



**President's
Report**

to the Board of Trustees

Thursday, November 18, 2021

 **Northeastern**
ILLINOIS UNIVERSITY

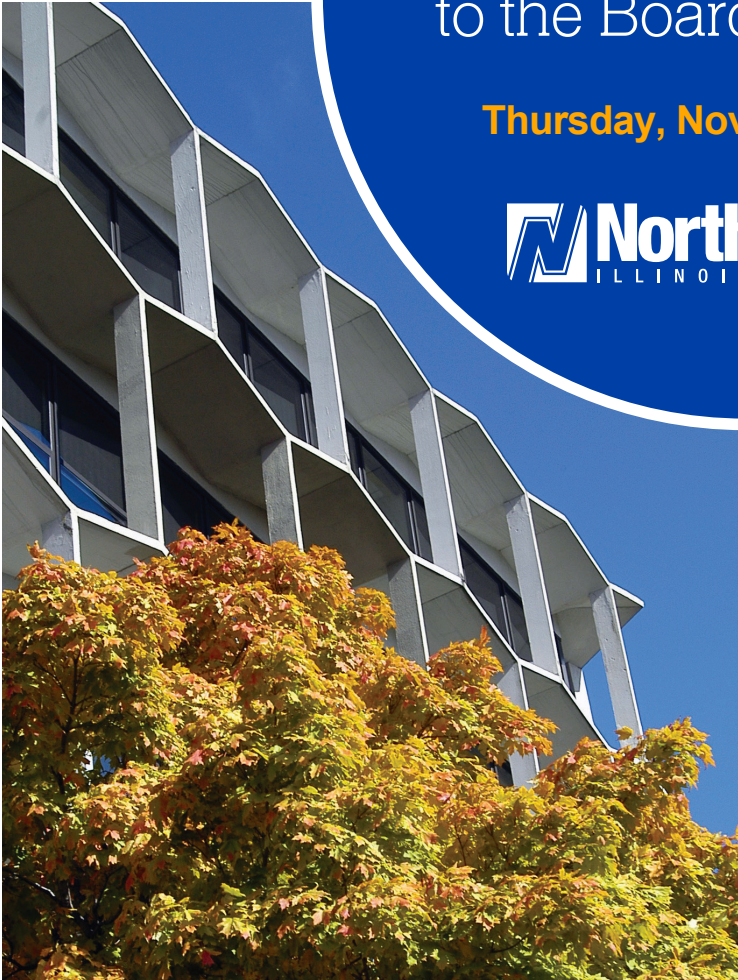


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**ACTION ITEM I. C. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE
FY21 INTERNAL AUDIT DEPARTMENT ANNUAL REPORT**

Trustees received this privileged report in advance and had the opportunity to ask questions about it in Closed Session.

Recommended Action

I request Board approval to accept and file the FY21 Internal Audit Department Annual Report as presented.

ACTION ITEM I. D. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE INTERNAL AUDIT CHARTER



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Internal Auditing Charter

Purpose and Mission

The purpose of Northeastern Illinois University's Internal Audit department is to provide independent, objective assurance and consulting services designed to add value and improve Northeastern Illinois University's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit department helps Northeastern Illinois University (NEIU) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

Northeastern Illinois University is committed to the professional practice of internal auditing. The Internal Auditing Department will function in compliance with the Illinois Fiscal Control and Internal Auditing Act (FCIAA) and follow the by-laws and requirements established by the State Internal Advisory Board (SIAAB). As required by SIAAB, the departments will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles of the Professional Practice of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing* and the definition of Internal Auditing. At NEIU the Director of Internal Auditing performs the role of the Chief Auditor/Chief Audit Executive. The Director of Internal Auditing will report periodically to the President of the University and the Board of Trustees (BOT) Audit Committee regarding the internal audit department's conformance to the Code of Ethics and the Standards.

Organization and Authority

The Director of Internal Auditing will report functionally to the President of the University and the BOT Audit Committee and administratively to the Vice President of Finance and Administration. To establish, maintain and assure that Northeastern Illinois University's Internal Audit Department has sufficient authority to fulfill its duties, the President and the Board of Trustee Audit Committee will:

- Approve the internal audit department's charter.
- Approve the two-year, annual internal *Audit Plan*.
- Approve the internal audit department budget and resource plan (following normal university procedures.)
- Receive communications from the Director of Internal Auditing on the Internal Auditing Department's performance relative its plan and other activities.
- Approve decisions regarding the appointment and removal of the Director of Internal Auditing.
- Approve the remuneration of the Director of Internal Auditing (following Normal University procedures).

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- Make appropriate inquiries of management and the Director of Internal Auditing to determine whether there are inappropriate scope or resource limitations.

The Director of Internal Auditing will have unrestricted access to, and may communicate and interact directly with the Board of Trustees' Audit Committee, including in private meetings, without management present.

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

Independence and Objectivity

The Director of Internal auditing will ensure that the Internal Auditing Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.

Internal auditors will not have direct operational responsibilities or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement including:

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

Where the Director of Internal Auditing has or is expected to have roles and/or responsibilities outside of Internal Auditing, safeguards will be established to limit impairments to independence or objectivity.

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.

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- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgements.

The Director of Internal Auditing will confirm to Management and the Board of Trustees Audit Committee at least annually, the organizational independence of the Internal Auditing Department.

The Director of Internal Auditing will disclose to the appropriate governance level, any interference and related implications in determining the scope of internal auditing, performing work, and/or communication results.

Scope of Internal Audit Activities

Scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board of Trustees Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Northeastern Illinois University. Internal audit assessments include evaluating whether:

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

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

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

The Director of Internal Auditing also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Internal Auditing

ACTION ITEM I. D. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE INTERNAL AUDIT CHARTER

Internal Auditing Charter

Department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the Internal Auditing Department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Primary Duties & Responsibilities

The primary responsibilities of the Internal Auditing Department include:

- Submitting, annually by June 30, to the President of the University and the BOT Audit Committee a two-year risk-based annual *Audit Plan* for review and approval.
- Communicating to the President of the University and the BOT Audit Committee the impact of resource limitation on the *Internal Audit Plan*.
- Review and adjust the *Internal Audit Plan*, as necessary, in response to changes in NEIU's business, risks, operational programs, systems, and controls.
- Communicate to senior management and the BOT Audit Committee any significant interim changes to the *Audit Plan*.
- Ensure each engagement on the plan is executed, including the establishment of objectives and scope, the assignment of appropriate resources, the documentation of work programs and testing results and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow-up on engagement findings and corrective actions, and report periodically to senior management and the BOT Audit Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality and competency are applied and upheld.
- Ensure the Internal Auditing Department collectively possesses or obtains the knowledge, skills and other competencies needed to meet the requirements of the Internal Audit Charter.
- Ensure that emerging trends and emerging issues that could impact NEIU are considered and communicated to senior management and the BOT Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Auditing Department.
- Ensure adherence to NEIU's relevant policies and procedures, unless such policies and procedures conflict with the Internal Auditing Charter. Any such conflicts will be resolved or otherwise communicate to the President of the University and the BOT Audit Committee.
- Ensure conformance of the Internal Auditing Department with the *Standards* with the following qualifications:
 - If the Internal Auditing Department is prohibited by law or regulation from conformance with certain parts of the *Standards*, the Director of Internal Auditing will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.
 - If the *Standards* are used in conjunction with requirements issued by other authoritative bodies (i.e., Generally Accepted Governmental Auditing Standards (GAGAS), the Director of Internal Auditing will ensure the Internal Auditing Department conforms with the *Standards*, even if the

**ACTION ITEM I. D. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE
INTERNAL AUDIT CHARTER**

Internal Auditing Charter

Internal Auditing Department conforms to more restrictive requirement of other authoritative bodies.

- Ensure that by September 30, of each year that a written report detailing how the *Audit Plan* for the previous fiscal year was carried out, the significant findings and the extent to which recommended changes were implemented is provided to the President of the University and BOT Audit Committee.
- Ensure audits of major information systems of internal accounting and administrative control are considered for review at least once every two years. This includes review of the design of major, new information systems and major modifications of those systems before installation.
- Assist management in the coordinate the FCIAA certification of internal controls process.
- Assist in the investigation of potentially fraudulent activities and ensure due diligence is performed to identify fraud in planned audits.
- Coordinate with external auditors and regulatory agencies concerning the scope of work performed to reduce duplication and the optimization of audit coverage.

Quality Assurance and Improvement Program

The Internal Auditing Department will maintain a quality assurance and improvement program that covers all aspects of the Internal Auditing Department. The program will include an evaluation of the Internal Auditing Department's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Auditing Department's activities and identify opportunities for improvement.

The chief audit executive will communicate to senior management and the Board of Trustees Audit Committee on the Internal Audit Departments quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor from outside the Northeastern Illinois University organization.

Approval/Signatures



Rita Moore, Director of Internal Auditing



Dr. Gloria Gibson, President

Jonathan Stein, BOT Audit Committee Chair

9/30/2021

Date

10/17/21

Date

Date

**ACTION ITEM I. D. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE
INTERNAL AUDIT CHARTER**

Recommended Action

I request Board approval to accept and file the Internal Audit Department Charter as presented.

**ACTION ITEM I. E. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE
STATEMENT OF AUDITOR INDEPENDENCE**



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Memorandum

DATE: September 30, 2021
TO: Gloria Gibson, President
FROM: Rita Moore, Director of Internal Auditing
CC: Jonathan Stein, Board of Trustees, Audit Committee Chair
Manish Kumar, Vice President for Finance and Administration
SUBJECT: Auditor Independence Statement

The purpose of this statement is to provide information regarding the independence of the Internal Auditing Office personnel of Northeastern Illinois University (NEIU). This information is necessary to:

- Provide documentary evidence that the Office of Internal Auditing is monitoring the independence of office personnel; and
- Properly determine that audit engagements are staffed with independent personnel.

I have read the rules of professional conduct promulgated by the Institute of Internal Auditors. I understand that independence is to be maintained in spirit as well as in fact. I have determined to the best of my knowledge and belief that I do not have a direct or material managerial or financial interest in any organization, activity or affiliate of NEIU. I have not been involved in any transactions that would in any way impair my organization, activity or affiliate of NEIU as promulgated by the rules of professional conduct of the Institute of Internal Auditors. I have not accepted personal benefits from any University personnel, organization or affiliates which would impair my credibility of my independence in the minds of a reasonable person familiar with the facts. I have no previous affiliations with the University, prior to being hired in September of 2017.

I am an authorized fiscal agent and perform other administrative duties only for the Internal Auditing Department of NEIU. I do not serve as an officer and/or director of any organizations that transact business with the University.

I have determined to the best of my knowledge and belief that no members of my close family or household (spouse, domestic partner, dependent and non-dependent children, step-children, brothers, sisters, parents, parents-in-law, grandparents and the respective spouses of any of the foregoing) have a direct or material indirect managerial or financial interest in any organization, activity or affiliate of the University and have not been involved in transactions that would in any way impair my independence as promulgated by the rules of professional conduct of the Institute of Internal Auditors. No members of my family or household have accepted personal benefits from any University personnel, organization or affiliate, which would impair the credibility of my independence in the minds of a reasonable person familiar with the facts.

If, at some future date, I become aware of a situation, which could possibly impair my independence, I will notify the President of the University and the Chairman of the Board immediately.

In the course of performing the audit function at NEIU, the department will periodically hire student workers. As they are hired, they are required to disclose in any organizations they belong to, along with programs they are taking or affiliated with at the University or acknowledge any relationships with known vendors or staff. They are prohibited from working on or being exposed to any work that would or appear to impair the independence of the department.


Rita Moore, Director of Internal Audit


Date

**ACTION ITEM I. E. APPROVAL OF RECOMMENDATION TO ACCEPT AND FILE THE
STATEMENT OF AUDITOR INDEPENDENCE**

Recommended Action

I request Board approval to accept and file the statement of auditor independence as presented.

ACTION ITEM I. F. APPROVAL OF FY23 TUITION AND FEES RECOMMENDATIONS

Annually, the Board of Trustees of Northeastern Illinois University sets tuition and fee rates for the next academic year, and the University now requests approval for Fiscal Year 2023 (FY2023) tuition and fee rates.

At its August 23, 2021 meeting, the Board Finance, Building and Grounds Committee was provided a preliminary report on FY2023 tuition and fee setting approach. Detailed information on the University's budget and tuition and fee modelling for FY2023 were presented and discussed. That information has been provided to all members of the Board.

Tuition

Tuition rates need to balance the need for resources to support student success and the University's mission with demands for accessibility and affordability in the context of a competitive higher education environment. In addition, it must be remembered that tuition rates are guaranteed for four years from the time of enrollment for new students. Northeastern Illinois University is in the middle of the group of Illinois public universities when considering the combined cost of tuition and fees for full-time students, and also when examining a weighted measure of tuition. However, the University's base tuition for incoming students is near the top of its Illinois public peer group. Peer universities generally make more broad use of tuition differentials and higher fees than Northeastern.

In order to enhance the University's competitive position and complement enrollment strategies, the University is recommending holding undergraduate tuition flat for FY2023. In each of the last three years, the University has increased tuition by 2.0 percent. With level enrollments, such an increase would lead to approximately \$292,000 in additional tuition revenue in FY2023, and potentially over \$1.1 million over time as the Fall 2022 entering students' progress toward graduation (impact of the NEIU for You Program). While the University faces increasing cost inflation pressures, there is also an acute need for enrollment growth, and holding undergraduate tuition level for FY2023 recognizes the importance of tuition and affordability in supporting this area.

The University is recommending a 2.0 percent increase in graduate tuition for FY2023 to help support recent growth in key graduate programs in recent years. This increase is anticipated to generate approximately \$289,000 in increased revenue during FY2023. Northeastern is near the median in comparison to its Illinois public peers in graduate tuition, but below the state average.

Fees

See Table 1 for detail.

Recommended Action:

I request that the Board approve the Fiscal Year 2023 Tuition and Fees Recommendation as detailed in Table 1 and as recommended by the Board Finance Committee at its October meeting, providing a zero percent tuition increase for undergraduate students not covered by the guaranteed tuition program, a 2 percent increase for graduate students, and a 1.9 percent increase in mandatory student fees.

ACTION ITEM I. F. APPROVAL OF FY23 TUITION AND FEES RECOMMENDATIONS

Table 1
 NORTHEASTERN ILLINOIS UNIVERSITY
 Schedule of Proposed Tuition and Fees

	FY2021	FY2022	FY2023	Change FY22 to FY23	
				Dollar	Percen
TUITION (per credit hour)					
Undergraduate - post 6-year (enrolled prior to Fall 2017)*	\$ 412.20	\$ 420.44	\$ 420.44	\$ -	-
Undergraduate - newly enrolled Fall 2017 ¹	377.32	396.19	396.19	-	-
Undergraduate - newly enrolled Fall 2018 ¹	396.19	396.19	404.11	7.92	2.0
Undergraduate - newly enrolled Fall 2019 ¹	404.11	404.11	404.11	-	-
Undergraduate - newly enrolled Fall 2020 ¹	412.20	412.20	412.20	-	-
Undergraduate - newly enrolled Fall 2021 ¹	-	420.44	420.44	-	-
Undergraduate - newly enrolled Fall 2022 ¹	-	-	420.44	-	-
CBT Undergraduate Differential		10% of Base Undergraduate Rate		n/a	n/a
Graduate	432.80	432.80	432.80	-	-
CBT Graduate Differential		10% of Base Graduate Rate			
Non-resident Undergraduate - post 6-year *	824.40	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2017 ¹	754.64	792.38	792.38	-	-
Non-resident Undergraduate - newly enrolled Fall 2018 ¹	792.38	792.38	808.22	15.84	2.0
Non-resident Undergraduate - newly enrolled Fall 2019 ¹	808.22	808.22	808.22	-	-
Non-resident Undergraduate - newly enrolled Fall 2020 ¹	824.40	824.40	824.40	-	-
Non-resident Undergraduate - newly enrolled Fall 2021 ¹	-	840.88	840.88	-	-
Non-resident Undergraduate - newly enrolled Fall 2022 ¹	-	-	840.88	n/a	n/a
Non-resident Graduate	865.60	865.60	865.60	41.22	5.0
MANDATORY FEES					
	\$ 80.35	\$ 81.95	\$ 83.50	1.55	1.89
Activity Fee	7.00	7.00	7.10	0.10	1.4
Student Union Fee	9.25	9.25	9.80	0.55	5.9
Campus Recreation Fee	5.70	5.70	5.80	0.10	1.8
Performing Arts Fee	1.90	2.00	2.05	0.05	2.5
Student Health and Wellness Fee	5.50	5.50	5.60	0.10	1.8
Computer Resources Fee	21.75	22.25	22.80	0.55	2.5
Academic Enhancement Fee	9.25	9.25	9.25	-	-
Campus Improvement Fee	5.00	6.00	6.00	-	-
Parking Fee (waivable)	10.00	10.00	10.00	-	-
Library Fee	5.00	5.00	5.10	0.10	2.0
Green Fee - rate per semester	3.00	3.00	3.00	-	-
U-Pass (Full-time Students only)	155.00	155.00	155.00	-	-
TUITION AND FEES (based on 15 credit hours)					
Undergraduate - continuing *	7,546.25	7,693.85	7,717.10	23.25	0.3
Undergraduate - newly enrolled Fall 2017 ¹	7,023.05	7,330.10	7,353.35	23.25	0.3
Undergraduate - newly enrolled Fall 2018 ¹	7,306.10	7,330.10	7,472.15	142.05	1.9
Undergraduate - newly enrolled Fall 2019 ¹	7,424.90	7,448.90	7,472.15	23.25	0.3
Undergraduate - newly enrolled Fall 2020 ¹	7,546.25	7,570.25	7,593.50	23.25	0.3
Undergraduate - newly enrolled Fall 2021 ¹		7,693.85	7,717.10	23.25	0.3
Undergraduate - newly enrolled Fall 2022 ¹			7,717.10	n/a	n/a
Graduate	7,855.25	7,879.25	7,902.50	23.25	0.3
Non-resident Undergraduate - continuing *	13,729.25	14,000.45	14,023.70	23.25	0.0
Non-resident Undergraduate - newly enrolled Fall 2017 ¹	12,682.85	13,272.95	13,296.20	23.25	0.0
Non-resident Undergraduate - newly enrolled Fall 2018 ¹	13,248.95	13,272.95	13,533.80	260.85	0.0
Non-resident Undergraduate - newly enrolled Fall 2019 ¹	13,486.55	13,510.55	13,533.80	23.25	0.0
Non-resident Undergraduate - newly enrolled Fall 2020 ¹	13,729.25	13,753.25	13,776.50	23.25	0.0
Non-resident Undergraduate - newly enrolled Fall 2021 ¹		14,000.45	14,023.70	23.25	0.0
Non-resident Undergraduate - newly enrolled Fall 2022 ¹			14,023.70	n/a	n/a
Non-resident Graduate	14,347.25	14,371.25	14,394.50	23.25	0.0

* Post 6-year students in FY2023 are those enrolled prior to Fall 2017.

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

ACTION ITEM I. G. APPROVAL OF RECOMMENDATION REGARDING FY21 REQUEST FOR UTILIZATION OF FUNDS FROM STRATEGIC PLANNING DEVELOPMENT FUND

OVERVIEW:

In September 2015, the Board approved the formation of a Strategic Planning Development Fund (SPDF) within the unrestricted Income Fund balance. The purpose of the SPDF fund is to foster enrollment growth, improve retention, address equity gaps, support capital improvements, as well as funding projects established as priorities by our University Planning and Budget Council (UPBC).

The SPDF is financed by surpluses from the previous fiscal year's actual operating results of the Income Fund. It is common for the University to end the fiscal year with a surplus balance in the Income Fund. Surpluses can occur when revenues from enrollment exceed budgeted expectations. Surpluses can also occur when actual expenses are lower than budgeted such as salary savings due to vacancies and delayed hiring.

On November 19, 2020, the Board approved a one-time \$2.0 million transfer from the FY2020 Income Fund operating surplus to the SPDF in FY2021.

On an annual basis, the University reports to the Board actual spending made from the SPDF fund during the past fiscal year. In FY2021, the University spent \$332,534 on the following initiatives:

FY21 Initiative	Amount
Enrollment	254,454
Other	78,080
Total	\$332,534

In addition, the University has the following anticipated initiatives that will fully deplete the remaining SPDF balance:

Additional FY21 Encumbered/ Anticipated Initiative (In progress)	Amount
Enrollment	200,000
Retention*	417,466
Other	1,050,000
Total	\$1,667,466

* Living Learning Community (LLC). Residential communities in the NEST that introduce and integrate academic and social learning through faculty and staff involvement within a holistic education.

FY2021 Requested Transfer to FY22 SPDF

Based on unaudited figures, the University will end FY2021 with an estimated year-end overage of \$9 million in the unrestricted Income Fund. The increase in unrestricted fund balance was partially due to a \$5 million reimbursement from HEERF funding. The University request approval from the Board to transfer \$2 million of the surplus to the SPDF. The University plans to use the SPDF on Recruitment and Retention.

ACTION ITEM I. G. APPROVAL OF RECOMMENDATION REGARDING FY21 REQUEST FOR UTILIZATION OF FUNDS FROM STRATEGIC PLANNING DEVELOPMENT FUND

FY22 Proposal:

With a \$2 million allocation from the Strategic Planning Development Fund (SDPF), NEIU will be able to spend as per President's discretion with an emphasis on retention. Student retention is improving, despite enrollment declines over the past five years, and there are still significant equity gaps for Black and Latinx students. Upon consultation of various departments across the university, including within Academic and Student Affairs, this is the outline of initiatives that will utilize the excess funds and make an impact on these areas of enrollment, retention and equity.

FY22 Proposed Projects	Amount
President's Discretion	\$2,000,000
Grand Total	\$2,000,000

Recommended Action:

I request that the Board approve the transfer of \$2 million from the University's unrestricted Income Fund to the Strategic Planning Development Fund.

**ACTION ITEM I. H. APPROVAL OF RECOMMENDATION FOR UTILIZATION OF FY22
AND FY23 UNRESTRICTED FUNDS FOR NEIU FOR YOU 2.0**

OVERVIEW:

Declining enrollments in the past several years have hit NEIU particularly hard. NEIU needs to come up with an enrollment initiative that can boost growth. To accomplish this, a financial model was created 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 Golden Opp.), and determines the University support required to fund the recruitment incentive. A substantial portion of NEIU's undergraduate student body already receives a significant amount of financial support. It is crucial to understand the impact of funds students currently receive as it significantly reduces the amount of funds required for any enrollment incentive, and thus significantly expands the number of students to whom an incentive can be offered.

This tuition and fees incentive will provide a top-off award to eligible students. The financial impact of these incentives will depend upon the type of student applying and enrolling, their eligibility for state and federal aid programs, and their net financial need. Additionally, discussions have begun to enhance the first-year experience (FYE Program) at NEIU to address retention concerns.

The University is requesting the Board establish a Strategic Enrollment Fund for the following purposes:

- Staffing support to expand recruiting efforts in new areas and enhance applicant yield strategies for two years.
 - Year 1: \$530,000 personnel costs; \$100,000 technology and travel support
 - Year 2: \$550,000 personnel costs, \$100,000 technology and travel support
- Additional marketing campaign to complement outreach to new markets.
 - Year 1: \$350,000
 - Year 2: \$450,000
- Scholarship support to create a two-year bridge funding program and eventually institutionalize this program if it is successful.
 - Year 1: \$780,000
 - Year 2: \$890,000

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. This request will cost \$1,760,000 in the first year and \$1,990,000 in the second year.

Recommended Action:

I request that the Board approve the transfer of \$3,750,000 of unrestricted net assets to establish a dedicated Strategic Enrollment Fund to support the tuition incentive program.