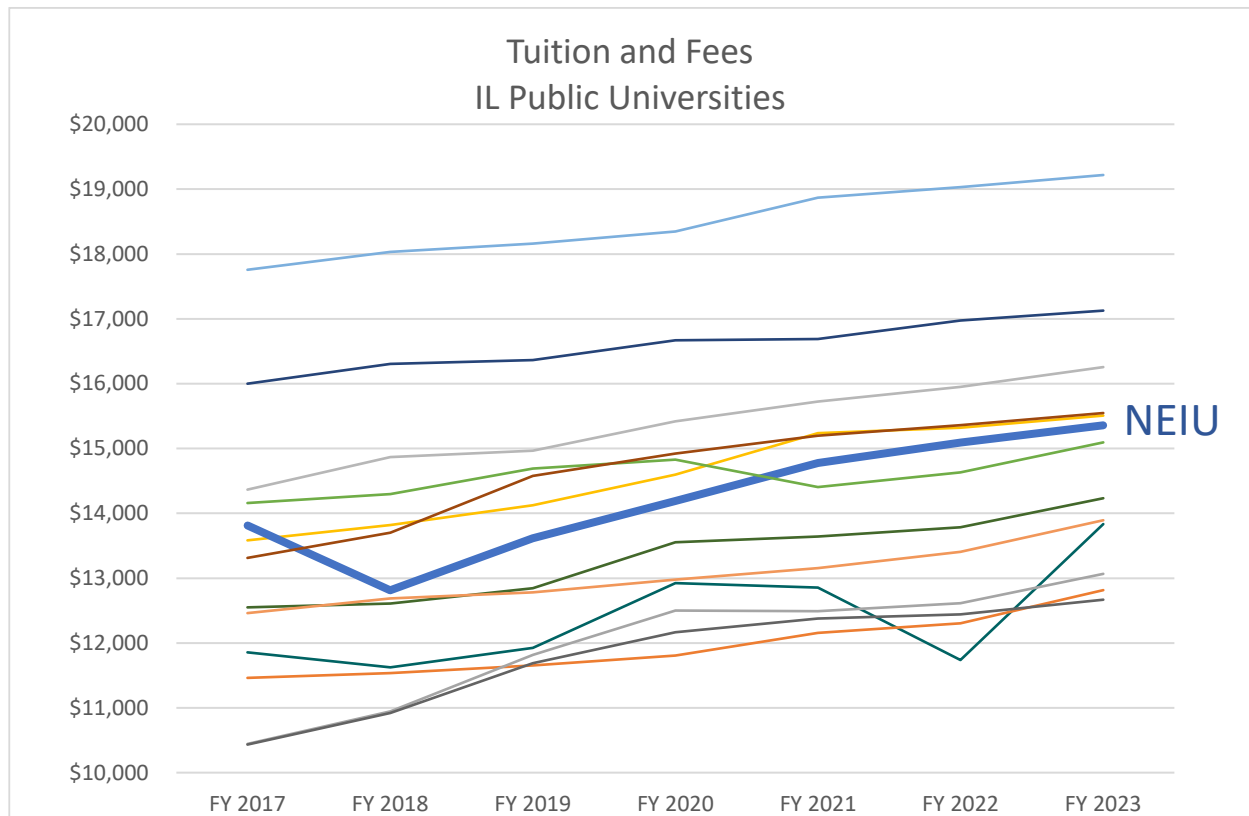
ACTION ITEM: FY2025 TUITION AND FEES

Appendix

Calculation of Additional Revenue from Recommended Increases

Estimate of Additional Net Revenue		Assumptions	
Undergrad Tuition	381,425	Credit Hours	110,500
Graduate Tuition	405,666	% CH Undergrad	82%
Mandatory Fee	413,270	% UG CH, New	28%
		% UG CH, Post Yr 6	9%
Total	1,200,361	Bad Debt and Waivers	12%

NEIU Weighted Tuition and Fees combined are below the state average for undergraduate students at Illinois public universities.

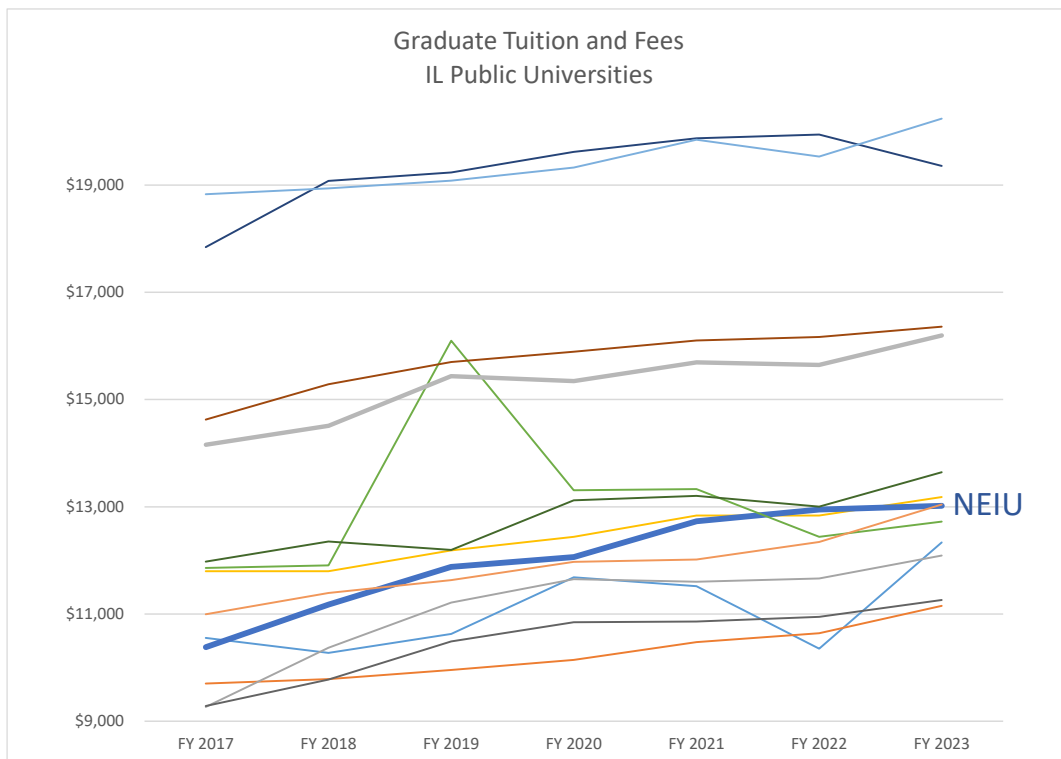


ACTION ITEM: FY2025 TUITION AND FEES

Tuition and Fees Combined							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Chicago State University	\$ 11,858	\$ 11,628	\$ 11,927	\$ 12,926	\$ 12,857	\$ 11,737	\$ 13,833
Eastern Illinois University	\$ 11,464	\$ 11,537	\$ 11,655	\$ 11,806	\$ 12,156	\$ 12,305	\$ 12,818
Governors State University*	\$ 10,443	\$ 10,945	\$ 11,818	\$ 12,501	\$ 12,492	\$ 12,616	\$ 13,066
Illinois State University	\$ 13,585	\$ 13,822	\$ 14,127	\$ 14,597	\$ 15,237	\$ 15,319	\$ 15,510
Northeastern Illinois University	\$ 13,813	\$ 12,816	\$ 13,618	\$ 14,193	\$ 14,779	\$ 15,094	\$ 15,356
Northern Illinois University	\$ 14,160	\$ 14,299	\$ 14,693	\$ 14,828	\$ 14,404	\$ 14,631	\$ 15,093
<u>Southern Illinois University</u>							
Carbondale	\$ 13,312	\$ 13,701	\$ 14,578	\$ 14,920	\$ 15,196	\$ 15,359	\$ 15,547
Edwardsville*	\$ 10,436	\$ 10,921	\$ 11,690	\$ 12,169	\$ 12,378	\$ 12,443	\$ 12,669
<u>University of Illinois</u>							
Chicago	\$ 16,000	\$ 16,304	\$ 16,366	\$ 16,671	\$ 16,688	\$ 16,974	\$ 17,129
Springfield	\$ 12,552	\$ 12,610	\$ 12,844	\$ 13,554	\$ 13,645	\$ 13,783	\$ 14,233
Urbana/Champaign	\$ 17,755	\$ 18,032	\$ 18,160	\$ 18,348	\$ 18,869	\$ 19,029	\$ 19,216
Western Illinois University	\$ 12,464	\$ 12,687	\$ 12,782	\$ 12,977	\$ 13,154	\$ 13,406	\$ 13,896
State Weighted Average	\$ 14,366	\$ 14,870	\$ 14,967	\$ 15,420	\$ 15,723	\$ 15,952	\$ 16,254

Source: IBHE Weighted Average Tuition and Fees

NEIU Graduate Tuition and Fees are below the average for Illinois public universities.



ACTION ITEM: FY2025 TUITION AND FEES

Tuition and Fees Combined							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Chicago State University	\$ 10,554	\$ 10,275	\$ 10,631	\$ 11,683	\$ 11,521	\$ 10,355	\$ 12,334
Eastern Illinois University	\$ 9,705	\$ 9,785	\$ 9,958	\$ 10,144	\$ 10,477	\$ 10,640	\$ 11,153
Governors State University*	\$ 9,268	\$ 10,372	\$ 11,215	\$ 11,651	\$ 11,600	\$ 11,662	\$ 12,090
Illinois State University	\$ 11,798	\$ 11,798	\$ 12,185	\$ 12,441	\$ 12,835	\$ 12,835	\$ 13,179
Northeastern Illinois University	\$ 10,381	\$ 11,174	\$ 11,879	\$ 12,063	\$ 12,731	\$ 12,948	\$ 13,017
Northern Illinois University	\$ 11,858	\$ 11,905	\$ 16,096	\$ 13,307	\$ 13,328	\$ 12,439	\$ 12,723
<u>Southern Illinois University</u>							
Carbondale	\$ 14,627	\$ 15,283	\$ 15,700	\$ 15,892	\$ 16,099	\$ 16,166	\$ 16,357
Edwardsville*	\$ 9,285	\$ 9,779	\$ 10,487	\$ 10,846	\$ 10,860	\$ 10,947	\$ 11,261
<u>University of Illinois</u>							
Chicago	\$ 17,841	\$ 19,075	\$ 19,232	\$ 19,617	\$ 19,871	\$ 19,942	\$ 19,356
Springfield	\$ 11,979	\$ 12,350	\$ 12,197	\$ 13,120	\$ 13,202	\$ 13,002	\$ 13,645
Urbana/Champaign	\$ 18,827	\$ 18,938	\$ 19,079	\$ 19,327	\$ 19,847	\$ 19,530	\$ 20,237
Western Illinois University	\$ 10,997	\$ 11,394	\$ 11,631	\$ 11,972	\$ 12,018	\$ 12,344	\$ 13,042
State Weighted Average	\$ 14,157	\$ 14,509	\$ 15,437	\$ 15,344	\$ 15,695	\$ 15,643	\$ 16,194

Source: IBHE Weighted Average Tuition and Fees

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

Introduction

The Northeastern Illinois University Board of Trustees is asked to approve the University operating budget request that represents spending plans for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025.

This FY2025 Unrestricted Operating Budget request presented to the Board of Trustees acknowledges the current financial constraints in the State of Illinois, as well as recent enrollment trends and actions taken to impact student recruitment. This budget is intended to advance the strategic goals developed by the University community and endorsed by the Board. This budget request includes funding for new and continuing items that address the strategic initiatives identified by the University community and support our Strategic Goals and Action Steps.

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

This FY2025 request budget reflects the important work of the UPBC. Given the transitional nature of FY2024, UPBC was not given a specific focus or directive but provided an important oversight and review function of the budget planning process. This budget reflects the results of the UPBC's feedback, as well as strategic initiatives previously identified by the UPBC and/or the University community but not previously funded.

Overview of Operating and Capital Budget Requests

The budget requests brought before the Northeastern Illinois University Board of Trustees and summarized in this report are FY2025 requests, for the year beginning July 1, 2024 and ending June 30, 2025

The FY2025 Unrestricted Operating Budget request is based upon the FY2024 Unrestricted Operating Budget for the University and the University's budget requests for new funding for FY2024. Included in the Unrestricted Operating Budget are State-appropriated funds and the University Income Fund, which is established by State statute to account for student tuition and certain fee revenue. The total of State appropriations and University Income Fund revenues represents the University's Unrestricted Operating Budget. Developing the Unrestricted Operating Budget request requires a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students.

In the prior year (FY2024) budget, the State appropriation comprises 47 percent of projected revenues, while tuition and other local revenues comprised 53 percent. For the FY2023 budget, state appropriation comprised 44.4% of projected revenues and 39% of the FY2022 budget. This growing share of revenue due to state appropriation reflects both the state's historic support for higher education but also a decline in tuition revenue and the expiration of pandemic funding within the Unrestricted Operating Budget.

This budget request includes moderate funding requests for salary and cost increases, and the strategic planning initiatives reviewed by the University Planning and Budget Council. These are the University's

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highest priorities. The total of State appropriations and University Income Fund revenues represents the Unrestricted Operating Budget request that requires Board of Trustees approval and will be sent, following approval, to the Illinois Board of Higher Education for consideration.

The following summarizes the budget information provided in this report.

FY2025 Budget Development Schedule Table 1 provides a schedule of the budget development process. The Board of Trustees receives the initial FY2025 budget request in September, 2023, and the Board is scheduled to take action on the University’s FY2025 preliminary Operating Budget in June, 2024 and on the FY2025 final Operating Budget in September, 2024.

Operations The University’s Unrestricted Operating Budget request for FY2025 is summarized in Table 2 and additional information supporting the request is provided in this report. Table 3 summarizes the requests for salary and cost increases. Table 4 summarizes the recommended priority strategic planning initiatives for FY2025. These represent the highest University priorities identified through collaboration with the University Planning and Budget Council, the Board and the University community.

Capital Improvements Table 5 summarizes the FY2025 requests for capital improvements. Capital requests are discussed in the two broad categories used by the Illinois Board of Higher Education to classify state-funded projects – Regular Capital projects and Capital Renewal projects. Regular Capital projects include requests for new construction or significant remodeling or renovation. These projects typically provide new space or provide a significantly different use for remodeled space. Capital Renewal projects are of a lesser scope than Regular Capital projects. They include the remodeling or renovation of space, infrastructure renewal, and improvement projects that address deferred maintenance.

The capital requests were developed using the FY2022 cost factors provided by the Illinois Capital Development Board. The Illinois Board of Higher Education and the Capital Development Board recognize the differences in construction costs among the various locales in Illinois, most notably Chicago. The two boards approved higher construction cost standards for certain areas of the state where labor and material costs are significantly greater than other areas of the state. As a result, for Northeastern, higher and more accurate cost figures are used to develop the capital requests.

Table 1
FY2025 BUDGET DEVELOPMENT SCHEDULE
FY2025 begins on July 1, 2024 and ends on June 30, 2025
(Development schedule is subject to change)

September 2023	Discussion and approval of the FY2025 operating and capital budget requests by NEIU Board of Trustees
October 2023	NEIU Board Finance Committee review and recommendation on FY2025 tuition and fee rates
November 2023	NEIU Board action on FY2025 tuition and fee rates
January 2024	Illinois Board of Higher Education action on FY2025 higher education operations, grants, and capital improvements recommendations
February 2024	Governor’s FY2025 Budget Address

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- May 2024** General Assembly's action on FY2025 appropriations
- June 2024** Governor's action on FY2025 appropriations

 NEIU Board of Trustees' action on preliminary FY2025 University Operating Budget
- September 2024** NEIU Board of Trustees' action on final detailed FY2025 University Operating Budget

STRATEGIC GOALS

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

Strategic Goal One – Student Success

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

Strategic Goal Two – Academic Excellence and Innovation

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

Strategic Goal Three – Urban Leadership

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

Strategic Goal Four – Exemplary Faculty and Staff

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

Strategic Goal Five – Enhanced University Operations

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

Strategic Goal Six – Fiscal Strength

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

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These were the former president's FY22 Strategic Priorities developed with the cabinet in alignment with the Illinois Board of Higher Education's new strategic plan.

Equity

Recruitment: Advance outreach and recruitment to reinforce NEIU as a diverse, inclusive "university of choice" for Latina/o/x, African Americans and other students from underserved backgrounds.

Retention: Develop and advance best practices for academic and social support structures that enhance student success and retention.

Sustainability

Fundraising: Increase affordability of and access to NEIU students by leveraging public and private philanthropy, partnerships and shared fiscal responsibility.

Growth

Graduation: Increase placement of NEIU graduates in high demand positions to diversify the workforce and address historical inequities. (education initiatives) (career education, inclusive talent development, innovations and job creation)

FY2025 OPERATING REQUEST

Developing the FY2025 Unrestricted Operating Budget request requires that the University reach a balance between the new and ongoing financial needs of the University and a reasonable expectation of support from the State of Illinois and our students. This budget includes modest funding requests for salary increases and selected strategic initiatives reviewed by the University Planning and Budget Council, suggested by the BOT and/or the University community.

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

The University Unrestricted Operating Budget request for FY2025 totals 89,918,000, an increase of 5,223,000, or 6.2% percent, above the FY2024 Unrestricted Operating Budget. The FY2025 Unrestricted Operating Budget request includes salary and cost increases totaling \$3,158,000, and requests of \$2,065,000 for priority strategic planning initiatives. Table 2 summarizes the Unrestricted Operating Budget request.

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Table 2
FY2025 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

Base (FY2024 Budget)	\$	84,700.0
<hr/>		
Projected Salary and Cost Increases		3,158.0
Strategic Program Initiatives		2,065.0
FY2025 Operating Budget Request	\$	89,923.0
Dollar Change From Previous Year		5,223.0
Percent Change From Previous Year		6.2%

Salary and Cost Increases

The request includes salary increases so that employee salaries remain competitive with market rates. The requests are summarized in Table 3 and include an estimated general salary increase of \$2,007,500 or 3.0 percent. The estimated increase is based on the University’s current collective bargaining agreements with a similar increase for non-negotiated staff and any outstanding labor contracts; as well as increases related to faculty promotion and addressing overall equity and compression of salaries.

The request also includes salaries that are currently being supported by a special board allocation via the NEIU for You program that is scheduled to expire at the end of FY2024. This expiration will require \$592,000 in personnel costs to be reincorporated into the operating budget.

Non-salary cost increases reflect a 3.1 percent increase based on the 2023 Higher Education Price Index Preliminary forecast (HEPI). This is the most recent data available.

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**Table 3
FY2025 OPERATING BUDGET REQUEST
SALARY AND COST INCREASES**

(in thousands of dollars)	<u>FY2024 Base</u>	<u>FY2025 Increase</u>	
		<u>Amount</u>	<u>Percent</u>
Salary Increases	\$ 66,917.2	\$ 2,007.5	3%
Cost Returning to Operating Budget		\$ 592.0	3.0
Social Security/Medicare	943.2	36.6	3.9
Utilities			
Electricity	2,101.1	65.1	3.1
Natural Gas/Propane	447.5	13.9	3.1
Water/Sewer	123.4	3.8	3.1
Subtotal	<u>2,672.0</u>	<u>82.8</u>	
Library Books and Materials	384.4	11.9	3.1
All Other Operating Costs	13,778.2	427.1	3.1
Total	<u>\$ 84,695.0</u>	<u>\$ 3,158.0</u>	<u>3.7%</u>

Notes:

Increase amount does *not* include strategic priorities in Table 4

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

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

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

Costs returning to the operating budget represent costs that are currently supported through a special board appropriation. The current salaries are adjusted for the expected inflation while also increasing the Social Security and Medicare related expenses.

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Strategic Planning Initiatives - Integrating Strategic Planning Into Budget Development

The budget recommendations presented to the Board again include the recommendations and priorities first identified and endorsed by the UPBC in FY22. The vice presidents submitted to the UPBC projects for their areas and outlined their proposed work plans for meeting those priorities. The UPBC then reviewed and discussed the project requests.

To support those recommendations, \$2,065,000 is included in this FY2024 operating budget request. This includes strategic planning initiatives totaling \$1,250,000, along with \$815,000 in unfunded initiatives from prior years. Table 4 presents an overview of the strategic planning initiatives included in the FY2025 budget request.

**Table 4
FISCAL YEAR 2025
STRATEGIC PLANNING INITIATIVES**

<u>Student Success</u>	\$	350,000
NEIU Sports exploratory committee ¹		200,000
Online Center to support online certificates and programs		150,000
<u>Urban Leadership</u>	\$	50,000
Recruitment of public-sector cohorts ¹		50,000
<u>Academic Excellence and Innovation</u>	\$	1,325,000
Open Educational Resources ²		75,000
Nursing Simulation Lab ³		1,250,000
<u>Exemplary Faculty and Staff</u>	\$	50,000
Faculty Speakers Bureau ¹		50,000
<u>Fiscal Strength</u>	\$	290,000
Capital Campaign Support Personnel (2)		240,000
Alumni Relations Coordinator ²		50,000
Total	\$	2,065,000

Notes:

- 1 Endorsed by UPBC during the current fiscal year planning process
- 2 Prior year initiatives not yet funded or completed
- 3 Pending review & endorsement by UPBC

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Strategic Planning Initiatives

NEIU Sports Exploratory Committee: In collaboration with the proposal initiated by Student Government Association, prepare an exploratory study around the potential to bring intercollegiate athletics to Northeastern Illinois University.

Online Center: Create a centralized unit to coordinate and standardize the development of online certificate and degree programs.

Recruitment of Public Sector Employees: Local public sector employees may have an education benefit (tuition reimbursement) to pursue relevant degrees. Proposal suggests creating degree programs to attract and serve them, but we may already have several relevant degrees. Cohort and/or contract course model also suggested as a possible avenue.

Open Educational Resources: Fund program to incentivize faculty to use/create open educational resources (OER) to decrease student textbook costs.

Nursing Simulation Lab: Purchase necessary equipment and supplies for the development of the nursing simulation lab. Completion of the lab is an important milestone in moving the new nursing program forward for assessment and approval.

Faculty Speakers Bureau: Faculty experts speaking to the community through various off-campus venues could raise our visibility to potential students. Creating and marketing a database of speakers, stipends for faculty participation.

Capital Campaign Support Personnel: Support two new positions in Institutional Advancement, a major gift officer and a prospect researcher and include operational funds for each position to increase fundraising capability to maximize NEIU's capacity for donor outreach.

Alumni Relations Coordinator: Hire Alumni Communications Manager to enhance Alumni Relations Office program offerings and to oversee the revenue-generating membership program, and to manage daily office tasks.

TUITION AND FEES

Timing the formal request for the approval of tuition and fee rates involves balancing the informational needs of students and parents to ensure they are fully informed of college cost when making enrollment decisions and the ability of the University to consider the available state funding. In November 2022, the Northeastern Board of Trustees adopted tuition and fee rates for FY2024, the academic year beginning with the Fall of 2023 semester. The tuition and fee recommendations for FY2025 will be brought to the Board Finance Committee for discussion in September 2023, and to the Board for action at the October 2023 meeting.

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

CAPITAL IMPROVEMENTS

Table 5 summarizes capital improvement requests for FY2025. Requested capital projects total \$576,053,300, with \$480,309,500 in Regular Capital projects and \$95,743,800 in Capital Renewal projects. The requests also include a priority number for each project, as requested by the Illinois Board of Higher Education.

**Table 5
FISCAL YEAR 2025 REQUEST
CAPITAL APPROPRIATIONS**

(in thousands of dollars)		Estimated Project Cost
REGULAR CAPITAL PROJECTS	\$	480,309.5
Education Building, furniture, fixtures & equipment	1	14,018.0
PE Complex, Pool Leak Repair	2	6,000.0
Mixed use facility	3	82,130.7
Science Building, planning	4	17,938.9
Science Building, construction	5	229,064.8
Science Building, furniture, fixtures equipment	6	25,837.0
Lech Walesa Hall, remodeling	7	30,531.0
Ronald Williams Library renovation	8	74,789.2
CAPITAL RENEWAL PROJECTS	\$	95,743.8
Campus Roof Replacement	1	17,564.5
ADA Restrooms	2	5,530.7
Parking lot D replacement	3	2,765.6
Masonry and Building Envelope, replacements	4	16,592.6
Building D and E exterior window wall, replacement	5	5,800.5
Five science lab renovations	6	8,668.6
Fume hoods	7	1,941.3
Asbestos Abatement	8	5,530.7
Lower Level Egress and Fire Separation	9	13,826.7
One Stop Shop	10	17,522.7
TOTAL CAPITAL REQUESTS	\$	576,053.3

Note: All projects reflect FY2025 Capital Development Board cost guidelines.

A brief description of each project follows. The projected cost of all projects reflects the FY2022 Illinois Capital Development Board cost guidelines for FY2022 budget preparation.

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A. Regular Capital Projects

2025-1 Education Building, Furniture, Fixtures & Equipment - \$14,018,000

This request is for funds to provide moveable equipment in the new Education Building, which is slated to be completed by September 2026. Equipment includes classroom and office furniture, computer laboratory equipment and furniture, and general supportive equipment for the academic departments and support services.

2025-2 Physical Education Complex, Pool Leak Repair - \$6,000,000

The 35-year-old concrete pool structure in the has started to demonstrate significant water loss of up to 5,000 gallons/day due to degraded waterproofing membrane inside the supply/drainage trench, leaking joints in the pool floor and cracks in the pool walls and gutter, other areas of localized tile substrate deterioration on the pool walls and freshwater mortar supply trenches in the pool floor. The concrete surfaces of the south pool deck, crawl space underneath, and in the mechanical room have evidence concrete and steel deterioration in a form of delaminated concrete, leaking cracks in the walls and underside of the pool deck, section loss at steel pipe drains and scuppers and corrosion of steel platform supports. Structural settlement observed at the west pool deck and cracks in the CMU walls have appeared. For the pool to remain serviceable, the aforementioned deteriorated items should be repaired by conventional repair methodologies executed by an experienced specialty concrete repair contractor and the structural settlement issues addressed.

The scope will also include replacing the outdated water filtration system and associated piping, roof leaks due to structural settlement, and repairs of the steel sump pump pit will require a specialty contractor depending on the repair approach.

2025-3 Mixed Use Facility – \$82,130,658

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

The parking spaces that need to be added back into the site 950 spaces @ \$33,964 each. An additional \$6,531,525 is required for the mixed-used facility.

Construction Cost	\$38,797,259
CDB Funding @ 3%	1,163,918
Total Construction Cost	<u>\$ 39,961,177</u>
Escalation for 36 months*	26,348,090*
Escalated Construction Cost	<u>\$ 66,309,267</u>
Contingency @ 10%	6,630,927
Total Construction Cost	<u>\$ 72,940,194</u>
A/E Fee @ 12%	8,752,823
Reimbursable 5%	<u>437,641</u>
Total Project Budget	\$ 82,130,658

*Escalation is 17%

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2025-4 Science Building Planning - \$17,938,920
2025-5 Science Building Construction - \$229,064,787

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

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

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

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

In 2007, this multi-phased modernization of the building and associated costs was estimated to cost \$42.2 million. This was projected to be \$6.9 million more than if the building was completely vacated and remodeled in a single phase. The resulting modernized Science Building would not have any significant expansion, the labs would be half the size of the current recognized lab standard size, and the offices would still be inaccessible to handicapped persons.

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

After looking closely at remodeling the existing Science Building, and the alternative of a separate Laboratory Building, a completely new building with classrooms, teaching labs, research labs and offices was decided to be the most cost and time efficient way to provide a state-of-the-art science building which

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would support not only current programs but future programs in an environment much more conducive to utilizing current and future pedagogies than the current outdated structure. A new science building would cost an estimated \$69.8 million.

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

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

2025-6 Science Building Modernization, Equipment - \$25,837,000

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

2025-7 Lech Walesa Hall Remodeling (formerly Classroom Building) – \$30,531,027

This project is closely linked with the construction of the Education Building and will renew existing finishes, modernize H.V.A.C. and utility systems, replace fixed equipment, and remodel interior areas in response to programmatic changes in the Lech Walesa Hall since it was constructed in 1973. The project includes realigning administrative space throughout the building by consolidating various departmental offices. It also reconfigures the second-floor open computer laboratories, consolidates the University's computer center and support offices, and adds student meeting and group study places in support of a student-centered environment. The project also provides for replacing perimeter heating and cooling units; modifying lighting, electrical, and data distribution systems to support remodeling; and renews and replaces interior finishes and fixed equipment in classrooms, corridors, stairwells, and washrooms.

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

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

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of the building with offices around the perimeter of the floor. The lower level and fourth floor are primarily office spaces.

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

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

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

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

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

2025-8 Ronald Williams Library Renovation – \$74,789,181

The role of the academic library has dramatically evolved since the opening of the Ronald Williams Library in 1977. The Library in 2014 completed a master space plan to define its future trajectory. The planning process was conducted in conjunction with CannonDesign, a firm with extensive experience in space planning for academic libraries. The Strategic Plan for Library Services FY2012 Action Plan and the Association of College and Research Libraries Report on the Innovation Roundtable at Ronald Williams

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Library were foundational elements in the planning. The design team undertook an in-depth study of contemporary trends and initiatives at academic libraries across North America.

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

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

1. Phase 1A: Outfitting the first floor with a new diversity of individual and collaborative furnishings, and providing an "Information Commons" of centrally located public computers.
2. Phase 1B – The renovation of current administrative services space into a new Library services area with new furniture, building systems, and furniture. Provision of a new printing area.
3. Phase 1C – Renovation of the southern half of the first floor, including demolishing of current reference desk. Provision of renovated building systems and finishes.
4. Lower Level – Construct a new seminar room, condense and combine the server room spaces, rearrange the Illinois Regional Archives Depository spaces, and install compact shelving.
5. Second floor – Renovate the existing technical services and ombuds space into an administrative suite, quiet study space, and a relocated ombuds office.
6. Third floor – Construct small meeting rooms adjacent to the Center for Teaching and Learning, provide 14 group collaboration spaces, add a library instruction room, several large group study spaces, and varied casual seating spaces.
7. Fourth floor – Convert or renovate existing space for TRIO Program and the Language Learning Lab. Renovate entire floor with building systems, finishes, and furniture.
8. General spaces and other – Refurbish restrooms, stairwells, main entry vestibule, and security systems (access control, security cameras), update audiovisual systems, and hazardous materials abatement.
9. This project is not dependent on any other projects.
10. This project is best accomplished during the University's winter break and it is estimated that construction would begin in Summer of 2025.

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

11. Base costs* as of June, 2023:	
Phase 1A	\$ 1,757,524
Phase 1B	\$ 3,936,842
Phase 1C	\$ 3,518,425
Lower Level	\$ 5,393,427
Second Floor	\$ 5,628,412
Third Floor	\$ 7,744,137
Fourth Floor	\$ 5,883,461
General spaces	\$ 2,835,864
CDB Funding @ 3.0%	<u>\$1,100,943</u>
Total Construction Cost	\$37,799,034
Escalation for 36 months**	<u>\$24,922,498</u>
Escalated Construction Cost	\$62,721,533
Contingency	<u>\$6,272,153</u>
Total Construction Cost	\$68,993,686
A/E Fee @ 8%	\$5,519,495
Reimbursable 5% & supervision	<u>\$276,000</u>
Total Project Budget	\$74,789,181

* Consultant estimates based on unit costs.

**Escalation is 17%

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

B. Capital Renewal Projects

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

2025-1 Roof Replacement – \$17,564,486

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

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

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

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

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

2025-2 ADA Restrooms Renovations – \$5,530,684

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

2025-3 Parking Lot D Renovation - \$2,765,607

This project will renovate the deteriorating Parking Lot D (corner of Bryn Mawr and Access Road). This parking lot was last resurfaced in 1996 and holds 277 parking spots. There are currently wide cracks on over 50 percent of the surface. There are also significant amounts of severe depressions in wheel locations due to the inability of the substructure to support the wheel loads. Alligator cracking is evident in a few areas, most notably near the loading dock and the entrance to the parking lot. This parking was slated to be rebuilt in 2015.

Construction Cost	\$1,306,305
CDB Funding @ 3%	<u> \$39,189</u>
Sub-Total Construction Cost	\$1,345,494
Escalation for 36 months	<u> \$887,141</u>
Escalated Construction Cost	\$2,232,635
Contingency @ 10%	<u> \$223,264</u>
Total Construction Cost	\$2,455,899
A/E Fee @ 12%	\$294,708
Reimbursable @ 5%	<u> \$15,000</u>
Total Project Cost	<u>\$2,765,607</u>

2025-4 Masonry and Building Envelope, Replacements \$16,592,640

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

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

Construction Cost	\$7,837,830
CDB Funding @ 3%	<u> 235,135</u>
Total Construction Cost	\$8,072,965
Escalation for 36 months*	<u> 5,322,847</u>
Escalated Construction Cost	\$13,395,812
Contingency @ 10%	<u> 1,339,581</u>
Total Construction Cost	\$14,735,393
A/E Fee @ 12%	1,768,247
Reimbursable	<u> 89,000</u>
Total Project Budget	<u>\$ 16,592,640</u>

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

2025-5 Buildings D & E Exterior Window Wall Replacement – \$5,800,467

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

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

Base costs as of June 2023:

Remove existing window wall	\$ 114,000
New window wall 16,200 SF@ \$153.71/SF	2,490,152
Perimeter sealant, site restoration & misc.	<u>85,396</u>
Construction Cost	\$ 2,689,547
CDB funding @ 3.0%	80,686
Escalation for 39 months	<u>2,024,675</u>
Escalated Construction Cost	\$ 4,794,908
Contingency @ 10%	<u>479,491</u>
Total Construction Cost	\$ 5,274,399
A & E Fee @ 9.5%	179,733
Reimbursable & supervision	<u>38,500</u>
A & E Fee @ 9.5%	501,068
Reimbursable & supervision	<u>25,000</u>
Total Project Budget	<u>\$ 5,800,467</u>

2025-6 Five Science Lab Renovations - \$8,668,592

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

Construction Cost	\$4,095,000
CDB Funding @ 3%	<u>\$122,850</u>
Sub-Total Construction Cost	\$4,217,850
Escalation Cost for 36 months	<u>\$2,781,007</u>
Escalated Construction Cost	\$6,998,857
Contingency @ 10%	<u>\$699,886</u>
Total Construction Cost	\$7,698,743
A/E Fee @ 12%	\$923,849
Reimbursable @ 5%	<u>\$46,000</u>
Total Project Cost	<u>\$8,668,592</u>

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

2025-7 Fume Hoods - \$1,941,270

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

Project base costs as of June 2023:

Construction Cost	39 fume hoods @ \$23,513 ea.	\$917,026
CDB funding @ 3.0%		<u>27,511</u>
Total Construction Cost		944,537
Escalation for 36 months**		<u>622,773</u>
Escalated Construction Cost		\$ 1,567,310
Contingency @ 10%		<u>156,731</u>
Total Construction Cost		\$ 1,724,041
A & E Fee @ 12%		206,885
Reimbursable & Supervision		<u>10,344</u>
Total Project Budget		<u><u>\$1,941,270</u></u>

2025-8 Asbestos Abatement - \$5,530,684

This project provides abatement of encapsulated asbestos material. Currently, safe non friable asbestos flooring material is removed when a renovation project occurs in the space. This project would make the removal of asbestos flooring and asbestos-containing materials a goal to be done at once. It would also provide the necessary new flooring and piping re-insulation.

Project base costs as of June 2023:

Construction Cost		\$2,612,610
CDB funding @ 3.0%		<u>78,378</u>
Total Construction Cost		2,690,988
Escalation for 36 months**		<u>1,774,282</u>
Escalated Construction Cost		\$ 4,465,270
Contingency @ 10%		<u>446,527</u>
Total Construction Cost		\$ 4,911,797
A & E Fee @ 12%		589,416
Reimbursable & supervision		<u>29,471</u>
Total Project Budget		<u><u>\$ 5,530,684</u></u>

ACTION ITEM: FY2025 OPERATING & CAPITAL REQUEST BUDGET

2025-9 Lower-Level Egress and Fire Separation, \$13,826,711

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

Construction Cost	\$6,531,525
CDB Funding @ 3%	<u>195,946</u>
Total Construction Cost	\$6,727,471
Escalation for 36 months*	<u>4,435,706*</u>
Escalated Construction Cost	\$11,163,177
Contingency @ 10%	<u>1,116,318</u>
Total Construction Cost	\$12,279,495
A/E Fee @ 12%	1,473,539
Reimbursable	<u>73,677</u>
Total Project Budget	\$13,826,711

2025-10 One Stop Shop - \$17,522,663

Remodeling E, D and F is needed to reflect programmatic changes in space assignments and create a One Stop Shop to meet student needs. Building E has an HVAC system past its life cycle. It cannot effectively meet current and growing programmatic needs. A complete remodeling of the space is required to update the space.

Construction Cost	\$8,279,037
CDB Funding @ 3%	<u>\$248,371</u>
Sub-Total Construction Cost	\$8,527,408
Escalation for 36 months	<u>\$5,622,480</u>
Escalated Construction Cost	\$14,149,888
Contingency @ 10%	<u>\$1,414,989</u>
Total Construction Cost	\$15,564,877
A/E Fee @ 12%	\$1,867,785
Reimbursable @ 5%	<u>\$90,000</u>
Total Project Cost	\$17,522,663

**ACTION ITEM: RECOMMENDATION TO AUTHORIZE THE USE OF UNRESTRICTED NET ASSETS
FOR NEIU FOR YOU 3.0 INITIATIVE**

OVERVIEW

The University continues its commitment centered on increased student recruitment and retention. This includes two prior iterations of the NEIU for You program and exempting the Enrollment Management area from budget reductions in the FY24 state operating budget.

When the NEIU for You program was launched, the enrollment at NEIU was in a period of steep decline and the University sought to design a program to boost enrollment growth. In the 2.0 iteration, the program was expanded to include multi-year awards to assist with retention of enrolled students.

To understand the cost of the NEIU for You program, a financial model has been utilized which projects the financial value of the size of the incoming class, estimates what portion of the incoming class is eligible for various other forms of financial assistance (Pell, Map, AIM High) and estimates the University support necessary to fund the recruitment incentive. The analysis of student award offers shows that a substantial portion of NEIU's undergraduate student body receives a significant amount of financial support, sometimes at levels that exceed the total cost of tuition and fees. This is crucial to understand the impact of funds already being received by the students as it significantly reduces the amount of funds required for any enrollment incentive. The NEIU for You scholarship will provide a top-off award to the eligible students. The financial impact of these incentives will depend on the type of student applying and enrolling, their net financial need, and eligibility for state and federal programs.

We are requesting that the Board continue to fund the established Strategic Enrollment Fund for the following purposes:

- Additional marketing campaign to complement outreach to new markets.
 - Year 1: \$500,000
 - Year 2: \$550,000
- Scholarship support to create a two-year bridge funding program and to eventually institutionalize this program if it is successful.
 - Year 1: \$1,063,000
 - Year 2: \$1,620,500

The scholarship portion of this investment will be recoverable at least in part with enrollment growth, and with large enough increases in enrollment can create a sustainable long-term program. Additional analysis can be found in the attached presentation.

Recommended action:

I request that the Finance, Buildings and Grounds Committee recommend approval to transfer \$3,733,500 of unrestricted net assets to establish a dedicated Strategic Enrollment Fund to support the NEIU for You tuition incentive program.

NEIU for You 3.0 Initiative

NEIU for You - Overview

NEIU for You 1.0:

- Faced with a significant decline in admitted freshmen and projected Fall 2021 enrollment, the *NEIU for You* initiative was launched. The initiative aimed to increase the yield within the existing applicant pool and then expanded to increase the number of applications.

NEIU for You 2.0:

- Without any intervention, preliminary results from budget planning suggested a further 3.7% decline in enrollment for Fall 2022.
- There was an opportunity to improve upon the *NEIU for You* 1.0 initiative and enhance the positive effects of the initiative while reducing some of the institutional risk.
- The proposed structure considered Fall 2023 and built towards creating necessary infrastructure and processes for sustainable success in recruitment and enrollment efforts.

NEIU for You 3.0:

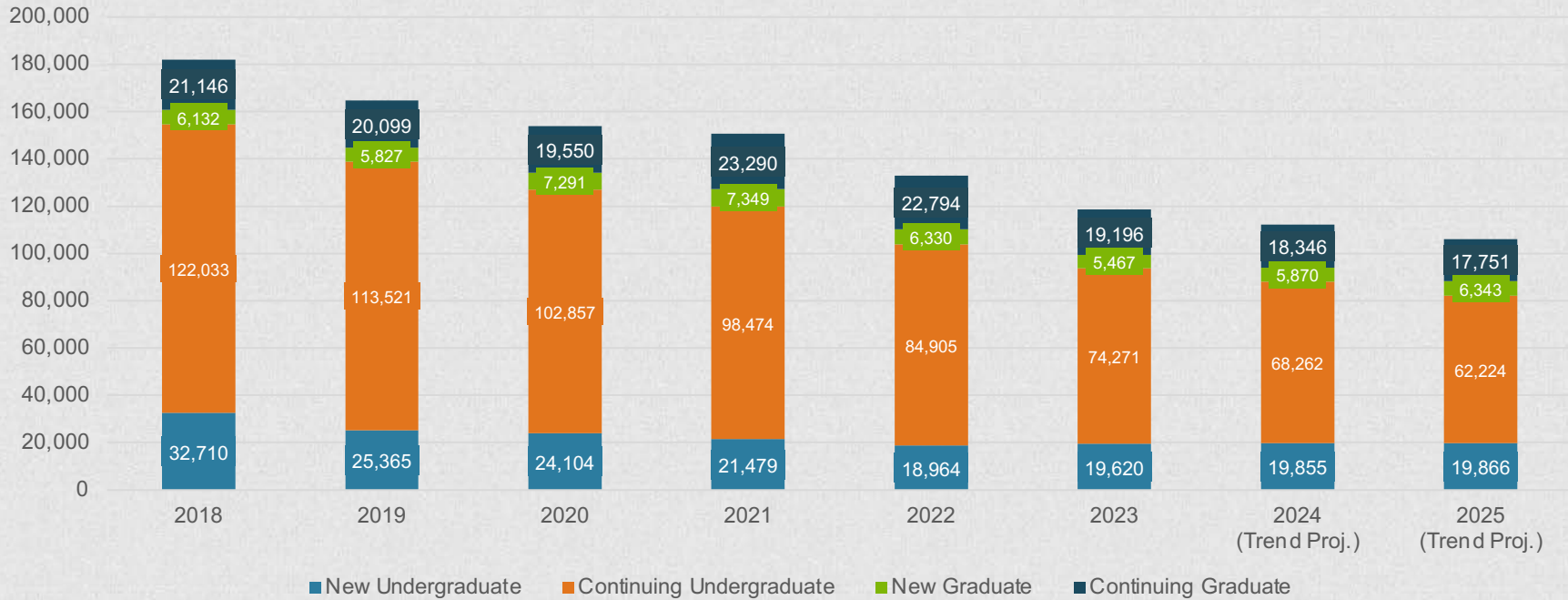
- Extends the program for two additional years while widening the group of students eligible for full awards to include Transfers and Veteran students.
- Suggests adjustments to eligibility requirements to reflect changes in the financial aid landscape.
- Sunsets board funding for the program after FY26, after which the program cost should be funded via increases in enrollment.

Estimating the FY24 Budget

- Unrestricted Operating Budget.
 - Two main (revenue) components: State Appropriations and Tuition Revenue.
 - Combined, have represented 94% of Operating Budget historically.
- Required to Set a “Balanced” Budget
 - Operating Expenses must equal the operating budget.
 - 70% of Operating expense is personnel expenses.
 - Personnel expenses estimated on a “status quo” or carryforward basis.
 - No adjustment to employment levels for credit hour projection.

Credit Hour Trends

Total Credit Hour Enrollment 2018 - 2025



- From 2018 to 2023, New Undergraduate enrollment decreased by over 13,000 credit hours. In 2023, we saw a slight increase in New Undergraduate credit hours by +3.5%. New trend projections show modest increases in New Undergraduate credit hours in 2024 and 2025.
- Successive years of low new undergraduate enrollment make increasing total enrolled credit hours in a single enrollment cycle difficult.

Trends: Enrollment and Retention

Cohort	FTFT Undergraduates		
	Year 1 Enrollment	Year 2 Enrollment	Year 2 Retention
Fall 2012	1,000	610	61.0%
Fall 2013	764	461	60.3%
Fall 2014	726	440	60.6%
Fall 2015	708	390	55.1%
Fall 2016	767	356	46.4%
Fall 2017	792	390	49.2%
Fall 2018	425	250	58.8%
Fall 2019	432	289	66.9%
Fall 2020	352	214	60.8%
Fall 2021	314	197	62.7%
Fall 2022	516	306	59.3%
Fall 2023*	565		

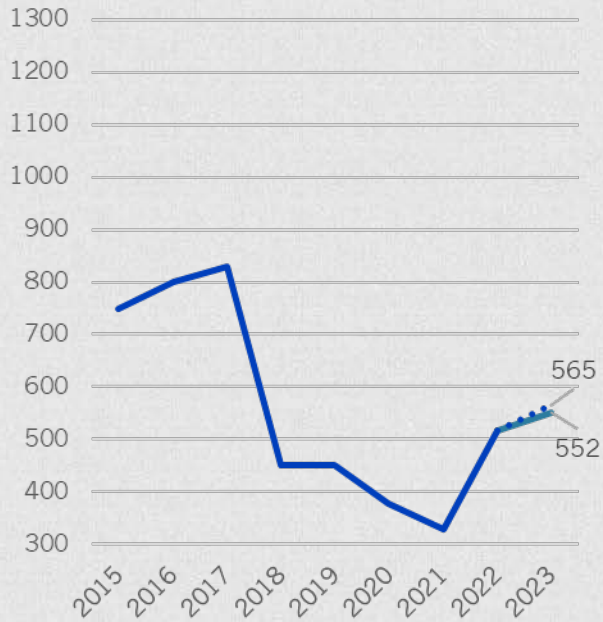
Cohort	New Transfers		
	Year 1 Enrollment	Year 2 Enrollment	Year 2 Retention
Fall 2012	1,327	962	72.5%
Fall 2013	1,356	991	73.1%
Fall 2014	1,280	916	71.6%
Fall 2015	1,272	884	69.5%
Fall 2016	1,273	864	67.9%
Fall 2017	1,201	867	72.2%
Fall 2018	1,039	749	72.1%
Fall 2019	915	688	75.2%
Fall 2020	848	619	73.0%
Fall 2021	769	544	70.7%
Fall 2022	584	445	76.2%
Fall 2023*	710		

Source: Institutional Research, *Projection by Enrollment Management

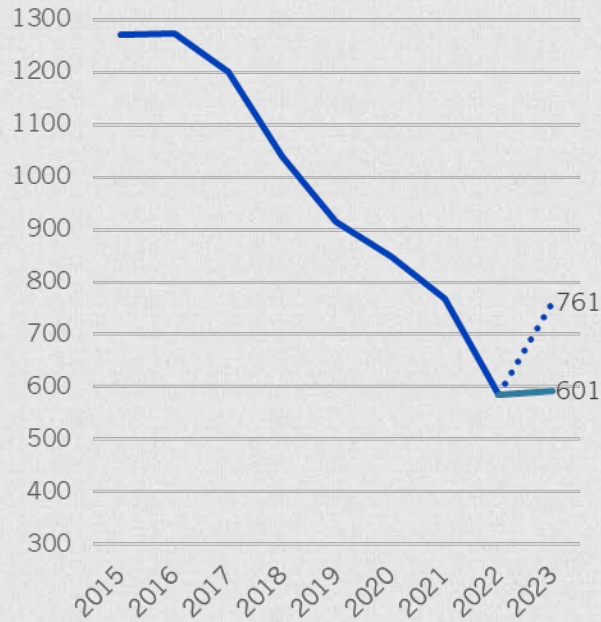
As of 8/21/2023

Enrollment Trends

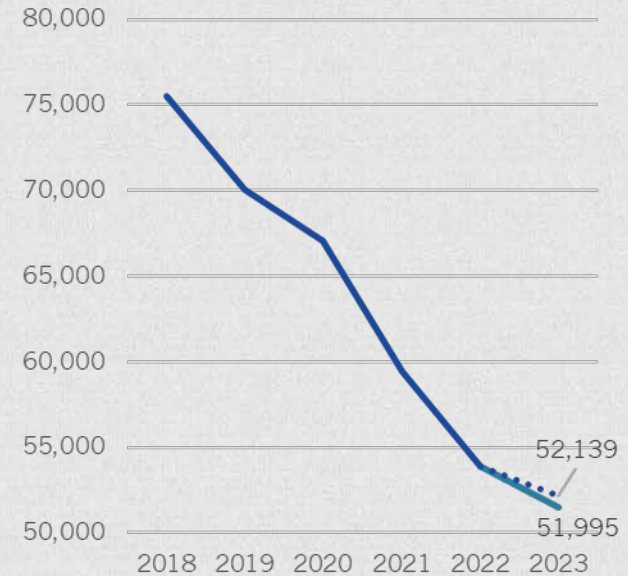
New First Time Freshmen



New Transfer Students



Fall Enrollment - Total Credit Hours (UG+Grad)



- New First Time Freshmen: With the four-year scholarship and investment in enrollment staff and marketing, there was a significant improvement in enrollment for Fall 2022 and Fall 2023.
- New Transfers: Program has not had the same overall impact on new transfers, where the scholarship offer is more limited.
- Fall Enrollment: Overall enrollment is approximately at the levels predicted. Given the smaller incoming classes, particularly Fall 2020 (seniors for NFTF) and Fall 2021 (juniors NFTF), this is a commendable outcome.

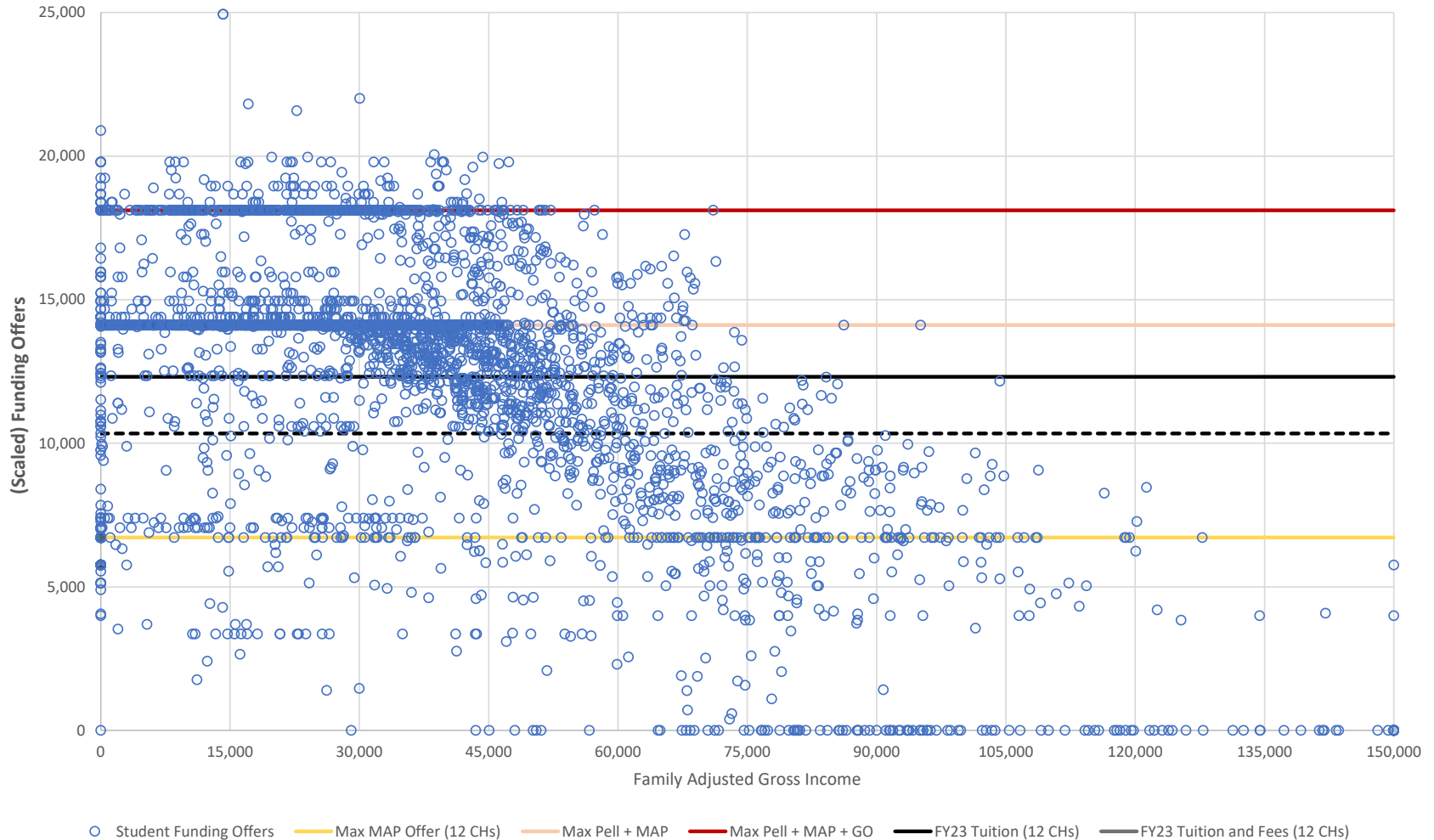
Comparison of Award Offers and Tuition

Academic Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Semesters	Fall 2019 / Spring 2020	Fall 2020 / Spring 2021	Fall 2021 / Spring 2022	Fall 2022 / Spring 2023	Fall 2023 / Spring 2024
Max Pell	6,195	6,345	6,495	6,895	7,395
Max MAP (24CH)	4,272	4,272	4,397	5,760	6,720
Max Awards (Pell + MAP)	10,467	10,617	10,892	12,655	14,115
Max AIM High	4,000	4,000	4,000	4,000	4,000
Total Programs Max	14,467	14,617	14,892	16,655	18,115
NEIU Tuition (New UG, 24 CHs)	9,699	9,893	10,091	10,091	10,343
NEIU Tuition and Fees (New UG, 24 CHs)	11,457	11,821	12,057	12,095	12,383

- Since program launch there has been a significant increase in the total award available to students. The maximum award, shown above, has increased by about \$3,200 since Fall 2021 (FY2022).
- The growth in Pell and MAP has significantly out-paced the growth in tuition costs. This has led to less awards in the NEIU for You program.

Impact of Income Threshold

Student Funding Offers by Family Income
New FTFT Applicants - Fall 2019 - Fall 2023
(funding offers scaled to max available in aid year)



NEIU for You Award = Cost of Tuition (\$10,343) – Student's Outside Funding

Distribution of NFTF

Distribution of Students Between Levels of Total Awards and Family Adjusted Gross Income

Total Award Offers (Pell + MAP + G.O.)		Family Adjusted Gross Income										
		0 to 15,000	15,000 to 30,000	30,000 to 45,000	45,000 to 60,000	60,000 to 75,000	75,000 to 90,000	90,000 to 105,000	105,000 to 120,000	120,000 to 135,000	135,000 to 150,000	
greater than 17,500	13%	4%	5%	3%	1%	0%	0%	0%	0%	0%	0%	0%
15,000 to 17,500	4%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%
12,500 to 15,000	54%	15%	19%	15%	3%	1%	0%	0%	0%	0%	0%	0%
10,000 to 12,500	10%	1%	1%	3%	3%	1%	0%	0%	0%	0%	0%	0%
7,500 to 10,000	6%	0%	0%	0%	1%	2%	1%	1%	0%	0%	0%	0%
5,000 to 7,500	9%	4%	1%	1%	0%	1%	1%	1%	0%	0%	0%	0%
2,500 to 5,000	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0 to 2,500	3%	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	1%
		25%	27%	24%	10%	6%	3%	2%	1%	0%	1%	

80% of NFTF had Offers above \$10,000

10% of NFTF are likely to have offers >\$0 for NEIU4U



NEIU for You Scholarship Awards

NEIU for You 2.0 (FY2023, Fall 2022 and Spring 2023)

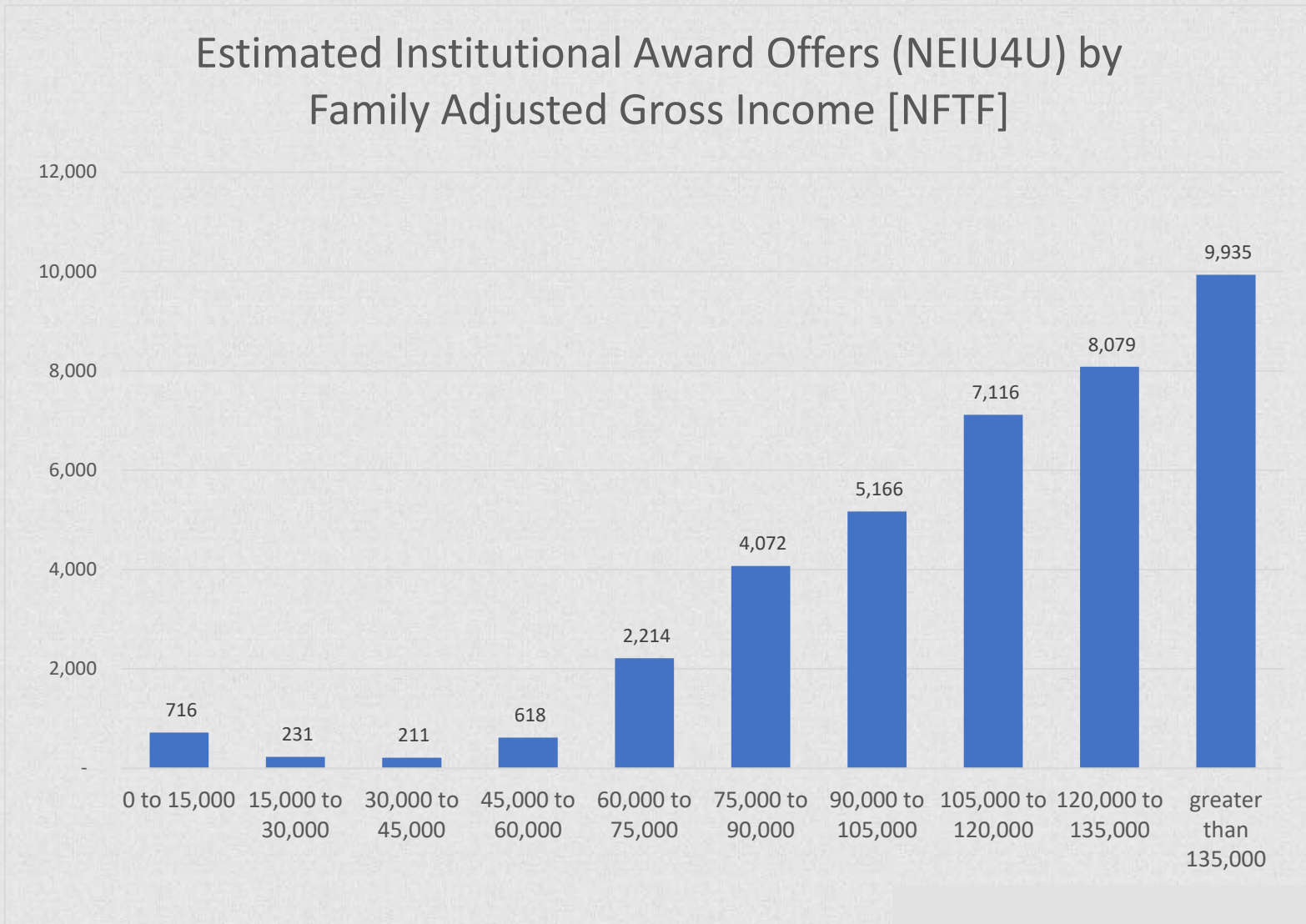
	Enrolled	Award Count			Avg. Household Income	Amount of Awards	Average Award	Average Award (> \$0)
		Total	= \$0	> \$0				
NFTF	443	352	286	66	\$30,362	\$18,883	\$54	\$286
NFTF-Rise Act	53	51	2	49	\$26,498	\$200,438	\$3,930	\$4,091
New Transfers	552	214	22	192	\$20,306	\$316,592	\$1,479	\$1,649
Continuing UG (Admitted FY22)	310	137	100	37	\$26,471	\$37,963	\$277	\$1,026
	1,358	754	410	344		\$573,875		

NEIU for You 1.0 (FY2022, Fall 2021 and Spring 2022)

	Enrolled	Award Count			Avg. Household Income	Amount of Awards	Average Award	Average Award (> \$0)
		Total	= \$0	> \$0				
NFTF	296	259	52	207		\$1,120,826	\$4,328	\$5,415
NFTF-Rise Act	34	32	2	30		\$102,705	\$3,210	\$3,424
New Transfers	743	546	6	540		\$848,802	\$1,555	\$1,572
Continuing UG (Admitted FY22)	NA							
	1,073	837	60	777		\$2,072,333		

- New First Time Freshmen: A significant portion qualified for the program but due to increases in Pell and MAP grants, only 15% received positive awards. Largest groups of enrolled but non-qualifying include part-time, no FAFSA/Rise Act App, financial threshold, veterans.
- Rise Act Students: Number of enrolled students, number awarded and average awards increased under 2.0
- New Transfers: Smaller proportion received rough equal (average) awards since less impact of changes of Pell and MAP levels (free course vs top-off).
- Continuing Students: Significant drop in awarded students and average awards due to implementation of income thresholds and limiting award to tuition (2.0) instead of tuition and fees (1.0).

Impact of Income Threshold



NEIU for You Award = Cost of Tuition (\$10,343) – Student's Outside Funding

Key differences, 2.0 vs 3.0

Program Version	2.0	3.0
First Time Full-Time Freshmen for Fall 2022		
Coverage	Base Tuition	Base Tuition
Term	4 yrs	
Income Limit	Family income of \$60,000 or less and family assets of \$50,000 or less	Family income of \$75,000 or less and family assets of \$75,000 or less
FAFSA Required	Yes or Alternative Application	
Min. Credit Hours	12 credits	
Residency	IL Residents	
GPA	Min. high school GPA of 2.0- (waive 2.5 GPA admission requirement for qualifying students)	
Support for Undocumented	Yes, via the RISE Act Application	
Support for Veterans	No	Yes, via waiving residency requirement. With ability to adjust awards to reflect veterans/VA benefits.
New Transfers		
Coverage	Base Tuition for 3 Credits	Base Tuition (12 Credits) – same as NFTF
Continuing Students	Same Requirements as Fall FTFT	
Admitted as NFTF	Same Requirements as Fall FTFT	
Admitted as New Transfer	No Coverage	starting in FY26, for those admitted in FY25, same requirements as Fall New Transfers. No multi-year award for those admitted prior to FY25.
Support for Veterans	No Coverage	Remove IL Residency requirement for Eligibility

Projected Financial Cost

Activity	Description	NEIU for You - 1.0	NEIU4U - 2.0 (Y1)	NEIU4U - 2.0 (Y2)	NEIU4U - 3.0 (Y1)	NEIU4U - 3.0 (Y2)
		(Fall 2021) Strategic Enrollment Fund	(Fall 2022) Strategic Enrollment Fund	(Fall 2023) Strategic Enrollment Fund	(Fall 2024) Strategic Enrollment Fund	(Fall 2025) Strategic Enrollment Fund
Personnel	Project Leader; 7 Recruiters; 2 Call Center Staff		\$ 530,000	\$ 550,000		
Staff Support	Technology and Travel Support		\$ 100,000	\$ 100,000		
				\$ 583,106		
Marketing	Additional Marketing Campaign	\$ 128,000	\$ 350,000	\$ 450,000	\$ 500,000	\$ 550,000
Scholarship Cost	First Time Full Time Freshmen	\$ 1,223,531	\$ 290,000	\$ 290,000	\$ 300,000	\$ 315,000
			\$ 219,321	\$ 234,000		
Scholarship Cost	Transfer Students*	\$ 848,802	\$ 260,000	\$ 260,000	\$ 370,000	\$ 388,500
			\$ 316,592	\$ 321,000		
Scholarship Cost	Cost for Continuing Students		230,000	\$ 340,000	\$ 393,000	\$ 917,000
			\$ 37,963	\$ 228,000		
Total Costs		\$ 2,200,333	\$ 1,760,000	\$ 1,990,000	\$ 1,563,000	\$ 2,170,500

Note(s): 3.0 calculations assume expanded awards from increased financial thresholds and extension of 4-year top-off program to transfer students and veterans (out of state who did not otherwise qualify).

Recommendations for 3.0

- **New FTFT**: Tuition for 4 years to any Illinois resident or veteran who is taking 12 credit hours and with family income of \$75,000 or less and family assets of \$75,000 or less.¹
- **New Transfers**: Same award structure as New Freshmen students.¹
- **Returning Fall 21 Freshmen (1.0 students)**: Honor existing commitment but adjust program to income levels in FY25.¹
- **Returning Fall 22/Fall 23 Freshmen (2.0 students)**: Honor existing commitment but adjust program to income levels in FY25.¹

¹ The specific income threshold for program qualifying may be refined subject to the final release of the Student Aid Index and its potential impact on student award levels.

Resolution

This resolution requests the Board approve the transfer \$3,733,500 of unrestricted net assets to the dedicated Strategic Enrollment Fund to support the tuition incentive program. This request will cost \$1,563,000 in the first year and \$2,170,500 in the second year.

**ACTION ITEM: EXPENDITURE RECOMMENDATIONS FOR PURCHASES OF \$100,000 OR MORE –
AMENDMENT TO CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM
CONTRACT**

Project Background

The University implemented a Customer Relationship Management (CRM) system to manage new enrollment communications and data efforts.

Board approval was granted to enter into a three-year contract for a CRM Solution from Technolutions, Inc. at the February 15, 2021 Board of Trustees meeting. The original contract term is from March 4, 2021 through February 14, 2024 and includes a three- year renewal option. The CRM system also includes the functionality to send text messages and postcards to prospective students, however, these services were not included in the original contract as the University utilized various vendors for those specific services. Including the messaging component to the CRM contract will allow the University to provide consistent messaging and to better manage the services through one vendor and platform. In order to use the messaging functionality, we will purchase text and postcard credits. The vendor will draw down from the credits as we request that the vendor send out the specific messaging to prospective students and parents.

The University is requesting Board approval to add \$221,000.00 to the Technolutions, Inc. contract amount. Credits of \$86,000 will be added to the original contract term through February 14, 2024. Credits of \$135,000 will be added to the three-year renewal term February 15, 2024 through February 14, 2027 (\$45,000/year).

Project Scope

The University plans to funnel communications through the CRM, rather than utilizing multiple vendors. There are several benefits to sending communications out through Technolutions as opposed to using multiple vendors:

- Pay-as-you-go text message is more cost effective
- Print and postcard vendors charge administrative and service fees on top of print and postage, and Technolutions provides services at cost. Technolutions charges less per card.
- NEIU's communication specialists can create postcard proofs and send a mailing in a matter of minutes, avoiding days of back-and-forth with the several vendors.
- Technolutions connects all postcard mailings and text messages sent to a prospective student's contact record in the CRM, providing better data collection, analysis, and reporting.

Project Cost

Requesting funds to send communications throughout the duration of the original term and renewal term. The University is requesting an additional \$221,000.00 be added to the contract amount. \$86,000 will be added to the original contract term through February 14, 2024. \$135,000 will be added to the three-year renewal term (\$45,000/year).

Source of Funds

NEIU For You 2.0 marketing fund
NEIU For You marketing fund (if extended), or Undergraduate Enrollment Fund

Recommended action

I request that the Finance, Buildings and Grounds Committee recommend approval of the expenditure of \$221,000.00 to purchase text and postcard credits. The original contract will increase by \$86,000 and the three-year renewal term starting on February 15, 2024 will increase by \$135,000 (\$45,000.00/year).

**ACTION ITEM: RESOLUTION TO REMOVE CERTAIN FACILITIES FROM THE
UNIVERSITY FACILITIES SYSTEM**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY TO
AUTHORIZE THE REMOVAL OF CERTAIN FACILITIES FROM THE UNIVERSITY FACILITIES SYSTEM**

WHEREAS, the Board of Governors of the State of Illinois, acting for and on behalf of Northeastern Illinois University (the "*University*"), on July 12, 1973, did duly adopt a resolution providing for the issuance of revenue bonds and the creation of the Northeastern Illinois University, University Facilities System (the "*System*"), which such resolution has been subsequently amended and restated on November 13, 2014 (collectively, the "*Bond Resolution*") by the Board of Trustees of the University (the "*Board*"); and

WHEREAS, pursuant to Section 13(A) of the Bond Resolution, the Board is authorized to convert System facilities to non-income use for administrative, academic or other purposes and remove them from the System upon a determination by the Board that such facilities are not suitable for the use and occupancy thereof for which the same were initially acquired; and

WHEREAS, the Board has been advised that the portion of the parking facilities located at the University (the "*Parking Facilities*") used as office space for parking enforcement staff, as more fully described in *Exhibit A* hereto, is not suitable for use and occupancy for the purpose for which it was initially acquired and should be converted to use for academic purposes and removed from the definition of Existing Facilities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Northeastern Illinois University as follows:

Section 1. Defined Terms. Terms used in this Resolution shall have the same meanings given them in the Bond Resolution.

Section 2. Removal of Certain Facilities from the System. Pursuant to Section 13(A) of the Bond Resolution, the Board hereby determines that the portion of the Parking Facilities used as office space for parking enforcement staff is not suitable for use and occupancy for the purpose for which it was originally acquired, and such portion of the Parking Facilities is hereby converted to use for academic purposes and removed from the System. The updated list of Existing Facilities comprising the System is attached hereto as *Exhibit B*.

Section 3. Resolution Effective on Passage. This Resolution shall become effective upon its passage.

Section 4. Filing of Resolution with Treasurer. A copy of this Resolution shall be filed with the Treasurer.

Recommended action

I request that the Finance, Buildings and Grounds Committee recommend approval of this resolution as presented.

**ACTION ITEM: RESOLUTION TO REMOVE CERTAIN FACILITIES FROM THE
UNIVERSITY FACILITIES SYSTEM**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF NORTHEASTERN ILLINOIS UNIVERSITY TO
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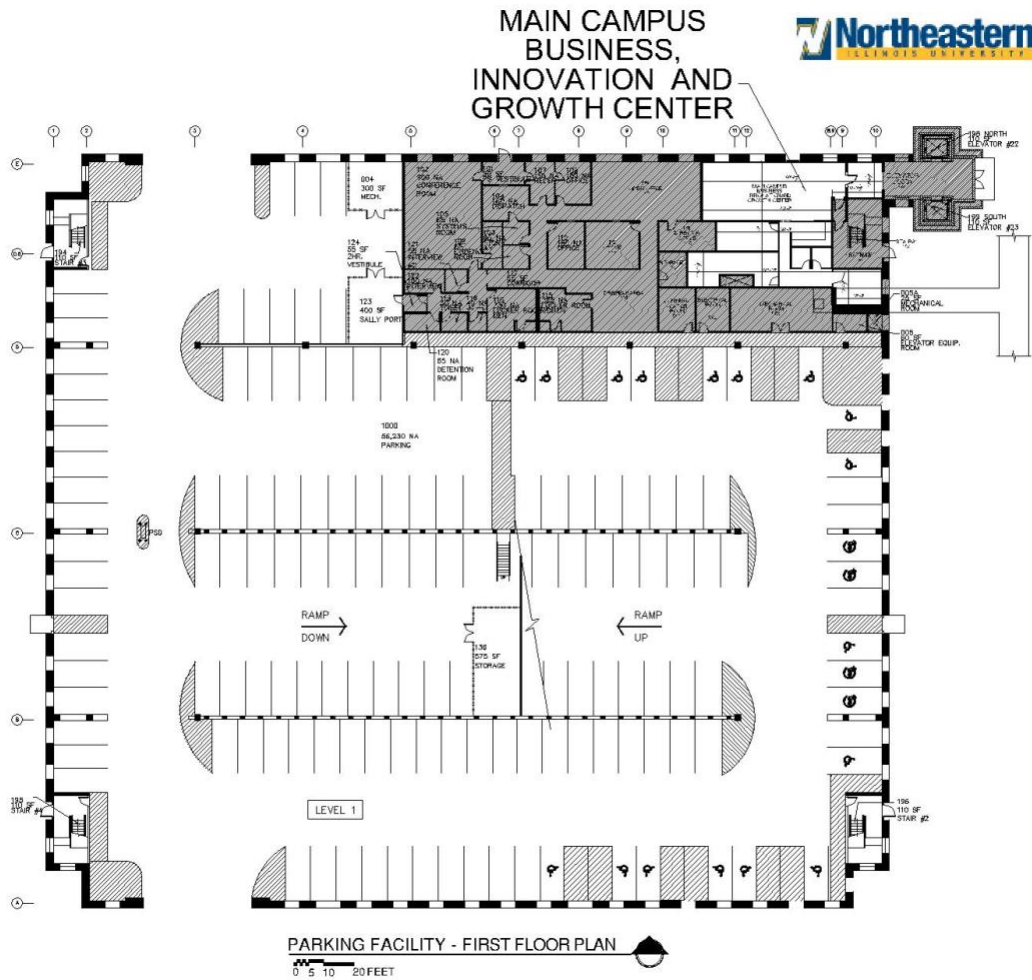
Recommended action

I request that the Finance, Buildings and Grounds Committee recommend approval of this resolution as presented.

**ACTION ITEM: RESOLUTION TO REMOVE CERTAIN FACILITIES FROM THE UNIVERSITY
FACILITIES SYSTEM - EXHIBITS**

EXHIBIT A

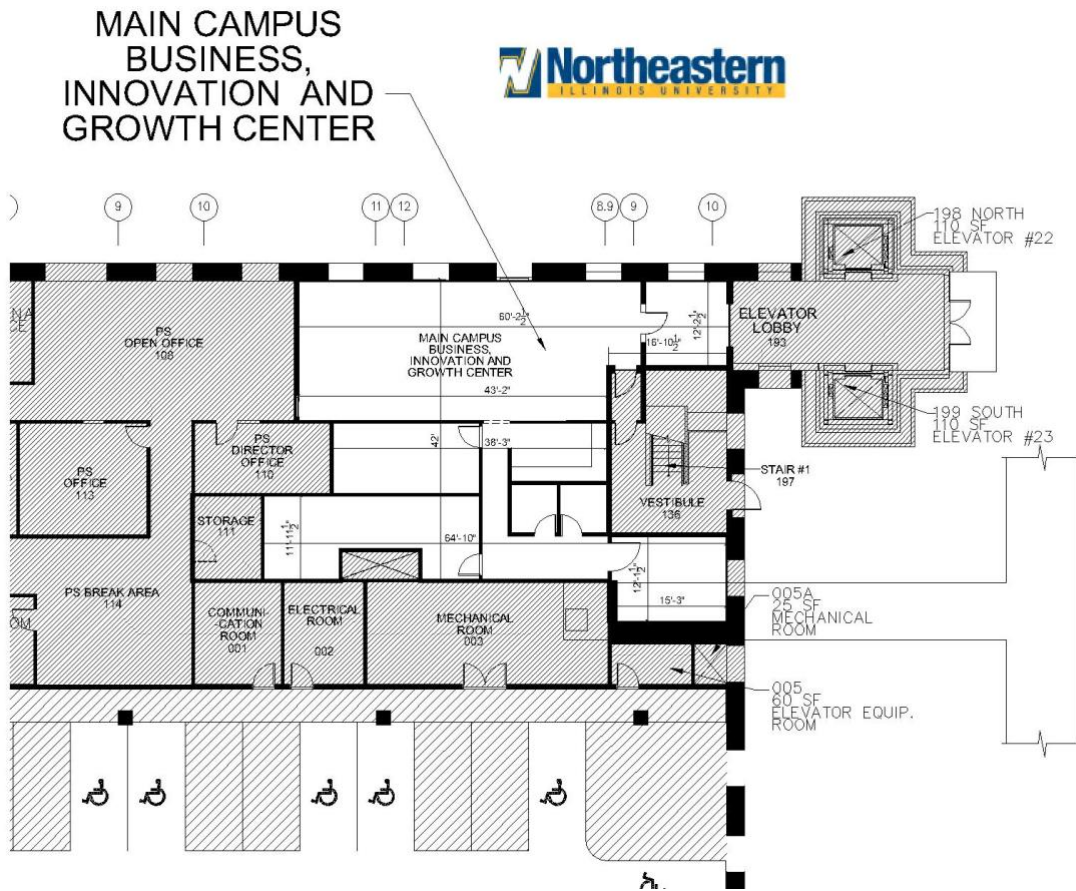
**DESCRIPTION OF PORTION OF THE PARKING FACILITIES TO BE REMOVED FROM THE SYSTEM AND
CONVERTED TO ACADEMIC SPACE**



**ACTION ITEM: RESOLUTION TO REMOVE CERTAIN FACILITIES FROM THE UNIVERSITY
FACILITIES SYSTEM - EXHIBITS**

EXHIBIT A CONT.

**DESCRIPTION OF PORTION OF THE PARKING FACILITIES TO BE REMOVED FROM THE SYSTEM AND
CONVERTED TO ACADEMIC SPACE**



**ACTION ITEM: RESOLUTION TO REMOVE CERTAIN FACILITIES FROM THE UNIVERSITY
FACILITIES SYSTEM - EXHIBITS**

MAIN CAMPUS
BUSINESS, INNOVATION AND GROWTH CENTER

The Parking Facility scope on the main campus will include interior demolition and complete renovation of approximately 2,200 square feet of the parking office areas on the first floor. The renovation of this location includes, but is not limited to demolition, reconstruction, electrical, HVAC, plumbing, fire protection, technology, security, FF & E as applicable and any other required engineering disciplines to complete the project.

EXHIBIT B

**NORTHEASTERN ILLINOIS UNIVERSITY,
UNIVERSITY FACILITIES SYSTEM**

EXISTING FACILITIES

- Student Union
- The parking facilities located at the University (except for the portion removed from the System pursuant to a Resolution adopted by the Board on _____, 2023).
- The University Bookstore
- The vending facilities of the University

INFORMATION ITEM: FY2023 4TH QUARTER BUDGET TO ACTUAL REPORT

SUMMARY

Pending final revisions and subject to the annual audit, the University experienced revenues above budgeted levels and expenditures just below budgeted amounts through the fourth quarter of FY2023. Tuition revenues are expected to exceed budgeted amounts due to stabilizing credit hour enrollment. Enrollment for FY2023 totaled 117,169 credit hours, approximately 3.8% above the level for the final approved FY23 budget but 9% below the credit hour enrollment assumed in the FY23 preliminary budget (128,300). The stabilization of credit hour enrollment contributed approximately \$1.04 million to net revenue for FY23. Additionally, the high interest rate environment resulted in higher than budgeted revenue for other sources.

Spending on personnel categories is expected to be at or above budgeted levels, in part due to a higher than budgeted cost associated with the UPI contract renewal. The persistent hiring vacancies experienced in prior years have continued but incorporating salary salvage has aligned the budgeted and actual spending levels. Spending across the other spending categories is relatively consistent with prior years with the exception of Travel which significantly increased with the lapsing of COVID restrictions. Once all spending is recorded in FY23, spending is expected to be just \$55,000 below budgeted levels.

The current change in net position (surplus), based on the operating budget, and subject the final revisions, the annual audit and certain state expenses recognized by the University, is estimated to be in the range of \$1.2 million. This value has been closely watched throughout the year and has been earmarked for use in the renovations of the pool.

OVERVIEW

The Northeastern Illinois University Board of Trustees at its June meeting approved the University preliminary operating budget, which represented preliminary spending plans for fiscal year 2023 (FY2023). A revised version was presented to the Finance, Building and Grounds Committee on August 15, 2022 and a second revision was presented to a special meeting of the Finance, Building and Grounds committee on October 3, 2022. 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 FY2023 totals \$143,219,300. Of that total, \$83,940,000 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 \$59,279,300 is supported by student fee programs, auxiliary services, grants, and contracts.

At the Board's request, quarterly reports are provided for the unrestricted operating budget, which supports most University departments and ongoing operations. This report provides an update on third quarter spending in the unrestricted budget and is summarized in Table 1 at the end of this report. Table 1 also includes a comparison with year-to-date spending from FY2022.

Revenues

The FY2023 budget includes State support of \$37,345,300 for the University's unrestricted general operating budget, or 44.5 percent of that budget. University Income Funds are comprised primarily of tuition revenues. The FY2023 budget includes estimated tuition revenue of \$43,144,600, or 51.4 percent of the general operating unrestricted budget. Other income sources make up \$3,450,100, or 4.1 percent and is primarily comprised of investment income.

INFORMATION ITEM: FY2023 4TH QUARTER BUDGET TO ACTUAL REPORT

Through the fourth quarter, the University has vouchered a total of \$37,345,300 against the appropriation, all of which has been received.

Through the fourth quarter, 102% percent of FY2023 planned tuition and income fund revenue was recorded, after adjusting for anticipated waivers and bad debt. 105.8% of budgeted revenue from other sources was also recorded.

Enrollment projections and the resulting revenue projections for the FY2023 budget were based upon historical enrollment trends, the advice of Enrollment Management staff, and available current registration data. The Final FY2023 budget was built with an anticipated 11.0 percent decline in student credit hours from FY2022 levels. Realized credit hour enrollment fell approximately 9 percent behind the previous year. The less severe decline than expected resulted in the \$1.04 million revenue surplus relative to budget but also accounts for the \$3.5 million short fall in net tuition revenue relative to FY2022.

It is important to note that for both the State appropriation and tuition income, revenues are recorded and reflected in this report as they are billed. Final revenue numbers will be available after the University makes all accounting adjustments during the year-end reconciliation period following June 30, 2023. These adjustments are required to account for activity such as class drop refunds, statutory waivers, bad debt allowances, and fees associated with outstanding account balances.

Expenses

Through the fourth quarter, the University spent \$81,027,910 or 96.5 percent of the total \$83,940,000 general operating unrestricted preliminary budget. Once all personnel expenses that have been paid have been recorded, this is anticipated to grow to \$83,416,124 or 99.4% of the total general operating budget. Labor market conditions continue to create unplanned vacancies that have delayed the University's return to full staffing levels. To better align spending and budget for personnel expenses, the University incorporated salary salvage into the budgeting process. During FY23, the University captured \$2.3 million in lapsed salary budgets into the overall operating budget, allowing for distribution of those budget dollars across the University.

Spending in non-personnel categories is currently at \$16.2 million for FY2023 or approximately 93.3% of the current budget. This represents a \$1.13 million increase over FY2022 spending levels. This may increase to \$16.6 million once known encumbrances and anticipated changes due to the recording of benefits are included in the final totals. The spending levels relative to budget for certain categories including equipment, commodities, telecommunications, and travel continue to lag budgeted amounts. While this amount is small relative to the overall budget, these budget allocations will be reviewed to better understand the underutilization.

Table 1 provides an outline of the actual University revenues and expenses compared to budget and the previous year's actuals through the fourth quarter of FY2023.

President's Report to the Finance, Building and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
September 21, 2023

INFORMATION ITEM: FY2023 4TH QUARTER BUDGET TO ACTUAL REPORT

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2023 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDING JUNE 30th, 2023
UNAUDITED FIGURES

	FY2022		FY2023			
	Actual Prior Year to Date	% of Budget	Adopted Budget	Current Budget	Actual Year to Date	% of Current Budget
Revenue						
State Appropriations	\$ 35,566,900	100.0%	\$ 37,345,300	\$ 37,345,300	\$ 37,345,300	100.0%
Net Tuition Revenue	46,986,267	92.5	42,172,200	42,172,200	43,410,008	102.9
Net Differential Tuition Revenue	823,452	119.0	972,400	972,400	780,255	80.2
All other sources	(3,952,266)	(123.9)	3,450,100	3,450,100	3,648,608	105.8
Total Revenue	\$ 79,424,353	88.0%	\$ 83,940,000	\$ 83,940,000	\$ 85,184,171	101.5%
Expenditures						
Personnel Services	\$ 67,184,434	93.7%	\$ 67,142,441	\$ 66,577,429	\$ 64,822,221	97.4%
Contractual Services	10,906,114	85.2	11,208,876	11,450,896	11,247,871	98.2
Equipment	396,663	50.4	846,410	887,085	450,421	50.8
Commodities	528,752	60.2	775,075	829,673	536,545	64.7
Telecommunications	171,341	76.9	176,422	220,301	174,139	79.0
Travel	88,911	42.4	168,841	269,574	187,203	69.4
Permanent Improvements	-	-	25,000	-	-	-
Operation of Auto Equip	33,547	108.1	20,935	38,942	29,073	74.7
Tuition Scholarships	1,220,634	91.8	1,299,000	1,389,100	1,383,176	99.6
Debt Service	2,232,727	100.0	2,277,000	2,277,000	2,275,503	99.9
Transfer in from Other Funds	(498,786)		-	-	(78,242)	
Total Expenditures	\$ 82,264,337	91.2%	\$ 83,940,000	\$ 83,940,000	\$ 81,027,910	96.5%

Notes:

1. Adopted Budget column reflects the FY2023 budget presented to the Finance, Building and Grounds Committee 10/3/22
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. Year-to-date expense activity does not include encumbrances, which are currently calculated at \$504,000.
4. Year to Date personnel services expenditures does not include \$2.4 million of paid payroll expenses.
5. Difference in budget and actuals for differential tuition revenue is due to the year-over-year reconciliation process.

The same information is also presented in Table 2, which provides additional context and comparison within FY2022 and FY2023.

President's Report to the Finance, Building and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
September 21, 2023

INFORMATION ITEM: FY2023 4TH QUARTER BUDGET TO ACTUAL REPORT

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2023 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDING JUNE 30th, 2023
UNAUDITED FIGURES

	FY2022			FY2022		FY2023				Actual - Budget
	Budget Prior Year	Actual Prior Year (7/18/22)	% of Budget	Actual Prior Year to Date	% of Budget	Adopted Budget	Current Budget	Actual Year to Date	% of Current Budget	
Revenue										
State Appropriations	\$ 35,566,900	\$ 35,263,283	99.1%	\$ 35,566,900	100.0%	\$ 37,345,300	\$ 37,345,300	\$ 37,345,300	100.0%	\$ -
Net Tuition Revenue	50,780,200	44,054,649	86.8	46,986,267	92.5	42,172,200	42,172,200	43,410,008	102.9	\$ 1,237,808
Net Differential Tuition Revenue	692,000	766,822	110.8	823,452	119.0	972,400	972,400	780,255	80.2	\$ (192,145)
All other sources	3,188,700	418,190	13.1	(3,952,266)	(123.9)	3,450,100	3,450,100	3,648,608	105.8	\$ 198,508
Total Revenue	\$ 90,227,800	\$ 80,502,945	89.2%	\$ 79,424,353	88.0%	\$ 83,940,000	\$ 83,940,000	\$ 85,184,171	101.5%	\$ 1,244,171
Expenditures										
Personnel Services	\$ 71,683,348	\$ 66,160,271	92.3%	\$ 67,184,434	93.7%	\$ 67,142,441	\$ 66,577,429	\$ 64,822,221	97.4%	\$ (1,755,208)
Contractual Services	12,805,062	10,440,540	81.5	10,906,114	85.2	11,208,876	11,450,896	11,247,871	98.2	\$ (203,025)
Equipment	787,215	384,783	48.9	396,663	50.4	846,410	887,085	450,421	50.8	\$ (436,664)
Commodities	877,788	491,498	56.0	528,752	60.2	775,075	829,673	536,545	64.7	\$ (293,128)
Telecommunications	222,872	157,996	70.9	171,341	76.9	176,422	220,301	174,139	79.0	\$ (46,162)
Travel	209,469	70,667	33.7	88,911	42.4	168,841	269,574	187,203	69.4	\$ (82,371)
Permanent Improvements	47,845	-	-	-	-	25,000	-	-	-	\$ -
Operation of Auto Equip	31,039	29,781	95.9	33,547	108.1	20,935	38,942	29,073	74.7	\$ (9,869)
Tuition Scholarships	1,330,162	1,220,634	91.8	1,220,634	91.8	1,299,000	1,389,100	1,383,176	99.6	\$ (5,924)
Debt Service	2,233,000	2,232,727	100.0	2,232,727	100.0	2,277,000	2,277,000	2,275,503	99.9	\$ (1,497)
Transfer in from Other Funds				(498,786)		-	-	(78,242)		\$ (78,242)
Total Expenditures	\$ 90,227,800	\$ 57,656,201	63.9%	\$ 82,264,337	91.2%	\$ 83,940,000	\$ 83,940,000	\$ 81,027,910	96.5%	\$ (2,912,090)

Notes:

1. Adopted Budget column reflects the FY2023 budget presented to the Finance, Building and Grounds Committee 10/3/22
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. Year-to-date expense activity does not include encumbrances, which are currently calculated at \$504,000.
4. Year to Date personnel services expenditures does not include \$2.4 million of paid payroll expenses.
5. Difference in budget and actuals for differential tuition revenue is due to the year-over-year reconciliation process.

[Table 3 found on next page].

INFORMATION ITEM: FY2023 4TH QUARTER BUDGET TO ACTUAL REPORT

Table 3 includes relevant information on the projection of credit hours used in the budgeting process. This table shows that relative to FY2022, there was an increase in FY23 in credit hour enrollment for new (incoming) undergraduate students. The table also shows that relative to the projections used to set the Final FY2023 budget. The realized enrollment represented an increase of 4,746 credit hours, with 25% of that improvement coming from credit enrollment for new students and 75% coming from continuing students.

Table 3
NORTHEASTERN ILLINOIS UNIVERSITY
ENROLLMENT COMPARISON OF PROJECTION AND ACTUALS

FY2023				
Enrollment (Actual)	Fall	Spring	Summer	FY
UG - New	14,361	4,178	1,239	19,778
UG - Continuing	29,723	35,815	7,651	73,188
Grad. - New	3,099	1,592	875	5,566
Grad. Continuing	6,720	7,899	4,018	18,637
Total	53,903	49,484	13,783	117,169

FY2022					FY2023				
Enrollment	Fall	Spring	Summer	FY	Credit Hour Proj.	Fall	Spring	Summer	FY
UG - New	13,687	3,756	1,081	18,524	UG - New	14,361	3,744	711	18,816
UG - Continuing	34,306	38,621	8,734	81,661	UG - Continuing	29,723	33,989	6,186	69,898
Grad. - New	3,681	1,574	776	6,031	Grad. - New	3,099	1,468	831	5,398
Grad. Continuing	7,787	9,157	4,577	21,521	Grad. Continuing	6,720	8,017	3,574	18,311
Total	59,461	53,107	15,168	127,736	Total	53,903	47,219	11,302	112,423

FY23 % Diff. from FY22					Actual % Diff. from Proj.				
	Fall	Spring	Summer	FY		Fall	Spring	Summer	FY
UG - New	4.9%	11.2%	14.6%	6.8%	UG - New	0.0%	11.6%	74.2%	5.1%
UG - Continuing	-13.4%	-7.3%	-12.4%	-10.4%	UG - Continuing	0.0%	5.4%	23.7%	4.7%
Grad. - New	-15.8%	1.2%	12.8%	-7.7%	Grad. - New	0.0%	8.4%	5.3%	3.1%
Grad. Continuing	-13.7%	-13.7%	-12.2%	-13.4%	Grad. Continuing	0.0%	-1.5%	12.4%	1.8%
Total	-9.3%	-6.8%	-9.1%	-8.3%	Total	0.0%	4.8%	22.0%	4.2%

Notes:

1. Enrollment represents credit hour enrollment as of the census date for each semester within a fiscal year.
2. Credit Hour Projection is derived from an (ARIMA) trend model. The output helps inform the calculation of tuition revenue in the operating budget.
3. The Credit Hour Projection shown above was run following the census date of the Fall 2022 semester, after enrollment for Fall 2022 was known.

**INFORMATION ITEM: NOTIFICATION TO THE BOARD OF CERTAIN EXPENDITURES
PURCHASES BETWEEN \$50,000 AND \$100,000**

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

VENDOR	DESCRIPTION	PURCHASE ORDER AMOUNT
Disaster Restoration Solutions, Inc. d/b/a 1 st Choice Solutions (BEP)*	Restoration of FA219	\$55,475.85
Ellucian Company, LP. (Non-BEP)	Managed Services and Support – Banner	\$90,000.00
Fooda, Inc. (Non-BEP)	Cafeteria Food Service	\$72,000.00
Jackson Lewis, PC (Non-BEP)	Legal Services	\$50,000.00

* Disaster Restoration Solutions, Inc. (BEP Hispanic Male)

INFORMATION ITEM: EMERGENCY PURCHASE OF DEMCO DUST COLLECTOR AND VACUUM SYSTEM REPLACEMENT AND INSTALLATION

Background

On February 20, 2023, Northeastern Illinois University experienced a fire in the woodshop located on the second floor of its Fine Arts Building (FA 219) due to a faulty table saw. The existing dust collector vacuum system operated as expected and as a result pulled the embers from the table saw through the vacuum system and into the dust collector located outside of the building (west side). The fire caught the attention of the faculty member who was in the woodshop at the time as well as the attention of others outside of the building, including an NEIU Police Officer. The fire alarm was triggered to evacuate the building and the Fire Department was called immediately. The NEIU Police Department and members from Facilities Management coordinated the on-site response with the Chicago Fire Department who promptly extinguished the fire. Thankfully, no personal injuries were sustained. However, the space experienced physical property damage including irreparable damage to the dust collector vacuum system.

The total property damage and cost of restoration resulting from the fire significantly exceeds our deductible of \$50,000, thus we had to file an insurance claim. Risk Management has been working closely with our property insurance broker and adjuster, and with our Facilities Management and the Art + Design Departments to facilitate the claim process and to ensure that the woodshop is restored to its original condition as soon as possible. We anticipate that the room will be back in service by the end of the fall semester.

Summary of Dust Collector Purchase

Facilities Management obtained three quotes for replacement and installation of the dust collector vacuum system:

- AirDesigns Systems : \$179,000
- Demco Mechanical Services & Metal Specialties: \$156,800
- The Hill Group: \$164,520

On July 7, 2023, General Counsel Finch agreed that the anticipated purchase could be categorized as “fire protection” exempting it from requiring board approval for purchases of \$100,000 or more. *See Section V.B.1.d. Administrative Affairs, pp. 51-52 of Board of Trustees Regulations.*

On July 27, 2023, Facilities Management selected Demco as the preferred vendor for the replacement and installation of the dust collector vacuum system as they offered the lowest bid and had recently installed another dust collector system on our campus, successfully. The insurance adjuster concurred with the selection of this vendor.

On August 2, 2023, The State's Procurement Officer (SPO) approved our Emergency Purchase Request under the justification that “Immediate expenditure is necessary for repairs to State property to protect against further loss or damage.” This allowed us to bypass the months-long invitation for bid process that would normally be required for purchases of \$100,000 or greater, which would have further prolonged the reopening of the space and our ability to offer courses in it.

On August 9, 2023, the purchase contract was finalized and the purchase order was issued to the vendor. *Note that the funds for this expense have been encumbered and will be paid by Risk Management's operating budget but the entire amount will be fully reimbursed by the insurance carrier.*

On August 16, 2023, the work to replace the dust collector vacuum system began and is expected to last twelve weeks.

ACTION ITEM: CONSIDERATION AND POSSIBLE ACTION ON THE CONTRACT BETWEEN THE UNIVERSITY AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), LOCAL 1989

This item summarizes the proposed changes to the AFSCME Local 1989 collective bargaining agreement. The bargaining team proposes the following recommendation to the Board of Trustees.

This proposal is for an extension of the current contract, extending it by one year with an expiration of June 30, 2024. The proposal includes the following recommendations:

1. Wages

- 7/1/23 2.5% across the board increase. This increase is retroactive to July 1, 2023.
- AFSCME also requested a 'Me too' provision. Should NEIU provide a more generous across the board increase with the non-negotiated civil service employees, NEIU agrees to increase AFSCME members to the same. The Parties agree that this "Me too" provision will sunset when the contract expires on June 30, 2024.

2. Compression and Equity pool

To address the issues of compression, the Union would agree to 2.0% for that pool. They would also be open to an administrative representative observing their process or otherwise sharing their data to demonstrate how they decided certain people would receive the compression allotment. NEIU would have to confirm that in additional discussion.

3. Clean Up of Certification at IELRB

Technically, current certifications at the IELRB are not up to date with all job titles. AFSCME has already determined which titles would be included. They are from the current CBA job title list. AFSCME was advised that, per previous practice, as long as the titles are not statutorily barred from being in the union, (which they should not as they already are), NEIU would stipulate to their addition.

4. Committee to Address Starting Wages

Both parties acknowledged that starting wages are too low and NEIU has not been able to fill certain positions without asking for and bargaining a variance from the negotiated wages with the Union. Both parties have identified certain job titles that are particularly hard to hire.

As the parties did not share all their data, what the parties would be agreeable to do is set up a committee to meet weekly, with AFSCME employees in pay status, to review the data and devise a plan to address the starting wages.

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend approval of this proposal on the terms presented, and as ratified by the membership of the American Federation of State, County and Municipal Employees (AFSCME), Local 1989 on the terms presented.