

President's Report to the Finance, Buildings and Grounds Committee
of the Board of Trustees of Northeastern Illinois University
September 18, 2025

Information Item: FY2025 4th Quarter Budget to Actuals

At its September 19, 2024 meeting, the Northeastern Illinois University Board of Trustees approved the University final operating budget, which represented spending plans for fiscal year 2025 (FY2025). The information herein reflects a comparison of actual expenditures to that budget, as well as previous year-to-date actual expenditures.

The operating budget for FY2025 totals \$154,972,075. Of that total, \$90,913,000 is the University's unrestricted general operating budget supported by State appropriation and student tuition. In addition, the University's restricted funds budget amount of \$64,059,075 is supported by student fee programs, auxiliary services, grants, and contracts.

At the Board's request, quarterly reports are provided for the unrestricted operating budget, which supports most University departments and ongoing operations. This report provides an update on fourth quarter spending in the unrestricted budget and is summarized in Table 1, which also includes a comparison with year-to-date spending for FY2024.

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Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2025 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDED JUNE 30, 2025
UNAUDITED FIGURES

	FY2024			FY2025					
	Adopted Budget	FY2024 Actual YTD	% of Budget	Adopted Budget	Current Budget	FY2025 Actual YTD	% of Current Budget	FY2025 Actual vs FY2025 Budget	Ref
Revenue									
State Appropriations	\$ 39,960,000	\$ 39,959,500	100.0%	\$ 40,758,700	\$ 40,758,700	\$ 40,758,700	100.0%	\$ -	
Net Tuition Revenue	41,874,400	42,531,461	101.6%	45,134,178	45,134,178	45,868,313	101.6%	734,135	{A}
Net Differential Tuition Revenue	689,000	809,035	117.4%	820,122	820,122	949,735	115.8%	129,613	{A}
Investment Income	2,276,600	4,631,473	203.4%	3,700,000	3,700,000	4,023,483	108.7%	323,483	{B}
All Other Sources	500,000	856,393	171.3%	500,000	500,000	659,606	131.9%	159,606	{C}
Total Revenue	\$ 85,300,000	\$ 88,787,862	104.1%	\$ 90,913,000	\$ 90,913,000	\$ 92,259,837	101.5%	\$ 1,346,837	
Expenditures									
Personnel Services	\$ 67,901,380	\$ 70,310,447	103.5%	\$ 70,829,802	\$ 71,926,617	72,749,541	101.1%	\$ (822,924)	{D}
Contractual Services	14,631,783	11,736,130	80.2%	14,821,712	13,609,296	12,821,699	94.2%	787,597	{E}
Equipment	431,986	657,686	152.2%	383,986	977,252	937,613	95.9%	39,639	
Commodities	807,401	708,097	87.7%	818,150	866,754	866,732	100.0%	22	
Telecommunications	176,700	122,358	69.2%	176,700	307,910	267,565	86.9%	40,345	
Travel	197,750	201,855	102.1%	193,650	277,086	268,047	96.7%	9,039	
Permanent Improvements	25,000	-	0.0%	25,000	115,500	115,500	0.0%	-	
Operation of Auto Equip	21,000	35,066	167.0%	24,000	41,225	35,794	86.8%	5,431	
Tuition Scholarships	1,299,000	396,297	30.5%	1,299,000	450,093	450,093	100.0%	-	
Debt Service	2,308,000	2,360,264	102.3%	2,341,000	2,341,267	2,341,267	100.0%	-	
Total Expenditures	87,800,000	86,528,200	98.6%	90,913,000	90,913,000	90,853,851	99.9%	\$ 59,149	
<i>BOT Reserve Allocation</i>	<i>(2,500,000)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Expenditures	\$ 85,300,000	\$ 86,528,200	101.4%	\$ 90,913,000	\$ 90,913,000	\$ 90,853,851	99.9%	\$ 59,149	
Excess Revenue Over Expenditures		\$ 2,259,662				\$ 1,405,986			

Notes:

1. Adopted Budget column reflects the FY2025 budget approved by the Board of Trustees on September 19, 2024.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. The "FY2025 Actual YTD" column reflects actual current year activity recorded through September 1, 2025. It includes encumbrances but excludes year-end adjustments provided by the State of Illinois, such as pension cost adjustments and other post-employment benefits.
4. All Other Sources includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.)

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Northeastern Illinois University FY2025 Budget to Actual Explanation for Variance

{A} The total favorable variance in Net Tuition Revenue and Net Differential Revenue (\$864K) was driven by two main factors. First, a total of 1% higher earned credit hours boosted tuition revenues by approximately ~\$400,000. Second, lower-than-expected bad debt allowances added another ~\$460,000. To put this in context, we had budgeted a 10% bad debt allowance, already reduced from 12% in prior years, but the actual rate came in at 9%, further strengthening the net.

Credit Hours

	Fall	Spring	Summer	Total
Budget	54,607	48,686	12,251	115,544
Actual	53,900	49,319	13,575	116,794
Favorable (Unfavorable) Variance in Credit Hours	<u>(707)</u>	<u>633</u>	<u>1,324</u>	<u>1,250</u>

\$ Amount

	Budget	Actual	Variance
Tuition Revenue (including Tuition Differential)	\$ 51,060,333	\$ 51,461,615	\$ 401,282
Less: Allowance for Doubtful Accounts and Tuition Waivers	<u>(5,106,033)</u>	<u>(4,643,567)</u>	462,466
Net Tuition Revenue (including Tuition Differential)	<u>\$ 45,954,300</u>	<u>\$ 46,818,048</u>	<u>\$ 863,748</u>

{B} Despite generating lower investment income in FY2025 compared to FY2024, the University still exceeded its current year budget by \$323K. This positive variance reflects the fact that we had budgeted for more aggressive interest rate cuts than ultimately materialized; instead, the Federal Reserve slowed its pace and held rates steady after the reductions in September, November, and December 2024.

{C} All Other Sources" revenue encompasses various funding streams, including outstanding balance fees, lab fees, transcript fees, NSF charges, and late fees, which tend to vary from year to year. The positive variance of \$160K is primarily driven by the receipt of a \$94K ground lease payment—related to the public-private partnership (PPP) agreement for the NEST student housing facility—as well as higher-than-expected revenue from other fee categories.

{D} The unfavorable variance in Personnel Services (\$823K) stems from two key events: (1) the use of \$394K in salary savings from vacant positions that had accumulated by the beginning of the spring semester to cover the IMAP funding shortfall for students, and (2) approximately \$400K in higher-than-budgeted costs related to recently concluded union negotiations—an important investment in our people.

{E} The favorable variance in Contractual Services (\$788K) is primarily attributable to savings from reduced NEST occupancy contributions (\$475K) and the decrease in the bad debt allowance created a domino effect resulting in lower collection agency expenses (\$113K). The remaining \$200K is due to general underspending across all University departments.

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Table 2 provides relevant information on the projected credit hours used in the budgeting process. In FY2025, overall credit hour enrollment grew by 3% compared to FY2024, adding 2,951 credit hours. Moreover, actual enrollment for FY2025 exceeded the budget projections by 1% (1,250 credit hours). Of this increase, 90% came from continuing undergraduate students and 10% from continuing graduate students.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
ENROLLMENT COMPARISON OF PROJECTION AND ACTUALS

FY2025 ACTUAL				
Enrollment (Actual)	Fall	Spring	Summer	FY
UG - New	16,390	3,830	1,241	21,461
UG - Continuing	28,078	36,153	7,171	71,401
Grad. - New	3,123	1,581	803	5,507
Grad. Continuing	6,310	7,755	4,360	18,425
Total	53,900	49,319	13,575	116,794

FY2024 ACTUAL				
Enrollment	Fall	Spring	Summer	FY
UG - New	14,692	3,962	1,249	19,903
UG - Continuing	28,014	35,300	7,376	70,690
Grad. - New	3,126	1,584	757	5,467
Grad. Continuing	6,013	7,571	4,198	17,782
Total	51,845	48,417	13,581	113,843

FY2025 BUDGET				
Credit Hour Proj.	Fall	Spring	Summer	FY
UG - New	16,434	4,029	1,424	21,887
UG - Continuing	28,473	35,081	6,294	69,848
Grad. - New	3,591	1,656	980	6,227
Grad. Continuing	6,109	7,920	3,553	17,582
Total	54,607	48,686	12,251	115,544

FY25 % Diff. from FY24				
	Fall	Spring	Summer	FY
UG - New	12%	-3%	-1%	8%
UG - Continuing	0%	2%	-3%	1%
Grad. - New	0%	0%	6%	1%
Grad. Continuing	5%	2%	4%	4%
Total	4%	2%	0%	3%

Actual % Diff. from Proj.				
	Fall	Spring	Summer	FY
UG - New	0%	-5%	-13%	-2%
UG - Continuing	-1%	3%	14%	2%
Grad. - New	-13%	-5%	-18%	-12%
Grad. Continuing	3%	-2%	23%	5%
Total	-1%	1%	11%	1%

Note:

1. Enrollment represents credit hour enrollment as of the census date for each semester within a fiscal year.

4th Quarter Budget to Actuals FY2025



09/18/2025



Table 2

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Table 1

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FOR THE PERIOD ENDED JUNE 30, 2025
UNAUDITED FIGURES

	FY2024			FY2025					Ref
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Revenue									
State Appropriations	\$ 39,960,000	\$ 39,959,500	100.0%	\$ 40,758,700	\$ 40,758,700	\$ 40,758,700	100.0%	\$ -	
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Net Differential Tuition Revenue	689,000	809,035	117.4%	820,122	820,122	949,735	115.8%	129,613	(A)
Investment Income	2,276,600	4,631,473	203.4%	3,700,000	3,700,000	4,023,483	108.7%	323,483	(B)
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Debt Service	2,308,000	2,360,264	102.3%	2,341,000	2,341,267	2,341,267	100.0%	-	
Total Expenditures	\$7,800,000	\$6,528,200	98.6%	90,913,000	90,913,000	90,853,851	99.9%	\$ 59,149	
<i>BOT Reserve Allocation</i>	<i>(2,500,000)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Expenditures	\$ 85,300,000	\$ 86,528,200	101.4%	\$ 90,913,000	\$ 90,913,000	\$ 90,853,851	99.9%	\$ 59,149	
Excess Revenue Over Expenditures		\$ 2,259,662				\$ 1,405,986			

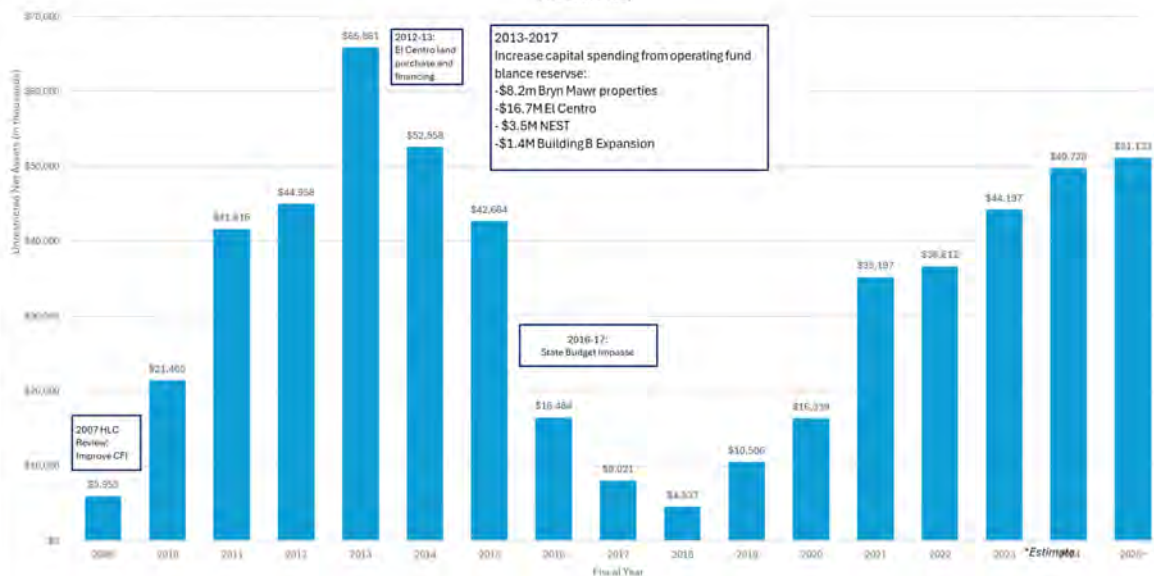
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4. All Other Sources includes space rental and other miscellaneous fees income (lab, transcript, NSF, late fees, etc.)



Table 3

NORTHEASTERN ILLINOIS UNIVERSITY
Unrestricted Reserves
(in thousands)



Action Item: Recommendation Regarding Approval of the Fiscal Year 2026 Final
University Operating Budget

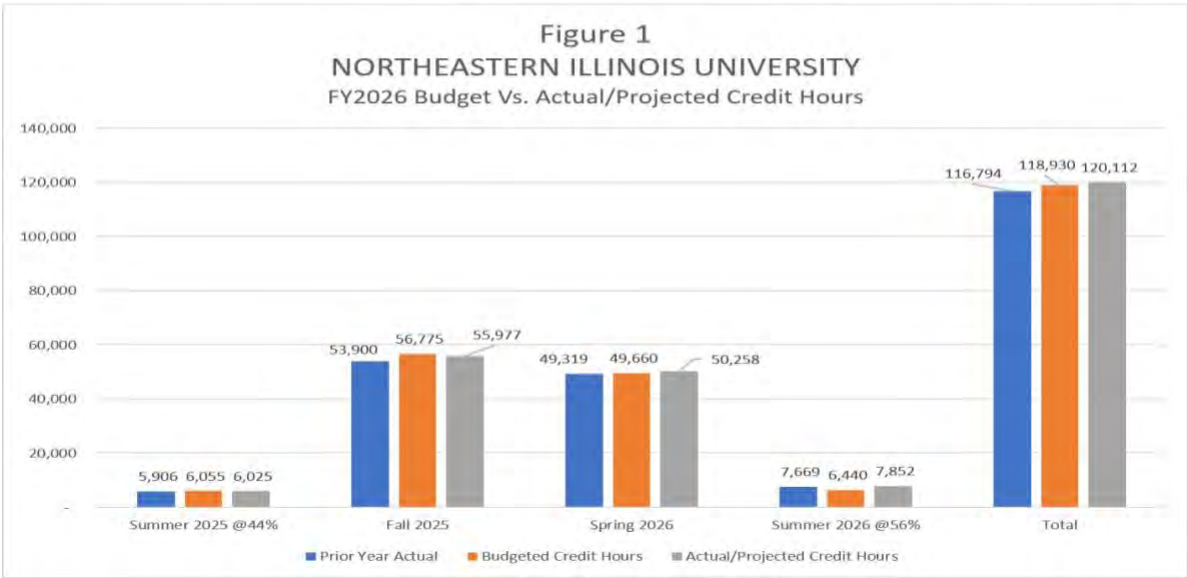
Summary

The University is requesting an operating budget of **\$93,785,000 for Fiscal Year 2026**, reflecting an **increase of 3.2 percent** over FY2025. The FY2026 budget is built on a **1.0 percent increase in State appropriation** and a **5.8 percent increase in projected tuition revenue**. The budget is balanced between revenues and expenditures, supported in part by strong investment income.

The **Final FY2026 Operating Budget** incorporates adjustments to the assumptions underlying the Preliminary Budget approved by the Board of Trustees on June 5, 2025. While the Preliminary Budget anticipated a **3% increase in State support**, the Final Budget reflects only the **1% base increase**, given uncertainty surrounding the supplemental appropriation. Further, although Summer and Fall 2025 enrollment outcomes were slightly below target, the University had built in a cushion within Spring and Summer 2026 projections to mitigate potential shortfalls. As a result, there is no need to revise the projected credit hours or the corresponding net tuition revenue for FY2026.

Figure 1
NORTHEASTERN ILLINOIS UNIVERSITY
FY2026 Budget Vs Actual/Projected Credit Hours

	Summer 2025 @44%	Fall 2025	Spring 2026	Summer 2026 @56%	Total
Budgeted Credit Hours	6,055	56,775	49,660	6,440	118,930
Actual/Projected Credit Hours	6,025	55,977	50,258	7,852	120,112
Difference	(30)	(798)	598	1,412	1,182



1. “Budgeted Credit Hours” reflects the FY2026 enrollment projections presented to the Finance, Building and Grounds Committee/Board of Trustees in May/June 2025.

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- Spring 2026 is based on enrollment projections from the trend model after the Fall 2025 census. This is aligned with the historical Spring return rate as follows:

Average Historical Spring
Return Rate:

91%

Term	Fall Actual	Spring Actual/Trend	Spring Return Rate from Fall	Enrollment	
				Student FTE (Fall and Spring)	Student Headcount (Fall and Spring)
FY2019	75,557	67,225	89%	9,846	15,329
FY2020	70,027	63,429	91%	9,246	14,186
FY2021	67,050	61,097	91%	8,944	13,736
FY2022	59,461	53,107	89%	7,874	12,202
FY2023	53,912	49,484	92%	7,214	11,076
FY2024	51,845	48,417	93%	6,989	10,709
FY2025	53,900	49,316	91%	7,195	11,027
FY2026	55,977	50,258	90%	7,404	11,001

- The Summer term is crossing fiscal years and related revenue is allocated between fiscal years based on the following percentages:

	Allocation	Budget	Actual/Forecast
Summer 2025	44%	6,055	6,025
Summer 2026	56%	6,440	7,852
	100%	12,495	13,877

Summer Term Total Budgeted Credit Hours: 12,495
Summer 2025 Actual Total Credit Hours: 13,761
Summer 2026 Projected Total Credit Hours: 14,021

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, 2025 and ending on June 30, 2026. A preliminary FY2026 budget was approved at the June 5, 2025 Board of Trustees meeting.

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 FY2026 internal budget.

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Table 1 and 2 shows a breakdown of revenues and expenses between the **Unrestricted** and **Restricted** operating budgets. The **Unrestricted operating budget** (Table 1) comprises two main sources of revenue funding - State general funds appropriations (approximately 44 percent of operating revenues) and University income funds (approximately 56 percent of operating revenues). The **Restricted operating budget** (Table 2) has four primary sources which include student fees, auxiliary enterprises, grants (local, state and federal) and contracts (local, state and federal).

The budgeted revenues shown in Tables 1 and 2 are the anticipated source of funding for the budgeted expenses for FY2026. The expenses are broken down by "line-item categories" which is based on requirements from the Illinois Comptroller and the IBHE (see SAMS Manual)¹. These categories are used by the University to communicate both budget and expenditure information to the State; for example, these categories are used in both the Resource Allocation and Management Program (RAMP) and Illinois State Legislature (ISL) reports.

Additional details are provided in the Appendix. The tables include Final FY2025 Budget, FY2025 Actuals (Unaudited), the FY2026 Preliminary Budget and the proposed FY2026 Final Budget. Expenses are also presented by "functional categories" that mirror the reporting structure used in the audited financial reports. Further details on the functional categories can be found in the text following Appendix 3.

Preliminary vs. Final Operating Budgets

The **Final Unrestricted Operating Budget** has been set at **\$93,785,000**, reflecting a decrease of **\$615,000 (0.65%)** from the approved Preliminary Operating Budget. This adjustment was required due to a revised assumption in the expected **State appropriation for FY2026**, which was reduced from **3% to 1%** (a shortfall of **\$815,200**).

To address this reduction, the University implemented the following measures:

- **Delayed hiring of select vacant positions:** \$515,000
- **Maximize investment income** by using the upper end of projections: \$200,000
- **Reduced general expenses:** \$100,000

The **Final Restricted Operating Budget** has been set at **\$65,623,000**, an increase of **\$7,026,600 (12.0%)** compared to the approved Preliminary Operating Budget. This increase reflects:

- Inclusion of the **student housing (NEST) budget:** \$3.42 million
- Higher **federal financial aid (Pell) projections**, based on FY2025 actuals: \$2.6 million
- The **net effect of new and terminated grants**

¹See pages 478 through 537 of the Statewide Accounting Management System (SAMS) manual,
<https://illinoiscomptroller.gov/media/sites/comptroller/assets/File/Agencies/Sams/SAMSManualMaster.pdf>

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University Operating Budget**

State appropriation

In FY2025, the University received a State appropriation of \$40,758,700. In June 2025, the Governor signed into law a base appropriation of \$41,166,287 for FY2026, reflecting a 1% increase over the prior year. In addition, the Governor approved a supplemental appropriation of

\$815,213—an additional 2% increase—contained within a separate budget article. This supplemental funding is subject to a reserved appropriation structure, meaning the release of funds is at the Governor's discretion and contingent on approval prior to any contract execution or expenditure.

While the University's preliminary budget anticipated a 3% increase in State support, the final budget incorporated only the 1% base increase, due to uncertainty surrounding the release of the supplemental appropriation.

Net Tuition Revenue

The unrestricted operating budget reflects the tuition and fee rates previously adopted by the Board and enrollment projections developed internally by the University. The forecast for FY2026 tuition revenues is based on an examination of the flow of new and continuing graduate and undergraduate students and was created in collaboration between the Budget Office and Enrollment Management.

The preliminary and final operating budgets both anticipate a total of 118,930 credit hours for FY2026. This projection represents an increase of 3,386 credit hours or 2.9 percent from the FY2025 final operating budget and an increase of 2,136 credit hours or 1.8 percent from realized credit hour enrollment in FY2025.

Following the census date for Fall 2025 enrollment, an updated trend projection was created to evaluate if there was a need to revise the budgeted level of net tuition revenue for FY2026. Despite a slight shortfall of 828 credit hours or 1.3 percent in the Summer and Fall 2025 semesters compared to budgeted levels, the year-over-year comparison reveals a notable increase of 2,196 credit hours or 3.7% percent in Fall 2025. Looking ahead to Spring and Summer 2026 enrollment, the trend model is forecasting an increase of 2,010 credit hours, or 3.6% percent, from the budgeted level. This indicates that the current projections are on track, and there is no immediate need for a mid-year revision to the operating budget. Figure 1 provides a summary of the updated projections, as well as a comparison of the FY2026 budget to actual credit hours realized after the Fall 2025 census.

Investment Income

Investment income is derived from the interest paid on the University's cash balances. In recent years, the University has seen a steady increase in investment income due to rising short-term interest rates. In FY2025, the realized investment income reached \$4.02 million, exceeding the final Operating Budget by 108.7 percent. For FY2026, the University is budgeting \$3.4 million in investment income. While this is lower than the prior year's level, it reflects the upper range of the most recent projections. Given the inherent volatility of investment returns—particularly the risk of a decline should the Federal Reserve lower short-term rates—the University recognizes the uncertainty of this revenue source. Despite the uncertainties, the University is relying on investment income to help balance the budget in FY2026.

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University Operating Budget**

Others

Other income sources include revenue from space rentals and various miscellaneous fees—such as laboratory fees, transcript fees, non-sufficient funds (NSF) charges, and late payment fees. The FY2026 budget for this category was increased modestly from \$500,000 in FY2025 to \$600,000, reflecting a trend of actual revenues consistently exceeding budgeted amounts in recent years. However, this income stream remains difficult to forecast due to its volatility and reliance on variable activity levels, with the exception of space rental income, which tends to be more stable and predictable.

Expenditures

Expenditures for FY2026 are balanced to anticipated operating revenues of **\$93,785,000** as outlined above. Relative to FY2025, expenditures covered by operating revenues are budgeted to **increase by \$2.872 million or 3.2 percent** in FY2026. The increase in expenses was primarily due to the salary increases based on the assumed or contracted wage increases in FY2026.

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 reflect the student fee rates as approved by the Board of Trustees on February 13, 2025.

Revenues for **restricted operating funds** are projected at **\$65,623,000 in FY2026**, an increase of **\$1.5 million (2.4%)** compared to FY2025. This growth is driven primarily by:

- **Increased revenue from mandatory fees**, reflecting anticipated credit hour enrollment growth and increase in mandatory fee rate from \$85 to \$100.
- The **addition of the student housing (NEST) budget**, aligned with the University's recently completed debt refinancing
- **Higher projected grant spending (mainly Federal Pell grant)**, based on award levels and historical trends

The **total FY2026 budget** is summarized in Table 1. Resources available for operating purposes in FY2026 are estimated at **\$159,408,000**, an increase of **\$4.4 million (2.9%)**, from the final FY2025 budget.

President's Report to the Finance, Building and Grounds Committee
of the Board of Trustees of Northeastern Illinois University.
September 18, 2025

Action Item: Recommendation Regarding Approval of the Fiscal Year 2026 Final University Operating Budget

Table 1 NORTHEASTERN ILLINOIS UNIVERSITY UNRESTRICTED OPERATING BUDGET Fiscal Year 2026				
	FY2026 Preliminary Budget	Updates	FY2026 Final Budget	FY2025 Final Budget
REVENUES				
State General Funds Appropriations	\$ 41,981,500	\$ (815,200)	\$ 41,166,300	\$ 40,758,700
University Income Fund - Tuition	47,204,000	(202,300)	47,001,700	45,134,178
University Income Fund - Tuition Differential	1,414,500	202,500	1,617,000	820,122
University Income Fund - Investment Income	3,200,000	200,000	3,400,000	3,700,000
University Income Fund - Others	600,000	-	600,000	500,000
Total Revenues	\$ 94,400,000	\$ (615,000)	\$ 93,785,000	\$ 90,913,000
EXPENSES				
Personal Services	\$ 74,225,254	\$ (611,764)	\$ 73,613,490	\$ 70,829,802
Contractual Services	14,996,343	(964,236)	14,032,107	14,821,712
Equipment	379,486	-	379,486	383,986
Commodities	758,917	-	758,917	818,150
Telecommunications	176,700	-	176,700	176,700
Travel	171,800	-	171,800	193,650
Permanent Improvements	25,000	-	25,000	25,000
Operations of Auto	23,500	-	23,500	24,000
Awards and Grants	1,299,000	-	1,299,000	1,299,000
Debt Service	2,344,000	961,000	3,305,000	2,341,000
Total Expenses	\$ 94,400,000	\$ (615,000)	\$ 93,785,000	\$ 90,913,000

Table 2 NORTHEASTERN ILLINOIS UNIVERSITY RESTRICTED OPERATING BUDGET Fiscal Year 2026				
	FY2026 Preliminary Budget	Updates	FY2026 Final Budget	FY2025 Final Budget
REVENUES				
Student Fee Programs	\$ 12,352,500	\$ -	\$ 12,352,500	\$ 11,438,391
Sales and Auxiliary Services	4,019,700	3,420,000	7,439,700	4,086,274
Indirect Costs Recovery	1,230,500	-	1,230,500	1,167,050
State and Local Grants and Contracts	17,564,200	128,200	17,692,400	20,492,861
Federal Grants and Contracts	22,418,000	3,474,600	25,892,600	25,572,993
Non-governmental Grants and Contracts	1,011,500	3,800	1,015,300	1,301,506
Total Revenues	\$ 58,596,400	\$ 7,026,600	\$ 65,623,000	\$ 64,059,075
EXPENSES				
Personal Services	\$ 10,677,500	\$ 1,095,500	\$ 11,773,000	\$ 12,072,804
Contractual Services	13,450,300	1,802,400	15,252,700	14,882,560
Equipment	860,000	4,900	864,900	1,228,854
Commodities	533,900	33,300	567,200	595,385
Telecommunications	48,400	-	48,400	48,260
Travel	398,200	30,600	428,800	418,294
Permanent Improvements	-	281,000	281,000	-
Operations of Auto	5,700	-	5,700	5,680
Awards and Grants	30,149,500	1,890,400	32,039,900	31,287,548
Debt Service	2,472,900	1,888,500	4,361,400	3,519,690
Total Expenses	\$ 58,596,400	\$ 7,026,600	\$ 65,623,000	\$ 64,059,075

President's Report to the Finance, Building and Grounds Committee
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University Operating Budget**

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend approval Board of the final FY2026 budget as presented in Tables 1 and 2, and as described above.

President's Report to the Finance, Building and Grounds Committee of the Board of Trustees of Northeastern Illinois University.
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Appendix 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2026 Final Operating Budget
(with comparable data provided for Fiscal Year 2025)

	FY2025 Final Budget	FY2025 Actual (Unaudited)	FY2026 Preliminary Budget	FY2026 Final Budget	Final vs Preliminary Dollar Δ	FY2026 Final Budget vs FY2025 Final Budget		
REVENUES						Dollar Δ	Percent Δ	
<u>Unrestricted Operating Budget</u>								
State General Funds Appropriations	\$ 40,758,700	40,758,700	\$ 41,981,500	\$ 41,166,300	\$ (815,200)	\$ 407,600	1.0	%
University Income Fund - Tuition	45,134,178	45,868,313	47,204,000	47,001,700	(202,300)	1,867,522	4.1	
University Income Fund - Tuition Differential	820,122	949,735	1,414,500	1,617,000	202,500	796,878	97.2	\$
University Income Fund - Investment Income	3,700,000	4,023,483	3,200,000	3,400,000	200,000	(300,000)	(8.1)	
University Income Fund - Others	500,000	659,606	600,000	600,000	-	100,000	20.0	
Unrestricted Operating Budget	\$ 90,913,000	92,259,837	\$ 94,400,000	\$ 93,785,000	\$ (615,000)	\$ 2,872,000	3.2	%
<u>Restricted Operating Budget</u>								
Student Fee Programs	\$ 11,438,391	\$ 10,046,300	\$ 12,352,500	\$ 12,352,500	\$ -	\$ 914,109	7.4	%
Sales and Auxiliary Services	4,086,274	3,786,200	4,019,700	7,439,700	3,420,000	3,353,426	83.4	
Indirect Costs Recovery	1,167,050	1,342,000	1,230,500	1,230,500	-	63,450	5.2	
State and Local Grants and Contracts	20,492,861	20,743,100	17,564,200	17,692,400	128,200	(2,800,461)	(15.9)	
Federal Grants and Contracts	25,572,993	23,892,600	22,418,000	25,892,600	3,474,600	319,607	1.4	
Non-governmental Grants and Contracts	1,301,506	1,513,700	1,011,500	1,015,300	3,800	(286,206)	(28.3)	
Restricted Operating Budget	\$ 64,059,075	61,323,900	\$ 58,596,400	\$ 65,623,000	\$ 7,026,600	\$ 1,563,925	2.4	%
Total Operating Budget	\$ 154,972,075	153,583,737	\$ 152,996,400	\$ 159,408,000	\$ 6,411,600	\$ 4,435,925	2.9	%

President's Report to the Finance, Building and Grounds Committee of the Board of Trustees of Northeastern Illinois University.
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Appendix 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2026 Final Operating Budget
(with comparable data provided for Fiscal Year 2025)

BY LINE ITEM CATEGORIES

	FY2025 Budget	FY2025 Actual (Unaudited)	FY2026 Preliminary Budget	FY2026 Final Budget	Final vs Preliminary Dollar Δ	FY2026 Final Budget vs FY2025 Final Budget	
<u>EXPENDITURES</u>						Dollar	Percent
<u>Unrestricted Operating Budget</u>							
Personal Services	\$ 70,829,802	\$ 72,749,541	\$ 74,225,254	\$ 73,613,490	\$ (611,764)	\$ 2,783,688	3.9 %
Contractual Services	14,821,712	12,821,699	14,996,343	14,032,107	(964,236)	(789,605)	(5.3)
Equipment	383,986	267,565	379,486	379,486	-	(4,500)	(1.2)
Commodities	818,150	866,732	758,917	758,917	-	(59,233)	(7.2)
Telecommunications	176,700	268,047	176,700	176,700	-	-	0.0
Travel	193,650	937,613	171,800	171,800	-	(21,850)	(11.3)
Permanent Improvements	25,000	35,794	25,000	25,000	-	-	0.0
Operations of Auto	24,000	115,500	23,500	23,500	-	(500)	(2.1)
Awards and Grants	1,299,000	450,093	1,299,000	1,299,000	-	-	0.0
Debt Service	2,341,000	2,341,267	2,344,000	3,305,000	961,000	964,000	41.2
<i>Unrestricted Operating Budget</i>	\$ 90,913,000	\$ 90,853,851	\$ 94,400,000	\$ 93,785,000	\$ (615,000)	\$ 2,872,000	3.2 %
<u>Restricted Operating Budget</u>							
Personal Services	\$ 12,072,804	\$ 11,716,840	\$ 10,677,500	\$ 11,773,000	\$ 1,095,500	\$ (299,804)	(2.5) %
Contractual Services	14,882,560	10,907,645	13,450,300	15,252,700	1,802,400	370,140	2.5
Equipment	1,228,854	675,935	860,000	864,900	4,900	(363,954)	(29.6)
Commodities	595,385	637,788	533,900	567,200	33,300	(28,185)	(4.7)
Telecommunications	48,260	79,751	48,400	48,400	-	140	0.3
Travel	418,294	414,296	398,200	428,800	30,600	10,506	2.5
Permanent Improvements	-	87,412	-	281,000	281,000	281,000	1.0
Operations of Auto	5,680	5,562	5,700	5,700	-	20	0.4
Awards and Grants	31,287,548	35,404,356	30,149,500	32,039,900	1,890,400	752,352	2.4
Debt Service and Other Transfers	3,519,690	3,058,021	2,472,900	4,361,400	1,888,500	841,710	23.9
<i>Restricted Operating Budget</i>	\$ 64,059,075	\$ 62,987,606	\$ 58,596,400	\$ 65,623,000	\$ 7,026,600	\$ 1,563,925	2.4 %
Total Operating Budget	\$ 154,972,075	\$ 153,841,457	\$ 152,996,400	\$ 159,408,000	\$ 6,411,600	\$ 4,435,925	2.9 %

President's Report to the Finance, Building and Grounds Committee of the Board of Trustees of Northeastern Illinois University.
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Appendix 3
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2026 Final Operating Budget
 (with comparable data provided for Fiscal Year 2025)

BY FUNCTIONAL CATEGORIES

EXPENDITURES

Unrestricted Operating Budget

	FY2025 Budget	FY2025 Actual (Unaudited)	FY2026 Preliminary Budget	FY2026 Final Budget	Final vs Preliminary Dollar Δ	FY2026 Final Budget vs FY2025 Final Budget	
						Dollar	Percent
Instruction	\$ 48,334,863	\$ 49,951,487	\$ 51,176,862	\$ 49,804,152	\$ (1,372,710)	\$ 1,469,289	3.0 %
Organized Research	205,206	208,896	211,361	211,361	-	6,155	3.0
Public Service	823,691	823,139	842,885	842,885	-	19,194	2.3
Academic Support	7,376,366	7,269,629	7,678,817	7,805,705	126,888	429,339	5.8
Student Services	4,249,745	4,890,266	4,260,803	4,088,369	(172,434)	(161,376)	(3.8)
Institutional Support	16,217,876	14,197,646	16,409,878	16,326,053	(83,825)	108,177	0.7
Operations and Maintenance	10,291,653	10,098,921	10,402,794	10,328,875	(73,919)	37,222	0.4
Health Insurance Reserve Fund	1,072,600	1,072,600	1,072,600	1,072,600	-	-	0.0
Debt Service	2,341,000	2,341,267	2,344,000	3,305,000	961,000	964,000	41.2
Unrestricted Operating Budget	\$ 90,913,000	\$ 90,853,851	\$ 94,400,000	\$ 93,785,000	\$ (615,000)	\$ 2,872,000	3.2 %

Restricted Operating Budget

Instruction	\$ 14,095,370	\$ 10,892,637	\$ 11,841,900	\$ 13,000,400	\$ 1,158,500	\$ (1,094,970)	(7.8) %
Organized Research	2,706,530	2,023,874	1,816,100	2,443,200	627,100	(263,330)	(9.7)
Public Service	3,974,687	3,093,730	3,461,700	2,045,500	(1,416,200)	(1,929,187)	(48.5)
Academic Support	2,155,678	1,832,674	2,247,400	2,300,700	53,300	145,022	6.7
Student Services	33,538,195	37,724,102	32,505,300	35,839,000	3,333,700	2,300,805	6.9
Institutional Support	1,087,202	788,074	996,300	962,000	(34,300)	(125,202)	(11.5)
Operations and Maintenance	1,926,588	2,616,388	1,941,300	2,022,800	81,500	96,212	5.0
Independent Operations	1,055,135	958,106	1,313,500	2,648,000	1,334,500	1,592,865	151.0
Debt Service	3,519,690	3,058,021	2,472,900	4,361,400	1,888,500	841,710	23.9
Restricted Operating Budget	\$ 64,059,075	\$ 62,987,606	\$ 58,596,400	\$ 65,623,000	\$ 7,026,600	\$ 1,563,925	2.4 %

Total Operating Budget

\$ 154,972,075	\$ 153,841,457	\$ 152,996,400	\$ 159,408,000	\$ 6,411,600	\$ 4,435,925	2.9 %
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**Action Item: Recommendation Regarding Approval of the Fiscal Year 2026 Final
University Operating Budget**

Functional Categories (Appendix 3)

Appendix 3 report expenses using the National Association of College & University Business Officers (NACUBO) functional categories. These categories were established to create a standard reporting structure for expenses according to the purpose for which the costs are incurred; that is these categories are intended to convey why an expense was incurred. These same categories are used to report and track expenses on the University's Audited Financial States (for example, see the "Statement of Revenues, Expenses, and Changes in Net Position").

Instruction: Expenses for all activities related to instructional programs including credit and non- credit courses but also conferences, workshops and seminars.

Organized Research: Expenses that are directly linked to activities that produce research.

Public Service: Expenses derived from activities that are intended to provide non-instructional services to individuals or groups external to the institution.

Academic Support: Expenses for activities that provide support to the institution's primary programs for instruction, research and public services. These activities include libraries, museums, galleries, academic administration, faculty development and course and/or curriculum development.

Student Services: Expenses for services or activities that support a student's development outside the formal instruction program. These services and activities can include counseling and career guidance, social or cultural development, administration of financial aid or loans, admissions and records support and health services.

Institutional Support: Expenses related to executive level management and planning activities for the entire institution. This would include expenses related to the President's Office, public relations, financial operations, investment management, and auditing.

Operations and Maintenance: Expenses related to the physical plant or physical assets of the institution. This would include all expenses supporting the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical assets.

Independent Operations: Expenses related to operations that are independent but may enhance the institution's mission but are otherwise owned or controlled by the institution. For NEIU this would include expenses related to parking, the Student Union, vehicle operations, childcare, retail and concession operations and student housing and management of the Student U-Pass.

Health Insurance Reserve Fund: Expenses related to payments to local governments.

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NACUBO Definitions from the “Financial Accounting and Reporting Manual for Higher Education”

Instruction: The instruction classification includes expenses for all activities that are part of an institution's instruction program.

Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions are included. Expenses for departmental research and public service that are not separately budgeted are also included in this classification.

This classification excludes expenses for those academic personnel whose primary activity is administration—for example, academic deans.

Organized Research: The research classification includes all expenses for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to those conditions, the classification includes expenses for individual and/or project research as well as that of institutes and research centers.

This classification does not include all sponsored programs, nor is it necessarily limited to sponsored research, since internally supported research programs, if separately budgeted, might be included in this classification.

Expenses for departmental research that are separately budgeted are included in this classification. However, the research classification does not include expenses for departmental research that are not separately budgeted. Departmental research that is not separately budgeted is included in the instructional category.

Public Service: The public service classification includes expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this classification are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

Academic Support: The academic support classification includes expenses incurred to provide support services for the institution's primary programs of instruction, research, and public service. It includes activities such as:

- The retention, preservation, and display of educational materials, such as libraries, museums, and galleries.
- The provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college of education.
- Media, such as audio-visual services, and technology, such as computing support.

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- Academic administration (including academic deans but not department chairpersons) and personnel providing administrative support and management direction to the three primary missions.
- Separately budgeted support for course and curriculum development

For institutions that currently charge some of the expenses; for example, computing support, directly to the various operating units of the institution, this classification does not include those expenses.

Student Services: The student services classification includes expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This classification includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an auxiliary enterprise), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an auxiliary enterprise).

Institutional Support: The institutional support classification includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.

Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs, instruction, research, and public service, or their related support classifications.

Operations and Maintenance: The operation and maintenance of the plant category includes all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. These expenses include items such as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving.

For external financial reporting purposes, independent institutions are required to allocate the costs assigned to this classification to the other functional categories. However, most independent institutions still use this functional expense category internally to capture costs prior to allocation. Consequently, although this category is necessary and important to an independent institution's general ledger structure—and a necessary cost pool for cost reporting under the Uniform Guidance—the expenses are not considered a functional expense category (for GAAP reporting) for independent institutions.

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Independent Operations: The independent operations classification includes the expenses of separately organized operations owned or controlled by an institution that are unrelated to, or independent of, the institution's mission but that may enhance its mission. This classification generally is limited to expenses associated with commercial enterprises and specific federally funded research and development centers (FFRDCs) operated by the institution but not established to provide services primarily to students, faculty, or staff.

Activities operated as auxiliary enterprises (that is, those established to provide a service to students, faculty, or staff and charging a fee related to the cost of the service) are excluded from this classification, as are operations with commercial aspects that primarily support instruction, research, and/or public service. (For example, hospitals and ancillary support activities are excluded.) Also excluded are expenses associated with property owned and managed as investments of the institution's endowment funds.

The relationship between the institution and the independent operation needs to be carefully examined to determine the proper accounting. Independent institutions need to determine if the relationship requires consolidation of the independent operation or use of the equity method of accounting (if the independent operation is a corporation).

FY26 Final Operating Request Budget



09/18/2025

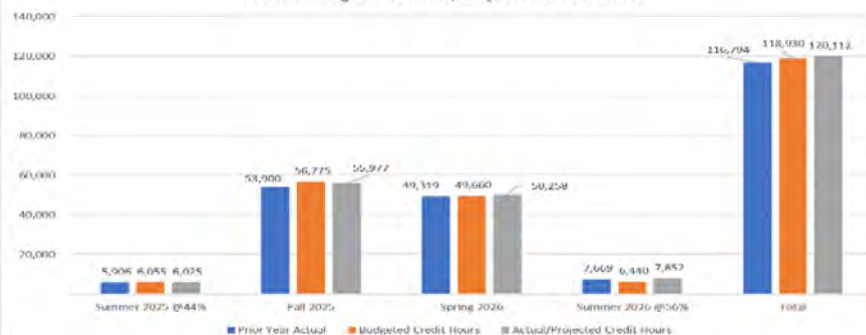


Figure 1

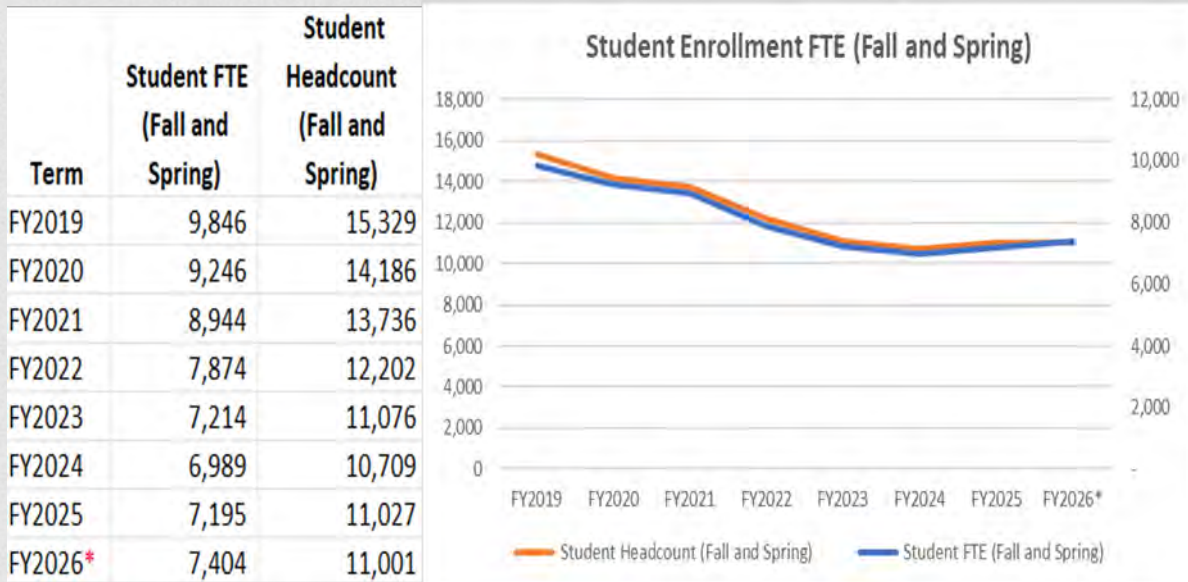
Figure 1
NORTHEASTERN ILLINOIS UNIVERSITY
FY2026 Budget Vs Actual/Projected Credit Hours

	Summer 2025 @44%	Fall 2025	Spring 2026	Summer 2026 @56%	Total
Budgeted Credit Hours	6,055	56,775	49,660	6,440	118,930
Actual/Projected Credit Hours	6,025	55,977	50,258	7,852	120,112
Difference	(30)	(798)	598	1,412	1,182

Figure 1
NORTHEASTERN ILLINOIS UNIVERSITY
FY2026 Budget Vs. Actual/Projected Credit Hours



Student Enrollment FTE vs. Headcount



3



Table 1

	FY2026 Preliminary Budget	Updates	FY2026 Final Budget	FY2025 Final Budget
REVENUES				
State General Funds Appropriations	\$ 41,981,500	\$ (815,200)	\$ 41,166,300	\$ 40,758,700
University Income Fund - Tuition	47,204,000	(202,300)	47,001,700	45,134,178
University Income Fund - Tuition Differential	1,414,500	202,500	1,617,000	820,122
University Income Fund - Investment Income	3,200,000	200,000	3,400,000	3,700,000
University Income Fund - Others	600,000	-	600,000	500,000
Total Revenues	\$ 94,400,000	\$ (615,000)	\$ 93,785,000	\$ 90,913,000
EXPENSES				
Personal Services	\$ 74,225,254	\$ (611,764)	\$ 73,613,490	\$ 70,829,802
Contractual Services	14,996,343	(964,236)	14,032,107	14,821,712
Equipment	379,486	-	379,486	383,986
Commodities	758,917	-	758,917	818,150
Telecommunications	176,700	-	176,700	176,700
Travel	171,800	-	171,800	193,650
Permanent Improvements	25,000	-	25,000	25,000
Operations of Auto	23,500	-	23,500	24,000
Awards and Grants	1,299,000	-	1,299,000	1,299,000
Debt Service	2,344,000	961,000	3,305,000	2,341,000
Total Expenses	\$ 94,400,000	\$ (615,000)	\$ 93,785,000	\$ 90,913,000

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Table 2

Table 2 NORTHEASTERN ILLINOIS UNIVERSITY RESTRICTED OPERATING BUDGET Fiscal Year 2026				
REVENUES	FY2026 Preliminary Budget	Updates	FY2026 Final Budget	FY2025 Final Budget
Student Fee Programs	\$ 12,352,500	\$ -	\$ 12,352,500	\$ 11,438,391
Sales and Auxiliary Services	4,019,700	3,420,000	7,439,700	4,086,274
Indirect Costs Recovery	1,230,500	-	1,230,500	1,167,050
State and Local Grants and Contracts	17,564,200	128,200	17,692,400	20,492,861
Federal Grants and Contracts	22,418,000	3,474,600	25,892,600	25,572,993
Non-governmental Grants and Contracts	1,011,500	3,800	1,015,300	1,301,506
Total Revenues	\$ 58,596,400	\$ 7,026,600	\$ 65,623,000	\$ 64,059,075
EXPENSES				
Personal Services	\$ 10,677,500	\$ 1,095,500	\$ 11,773,000	\$ 12,072,804
Contractual Services	13,450,300	1,802,400	15,252,700	14,882,560
Equipment	860,000	4,900	864,900	1,228,854
Commodities	533,900	33,300	567,200	595,385
Telecommunications	48,400	-	48,400	48,260
Travel	398,200	30,600	428,800	418,294
Permanent Improvements	-	281,000	281,000	-
Operations of Auto	5,700	-	5,700	5,680
Awards and Grants	30,149,500	1,890,400	32,039,900	31,287,548
Debt Service	2,472,900	1,888,500	4,361,400	3,519,690
Total Expenses	\$ 58,596,400	\$ 7,026,600	\$ 65,623,000	\$ 64,059,075

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

Overview of Operating and Capital Budget Requests

Annually, public universities are required to submit operations and capital requests budgets to the Illinois Board of Higher Education (IBHE) in October. IBHE then prepares a budget that they present to their board for approval in December/January, this is then submitted by IBHE to the Governor's Office of Management and Budget. The Governor introduces a state budget in February and the General Assembly begins the appropriations process which determines the operations and capital budgets the University receives for the fiscal year.

The budget requests brought before the Northeastern Illinois University (University or NEIU) Board of Trustees and summarized in this report are FY2027 requests, for the year beginning July 1, 2026 and ending June 30, 2027.

The FY2027 Unrestricted Operating Budget request is based upon the FY2026 Unrestricted Operating Budget for the University and the University's budget requests for new funding for FY2027. 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 FY2026 budget, the State appropriation comprises 43.9 percent of projected revenues, while tuition and other revenues comprised 56.1 percent. For the FY2025 budget, State appropriation comprised 44.8 percent of projected revenues and 55.2 percent of the FY2024 budget. This highlights the State's crucial role in funding higher education institutions as ongoing challenges to student enrollment continue to persist.

This budget request includes moderate funding requests for salary and cost increases, as well as University's strategic program initiatives. 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.

FY2027 Budget Development Schedule. Table 1 provides a schedule of the budget development process. The Board of Trustees receives the initial FY2027 budget request in September, 2025, and the Board is scheduled to take action on the University's FY2027 preliminary Operating Budget in June, 2026 and on the FY2026 final Operating Budget in September, 2026.

Operations. The University's Unrestricted Operating Budget request for FY2027 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 strategic program initiatives for FY2027.

Capital Improvements. Table 5 summarizes the FY2027 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.

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

The capital requests were developed using the FY2026 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: FY2027 BUDGET DEVELOPMENT SCHEDULE

FY2027 begins on July 1, 2026 and ends on June 30, 2027 (Development schedule is subject to change)

September 2025 FBG Committee recommendation and full board approval of the FY2027 operating and capital budget requests.

October 15, 2025 FBG Committee recommendation on FY2027 tuition and fee rates

October 23, 2025 NEIU Board action on FY2026 tuition and fee rates

January 2026 Illinois Board of Higher Education action on FY2027 higher education operations, grants, and capital improvements recommendations

February 2026 Governor's FY2027 Budget Address

May 2026 General Assembly's action on FY2027 appropriations

June 2026 Governor's action on FY2027 appropriations & NEIU Board action on preliminary FY2027 University Operating Budget

September 2026 NEIU Board action on final detailed FY2027 University Operating Budget

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

FY2027 OPERATING REQUEST

Developing the FY2027 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 program initiatives.

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 to support faculty and staff salaries and unavoidable cost increases.

The University’s Unrestricted Operating Budget request for FY2027 totals \$101,073,700 an increase of \$7,288,700, or 7.8 percent, above the FY2026 Unrestricted Operating Budget. The FY2027 Unrestricted Operating Budget request includes salary and cost increases totaling \$4,398,200, and requests of \$2,890,500 for strategic program initiatives. Table 2 summarizes the Unrestricted Operating Budget request.

Table 2
FY2027 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

Base (FY2026 Budget)	\$	93,785.0
Projected Salary and Cost Increases (see Table 3)		4,398.2
President's Strategic Program Initiatives (see Table 4)		2,890.5
FY2027 Operating Budget Request	\$	101,073.7
Dollar Change From Previous Year	\$	7,288.7
Percent Change From Previous Year		7.8%

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

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 \$2,925,800 or 4.0 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.

Non-salary cost increases include a 3.4 percent increase based on the 2024 Higher Education Price Index (HEPI). This is the most recent data available.

The projected increase in other operating costs includes contract escalations for subscriptions and additional funding required to support instructional expenses.

Table 3
FY2027 OPERATING BUDGET REQUEST
SALARY AND COST INCREASES

(in thousands of dollars)		FY2027 Increase	
	FY2026 Base	Amount	Percent
Salary Adjustment	\$ 72,537.4	\$ 2,925.8	4.0%
Utilities	2,688.0	91.4	3.4%
Library Materials	351.1	11.9	3.4%
Operations and Maintenance of Buildings	740.6	25.2	3.4%
All Other Operating Costs	17,468.0	1,343.9	7.7%
Total	\$ 93,785.0	\$ 4,398.2	4.7%

Notes:

- 1. Increased amount does *not* include the President's strategic priorities in Table 4.
- 2. Other operating costs include such items as service/subscription contracts, equipment for instructional and support programs, and general supplies.

**Action Item: Recommendation Regarding the FY2027 Preliminary Operating and
Capital Budgets Request**

President's Strategic Program Initiatives

FY2027 Strategic Planning Initiatives/Priorities as outlined in Table 4 below, are driven by the five (5) key goals outlined in Northeastern Illinois University's Strategic Planning process, and are intended to align with the financial resources needed to advance these goals.

Table 4: FISCAL YEAR 2027

PRESIDENT'S STRATEGIC PROGRAM INITIATIVES

1. Student Success and Retention

Continued strategic development of NEIU's One Stop Shop, which will serve all NEIU students and provide particular support for new students, first generation, new transfer and returning adult students via a seamless, accessible, and multi-modal student support service. The goal is to ensure that every student has advising, enrollment, financial aid and other key services available to them at our 3 campus locations, as well as to enhance the student and campus life experience. \$930,000

2. Enrollment Growth and Institutional Innovation

Continued support for NEIU's new academic programs such as the Master of Science in Nursing, Entry into Practice (MSNEP) program and our first Doctorate in Education (Ed.D.) in Leadership, Equity and Inquiry, which will address key workforce development needs in our city, state and region, and which require staffing, materials and supplies, scholarships and other student support to grow, develop and be maintained. \$1,250,000

Development of new/re-designed competitive academic programs to grow graduate enrollment; to offer a range of graduate program offerings that meet the workforce development needs of our city, state and region; and to diversify graduate program delivery options and modalities to attract student interest and offer accessibility that increases graduate student enrollment (e.g., micro credentials, certificate programs, high- flex and cohort program models). \$30,000

3. Technological Infrastructure

Support for the technological infrastructure, resources and supplies needed to grow enrollment; to support teaching and learning; improve retention, improve student success and graduation; and improve NEIU systems and operations. For example, the technology needed to provide the virtual features and tools to support NEIU's new One Stop Shop; the technological needed to streamline degree completion and workforce preparation; and the technology systems to support and advance NEIU's business operations. \$680,500

TOTAL **\$2,890,500**

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

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 February 2025, the NEIU Board of Trustees approved tuition and fee rates for FY2026, which begins with the Fall 2025 semester. The adopted rates include no tuition increase for new undergraduate students, a modest 3% increase for graduate students, and a \$15 per-credit-hour increase in mandatory fees. Looking ahead, recommendations for FY2027 tuition and fees will be presented to the Board Finance Committee in October 2025 for discussion and subsequently to the full Board for action at its November 2025 meeting.

CAPITAL IMPROVEMENTS

Table 5 summarizes capital improvement requests for FY2027. Requested capital projects total \$380,726,180 with \$333,577,360 in Regular Capital projects and \$47,148,820 in Capital Renewal projects. The requests also include a priority number for each project, as requested by the Illinois Board of Higher Education. While these requests reflect the University's broader capital needs, it is important to note that several critical renewal projects are being addressed directly by the University due to their urgency. Critical infrastructure items—including roof replacements, elevator upgrades, and pool repairs—can no longer be deferred without significant risk to operations and safety. Accordingly, portions of the campus roof replacement (\$7.7 million) and the pool project (\$9.0 million), which had previously been included, have been removed from the capital request list below as the University moves forward with these projects independently.

Table 5
FISCAL YEAR 2027 REQUEST
CAPITAL APPROPRIATIONS

(in thousands of dollars)	Priority	Estimated Project Cost
<u>REGULAR CAPITAL PROJECTS</u>		333,577
Education Building, Furniture, Fixtures and Equipment	1	14,298
Mixed Use Facility	2	58,537
Science Building, Planning	3	12,423
Science Building, Construction	4	147,154
Science Building, Furniture, Fixtures and Equipment	5	27,671
Lech Walesa Hall, Remodeling	6	20,189
Ronald Williams Library Renovation	7	53,305
<u>CAPITAL RENEWAL PROJECTS</u>		47,149
Cogeneration and Efficiency	1	3,190
Campus Roof Replacement*	2	4,819
ADA Restrooms	3	3,942
Parking lot D Replacement	4	1,971
Masonry and Building Envelope, Replacements	5	11,826
Building D and E Exterior Window Wall, Replacement	6	3,984
Five Science Lab Renovations	7	6,179
Fume Hoods	8	1,383
Lower Level Egress and Fire Separation	9	9,855
<u>TOTAL CAPITAL REQUESTS</u>		380,726

Note: All projects reflect FY2026 IBHE cost guidelines.

*Net of \$7.7 million financed by University debt.

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

A brief description of each project follows. The projected cost of all projects reflects the FY2026 IBHE cost guidelines for FY2027 budget preparation.

A. Regular Capital Projects

2027-1 Education Building, Furniture, Fixtures and Equipment - \$14,298,000

This request is for funds to provide moveable equipment in the new Education Building, which is slated to be completed by Summer 2027. Equipment includes classroom and office furniture, computer laboratory equipment and furniture, and general supportive equipment for the academic departments and support services.

2027-2 Mixed Use Facility - \$58,536,680

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 additional parking.

2027-3 Science Building Planning - \$12,423,440

2027-4 Science Building Construction - \$147,154,370

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.

2027-5 Science Building Modernization, Furniture, Fixtures and Equipment - \$27,671,000

This request is for funds to provide moveable equipment in the new Science Building, which are Capital Project requests 2026-3 and 2026-4. Equipment includes classroom and office furniture, wet and dry laboratory equipment and furniture, and general supportive equipment for the academic departments and support services.

2027-6 Lech Walesa Hall Remodeling - \$20,189,360

This project is closely linked with the construction of the Education Building and will renew existing finishes, modernize remaining outdated 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 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.

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

With the completion of the Building B Remodeling in September 2002 and CBT 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 the Lech Walesa Hall. This will be an opportune time to review space assignments and adjust partition layouts to better support the building functions.

The 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 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 washrooms along with new toilet fixtures and partitions. Lighting will be upgraded along with power and network distribution throughout the building.

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.

2027-7 Ronald Williams Library Renovation - \$53,304,510

The role of the academic library has dramatically evolved since the opening of the Ronald Williams Library in 1977. In 2014, the Library completed a master space plan to define its future trajectory.

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

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 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 wayfinding.

B. Capital Renewal Projects

2027-1 Cogeneration and Efficiency - \$3,190,300

Northeastern seeks to further its electrical upgrade, allowing for all campus spaces to continue modernization, security, and efficiency. This project would provide funds to rebuild the infrastructure needed to preserve our Cogeneration apparatus on campus, extending its life and improving its overall efficiency.

Additionally, this project would include efficiency upgrades campus wide to equipment from lighting to HVAC to lower our overall energy needs making our cogeneration more feasible on the days when we experience the highest need while also saving the university money annually in utility costs.

2027-2 Campus Roof Replacement - \$4,818,700

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 existing roof):

Building B (1989):	Roof replacement and all associated work (including flashing, coping, etc. as required). (i) Roof replacement and all associated work (including flashing, coping, etc. as required).
Building C (1989):	(ii) Repairs to deteriorated exterior concrete overhang slabs and posts, which act as sunscreen.
Building D (1987):	Roof replacement and all associated work (including flashing, coping, etc. as required).
Building E (1987):	Roof replacement and all associated work (including flashing, coping, etc. as required).
Building F (1987):	Roof replacement and all associated work (including flashing, coping, etc. as required).
Building J (1992):	Roof replacement and all associated work (including flashing, coping, etc. as required).

Action Item: Recommendation Regarding the FY2027 Preliminary Operating and Capital Budgets Request

- Library (1977): Penthouse roof replacement and all associated work (including flashing, coping, etc. as required).
(i) Partial roof replacement and all associated work (including flashing, coping, etc. as required).
- PE Complex (1988): (ii) Replacement of deteriorated roof deck and insulation as required.
(iii) Repairs to exterior masonry walls repairs as required to prevent moisture penetration.

2027-3 ADA Restrooms - \$3,941,870

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.

2027-4 Parking Lot D Replacement - \$1,971,430

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 lot was slated to be rebuilt in 2015.

2027-5 Masonry and Building Envelope, Replacements - \$11,825,580

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 curtain walls repairs and/or replacements to address these concerns.

2027-6 Buildings D and E Exterior Window Wall, Replacement - \$3,984,020

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.

2027-7 Five Science Lab Renovations - \$6,178,550

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.

**Action Item: Recommendation Regarding the FY2027 Preliminary Operating and
Capital Budgets Request**

2027-8 Fume Hoods - \$1,383,220

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.

2027-9 Lower-Level Egress and Fire Separation - \$9,855,150

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.

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend approval of the FY2027 Operating and Capital Budgets Request as presented.

FY2027 Operating & Capital Request Budget



09/18/2025



Table 1

Table 1

FY2027 BUDGET DEVELOPMENT SCHEDULE
FY2027 begins on July 1, 2026 and ends on June 30, 2027
(Development schedule is subject to change)

September 2025 requests	FBG recommendation and full board approval of the FY2027 operating and capital budget
October 15, 2025	NEIU operating and capital budget due to IBHE
October 23, 2025	FBG Committee recommendation on FY2027 tuition and fee rates
November 2025	NEIU Board action on FY2026 tuition and fee rates
January 2026	IBHE submits Illinois public higher proposal to GOMB
February 2026	Governor's FY2027 Budget Address
May 2026	General Assembly's action on FY2027 appropriations
June 2026	Governor's action on FY2027 appropriations & NEIU Board action on <u>preliminary</u> FY2027 University Operating Budget
September 2026	NEIU Board action on <u>final</u> detailed FY2027 University Operating Budget



Table 2

Table 2
FY2027 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

Base (FY2026 Budget)	\$	93,785.0
Projected Salary and Cost Increases (see Table 3)		4,398.2
President's Strategic Program Initiatives (see Table 4)		2,890.5
FY2027 Operating Budget Request	\$	101,073.7
Dollar Change From Previous Year	\$	7,288.7
Percent Change From Previous Year		7.8%

Table 3

Table 3
FY2027 OPERATING BUDGET REQUEST
SALARY AND COST INCREASES

(in thousands of dollars)

	FY2026 Base	FY2027 Increase	
		Amount	Percent
Salary Adjustment	\$ 72,537.4	\$ 2,925.8	4.0%
Utilities	2,688.0	91.4	3.4%
Library Materials	351.1	11.9	3.4%
Operations and Maintenance of Buildings	740.6	25.2	3.4%
All Other Operating Costs	17,468.0	1,343.9	7.7%
Total	\$ 93,785.0	\$ 4,398.2	4.7%

Notes:

1. Increased amount does *not* include the President's strategic priorities in Table 4.
2. Other operating costs include such items as service/subscription contracts, equipment for instructional and support programs, and general supplies.

Table 4

Table 4
FISCAL YEAR 2027
PRESIDENT'S STRATEGIC PROGRAM INITIATIVES

STUDENT SUCCESS & RETENTION

NEIU's One Stop Shop and Student Support Services	\$930,000
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ENROLLMENT GROWTH & INSTITUTIONAL INNOVATION

New Academic Programs (MSNEP and Ed.D)	\$1,250,000
Development of New/Re-designed Competitive Academic Programs	30,000

TECHNOLOGICAL INFRASTRUCTURE

Improve NEIU Systems and Operations	\$680,500
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TOTAL	\$2,890,500
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Table 5

Table 5
FISCAL YEAR 2027 REQUEST
CAPITAL APPROPRIATIONS

(in thousands of dollars)		Priority	Estimated Project Cost
<u>REGULAR CAPITAL PROJECTS</u>			333,577
Education Building, Furniture, Fixtures and Equipment	1		14,298
Mixed Use Facility	2		58,537
Science Building, Planning	3		12,423
Science Building, Construction	4		147,154
Science Building, Furniture, Fixtures and Equipment	5		27,671
Lech Walesa Hall, Remodeling	6		20,189
Ronald Williams Library Renovation	7		53,305
<u>CAPITAL RENEWAL PROJECTS</u>			47,149
Cogeneration and Efficiency	1		3,190
Campus Roof Replacement	2		4,819
ADA Restrooms	3		3,942
Parking lot D Replacement	4		1,971
Masonry and Building Envelope, Replacements	5		11,826
Building D and E Exterior Window Wall, Replacement	6		3,984
Five Science Lab Renovations	7		6,179
Fume Hoods	8		1,383
Lower Level Egress and Fire Separation	9		9,855
<u>TOTAL CAPITAL REQUESTS</u>			380,726

Note: All projects reflect FY2026 IBHE cost guidelines.



**Action Item: Recommendation Regarding Expenditures of \$250,000 or More:
Approval of Contract Renewal with Carnegie Dartlet, LLC for Strategic Marketing
and Digital Services**

Project Background

In 2019, Northeastern Illinois University (NEIU) awarded a competitive bid contract to Carnegie Dartlet, LLC, a nationally recognized firm that partners exclusively with colleges and universities, to deliver data-driven branding and digital marketing. Carnegie was selected because of its ability to support NEIU's marketing communication objectives by developing data-informed stakeholder personas (DARTS) and delivering multi-channel campaigns tailored specifically to NEIU's diverse audiences.

Renewal Justification

NEIU recommends continuing its partnership with Carnegie Dartlet, LLC, which has been approved under the State of Illinois procurement process. Carnegie's services are rooted in their proprietary psychographic model which applies its custom data tagging that is leveraged uniquely for NEIU. Carnegie provides NEIU with an integrated suite of services that includes search engine marketing (SEM), social media advertising, display advertising, analytics and reporting, website integration, search engine optimization (SEO), and campaign performance optimization.

Carnegie's work has resulted in measurable improvements in NEIU's visibility and student engagement across key market segments. The renewal allows NEIU to continue to deliver best practice marketing campaigns to raise the visibility of the University, and capitalize on momentum from current research while ensuring cost-effective operations.

Current Vendor

Carnegie Dartlet, LLC
210 Littleton Road, Ste. 100
Westford, MA 01886-3513

Source of Funds

NEIU For You 3.0 – Year 2, marketing allotment

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend approval of the contract renewal with Carnegie Dartlet, LLC at an annual cost of \$350,000. The agreement will be executed in alignment with state of Illinois procurement processes.

**Action Item: Recommendation Regarding Expenditures of \$250,000 or More:
Contract Approval for Apache Service and Supply Company – Cleaning services
for the El Centro location**

Project Background

The existing cleaning contract at the El Centro location of Northeastern Illinois University expired on July 1, 2025. This contract provided cleaning services and all needed janitorial supplies for the building. The University engaged in a competitive bid solicitation as defined by the state of Illinois and received bids for a new term of services to be rendered.

Approval Justification

Following the outcome of the competitive bid process, NEIU recommends awarding the contract to Apache Service and Supply Company. Apache is a certified small business located in Chicago. Apache is also a minority owned business and in addition is using a subcontractor, Diamond 7 Enterprises, which is a registered BEP vendor, ensuring they meet the 30% participation requirement. Apache brings with it a number of references that vouched for their effectiveness including Chicago Public Libraries, Chicago Public Schools, Chicago Park Districts, Pace Bus, and UIC.

The contract is for a five-year term at an annual cost of \$167,200.00. This includes coverage for the building from 8:00 a.m. to 10:00 p.m. Monday through Friday, all janitorial materials necessary to operate the building (paper products, cleaning products, machinery, dry erase markers and erasers, etc.), management of Apache’s staff through their ownership, and coverage for any absent workers.

Breakdown of costs are as follows:

Year 1 10/1/2025 to 9/30/2026	\$167,200.00
Year 2 10/1/2026 to 9/30/2027	\$167,200.00
Year 3 10/1/2027 to 9/30/2028	\$167,200.00
Year 4 10/1/2028 to 9/30/2029	\$167,200.00
Year 5 10/1/2029 to 9/30/2030	\$167,200.00
Overall Contract Cost	\$836,000.00

Current Vendor

GDI Integrated Cleaning Services
4952 W 128th Place
Alsip, IL 60803

Source of Funds

Facilities Management Funds

Recommended Action

I request that the Finance, Buildings and Grounds Committee recommend approval of the contract with Apache Service and Supply Company at an annual cost of \$167,200, and with a total cost of \$836,000 for the period of October 1, 2025 through September 30, 2030. The agreement will be executed in alignment with state of Illinois procurement procedures.

ACTION ITEM: Recommendation Regarding Approval of 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 recommendations to the Board of Trustees.

This proposal is for a four-year contract, beginning July 1, 2024 and with an expiration date of June 30, 2028. The proposal includes the following recommendations:

1. Wages

- 7/1/24 – 7/1/27 with a 3.0% across the board increase each July 1. This increase is retroactive to July 1, 2024 to any AFSCME represented employee who is eligible to vote to ratify the agreement and an active employee.
- New proposed grades of existing titles in AFSCME unit. If the grade change exceeds 3.0% for 7/1/24 calculation, employee does not receive the ATB increase of 3%. Employees do not get both increases but will get a minimum of 3% increase.
- For equity pool adjustments, NEIU will set aside the following:
7/1/25 - \$100,000
7/1/26 - \$145,000
7/1/27 - \$170,000
NEIU administration will meet with AFSCME for discussion on equity distribution. The process shall be completed by September 1 and implemented by NEIU on November 1.
- Equity adjustments sunset upon contract expiration.
- A Night Shift differential of \$1.00/hour shall be paid to telecommunicators.

2. Professional Development

Employees may attend professional development opportunities without loss of pay and with supervisor approval. NEIU may pay for professional development outside of NEIU and will pay for fees, travel, etc. with prior approval of NEIU.

3. Maternity/Paternity Leave

Employees increased from 10 paid days of maternity leave to 6 weeks. Must be consecutive days off.

4. Emergency Closure

If NEIU expects to use remote operations and NEIU notifies employees by 4 pm the day prior to going to remote operations, employees are expected to take necessary equipment and material home to work remotely, if applicable (e.g. cashiers may not work from home).

5. Paid Leave

- Personal Business Day: Hourly, non-exempt employees granted one additional personal business day for calendar years 26 and 27. Additional day is not paid out at end of calendar year if not used.
- Holidays: Added Juneteenth and Election Day (as provided under IL law).
- Bereavement Leave: Employees can wait to use bereavement leave 20 days after the date of the occurrence (it is now 10 days).

ACTION ITEM: Recommendation Regarding Approval of the Contract Between the University and the American Federation of State, County and Municipal Employees (AFSCME) Local 1989

6. Paid Leave Ordinance Waiver

AFSCME expressly agrees to waive the State and local paid leave ordinances, as allowed under law. However, parties agreed to provision that employees do not need to provide a reason for use of paid leave, but must provide reasonable notice.

7. Uniform Allowance

Grounds employees receive a one-time stipend of \$175, to be used by 10/1/26 for purchasing winter gear used for work at NEIU.

8. Educational Benefits

If an employee is laid off, and in a NEIU course at the time, the employee is allowed a one-year tuition waiver to complete the degree program.

9. Search Committees

If the University has a search committee and the President or the Board determines an AFSCME employee should be on a search committee, the employee may be granted flexibility in their work schedule to attend search committee meetings.

10. Meeting with the President

Meet with President once a quarter, for one hour. Must have agenda and limit to two attendees for each party.

11. Printing of Agreement

There will no longer be printed copies. NEIU will post copies on-line.

12. Civil Service Exam results

NEIU shall provide the employee with the result of her/his civil service exam within a week of taking the exam.

13. Dues Deduction

Removed reference to fair share payments.

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.