



President's Report

to the
Board of Trustees

September 18, 2025

 **Northeastern**
ILLINOIS UNIVERSITY



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ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION



www.neiu.edu

Office of Internal Audit
5500 North St. Louis Avenue
Chicago, IL 60625-4699
c-temple@NEIU.edu

Internal Auditing Charter

Purpose and Mission

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

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

The NEIU Internal Audit Department is most effective when:

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

Mandate

The Fiscal Control and Internal Auditing Act (30 ILCS 10/Articles 1, 2, and 3) (FCIAA) is the state legislation which provides mandates for internal audit activities of state agencies. It is the policy of the State of Illinois that the chief executive officer of every State agency is responsible for effectively and efficiently managing the agency and establishing and maintaining an effective system of internal control. NEIU, defined as a designated agency within and for the purposes of this Act, is required to maintain a full-time program of internal auditing. The President, as the chief executive officer of NEIU, is responsible for the development and implementation of the program of internal auditing. The President has delegated the chief audit executive (positioned within the Internal Audit Department), jointly with the Board of Trustees through its Audit Committee, to establish guidelines which give direction to the overall internal audit function of NEIU. This Charter constitutes these guidelines, and as developed and amended, will be transmitted to the President for concurrence and to the Audit Committee for approval.

In accordance with FCIAA Article 2, the State of Illinois Internal Audit Advisory Board has adopted the mandatory elements of The Institute of Internal Auditors' International Professional Practices

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

Framework, which are the Global Internal Audit Standards and Topical Requirements, as the standard of performance to which all State internal auditors must adhere. The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Independence, Organizational Position and Reporting Relationships

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

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

Authority

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

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

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

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

Changes to Mandate and Charter

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

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

Audit Committee Oversight

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

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

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

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

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

Objectivity

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

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

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

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

Internal auditors will:

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

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

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

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

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

Communicating with the Audit Committee and Senior Management

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

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

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

Quality Assurance and Improvement Program

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

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

Scope of Internal Audit Activities

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

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

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of NEIU's strategic objectives are appropriately identified and managed.
- The actions of NEIU's officers, directors, employees, and contractors are in compliance with NEIU's policies, procedures, and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations of programs are being carried out effectively, efficiently, ethically and equitably.

ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER: ANNUAL PRESENTATION

Internal Auditing Charter

- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact NEIU or its affiliates.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently and protected adequately.

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

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

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

Approval of NEIU Audit Charter

By typing your name, title and date in the space below, you are acknowledging that you have read and approve the NEIU Internal Audit Charter for Fiscal Year 2026.

3 responses

Anna Meresidis, Trustee 6/11/25

Katrina E. Bell-Jordan, NEIU President, June 9, 2025

Chrystal Temples, Director of Internal Audit June 5, 2025

**ACTION ITEM I. A. RECOMMENDATION REGARDING THE INTERNAL AUDIT CHARTER:
ANNUAL PRESENTATION**

Recommended Action

I request that the Board adopt the Audit Committee's recommendation to Accept and File the Internal Audit Charter, as presented.

**ACTION ITEM I. B. COMMITTEE RECOMMENDATION REGARDING THE FY2026-27 INTERNAL
 AUDIT PLAN**

**Northeastern Illinois University
 Internal Audit Department
 FY 2026-2027
 Detailed Audit Plan**

2026 (July 1, 2025 – June 30, 2026)		2027 (July 1, 2026 – June 30, 2027)	
Audit Projects	Hours	Audit Projects	Hours
Tuition Waivers ⁽²⁾	340	Ethical Culture	400
Grants – CCAS ⁽¹⁾	40	Revenue/Receivables ⁽¹⁾	300
Implementation – Workday Finance ⁽¹⁾	250	CCIS & El Centro – Internal Controls Review	330
Record Retention	400		
Administrative & Compliance Activities and Reporting		Administrative & Compliance Activities and Reporting	
FCIAA Certification Coordination	40	FCIAA Certification Coordination	40
Annual Planning/Risk Assessment	30	Annual Planning/Risk Assessment	30
Annual Report	30	Annual Report	30
Follow-up	40	Follow-up	40
Unplanned Activities	100	Unplanned Activities	100
Quality Assessment Review	80	Quality Assessment Review	80
External Audit Coordination	250	External Audit Coordination	250
Total Hours for 2026	1,600	Total Hours for 2027	1,600

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

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

Other Items for Audit Consideration:

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

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

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

Approval by the NEIU President and the Audit Committee Chair is on page 2.

**ACTION ITEM I. B. COMMITTEE RECOMMENDATION REGARDING THE FY2026-27 INTERNAL
AUDIT PLAN**

By typing your name, title and date in the space below, you are acknowledging that you approve the
NEIU Internal Audit Charter for Fiscal Years 2026 and 2027.

2 responses

Katrina E. Bell-Jordan, NEIU President, June 18, 2025

Anna Meresidis, Trustee 6/25/25

**ACTION ITEM I. B. COMMITTEE RECOMMENDATION REGARDING THE FY2026-27 INTERNAL
AUDIT PLAN**

Recommended Action

I request that the Board adopt the Audit Committee's recommendation to Accept and File the FY2026-27 Internal Audit Plan as presented.

**ACTION ITEM I. C. COMMITTEE RECOMMENDATION REGARDING THE STATEMENT OF
AUDITOR INDEPENDENCE: ANNUAL PRESENTATION**



www.neiu.edu

Internal Audit Department
Voice: (773) 442-5210
C-temple@NEIU.edu

MEMORANDUM

DATE: June 19, 2025
TO: Dr. Katrina Bell-Jordan, President
FROM: Christy Temples, Director of Internal Auditing
CC: Anna Meresidis, Board of Trustees, Audit Committee Chair
Beni Ortiz, Interim 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 Audit Department personnel of Northeastern Illinois University (NEIU). This information is necessary to:

- Provide documentary evidence that the Internal Audit Department 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 financial interest in any organization, activity or affiliate of NEIU.

I have not accepted personal benefits from any University personnel, organization or affiliates which would impair my credibility or my independence in the minds of a reasonable person familiar with the facts.

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

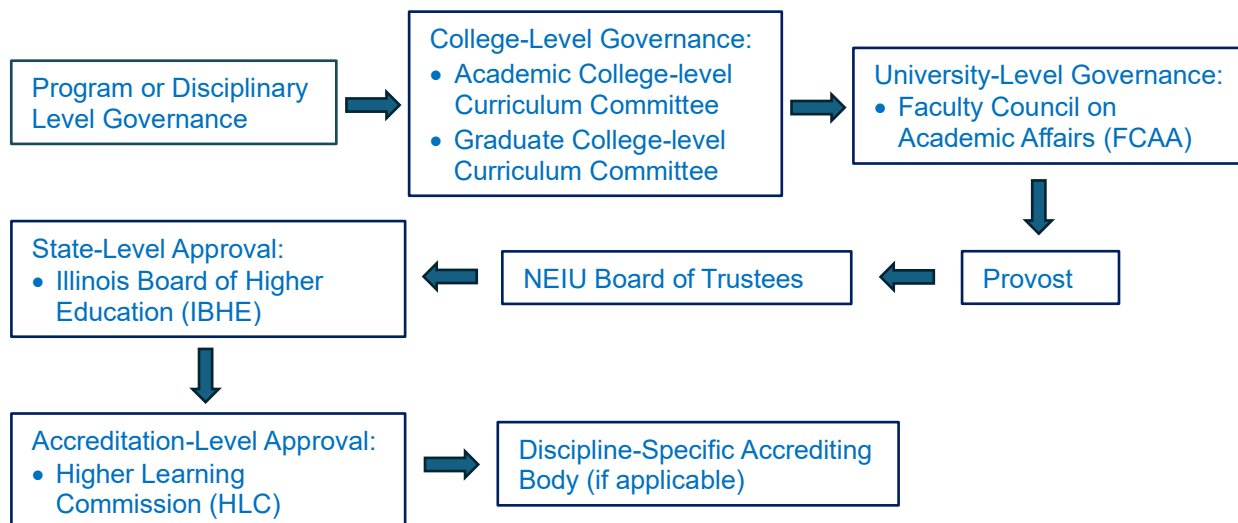
**ACTION ITEM I. C. COMMITTEE RECOMMENDATION REGARDING THE STATEMENT OF
AUDITOR INDEPENDENCE: ANNUAL PRESENTATION**

Recommended Action

I request that the Board adopt the Audit Committee's recommendation to Accept and File the Statement of Auditor Independence as presented.

ACTION ITEM I. D. COMMITTEE RECOMMENDATION REGARDING APPROVAL OF THE BACHELOR OF SCIENCE IN ARTIFICIAL INTELLIGENCE

Approval pathway for new academic programs:



Catalog Description: The undergraduate artificial intelligence program develops essential programming skills, rigorous algorithm analysis, and a strong foundation in artificial intelligence. Students learn to design, document, and optimize algorithms that solve complex problems efficiently and scalably. They analyze algorithm performance using combinatorial reasoning, asymptotic analysis, and execution tracing. Core AI paradigms—including symbolic reasoning, machine learning, and probabilistic inference—are examined through hands-on projects that implement and evaluate basic models while addressing ethical concerns and limitations.

The curriculum also emphasizes effective handling of large data sets and information processing for decision making. Advanced modules introduce natural language processing, generative AI, and computer vision, preparing students to develop and optimize sophisticated AI applications. Integral software engineering practices are reinforced as students write modular, maintainable code, use version control, and apply debugging techniques in collaborative projects.

Strong communication skills are cultivated through oral and written presentations and teamwork. Graduates emerge ready to tackle complex AI challenges, contribute innovative solutions, and pursue careers in AI development, information management, and research. This program fosters critical thinking, creativity, and ethical awareness, ensuring that students are well-prepared to lead in the evolving landscape of artificial intelligence.

Recommended Action

I request that the Board adopt the Academic/Student Affairs, Enrollment, and Technology Committee's recommendation to approve the Bachelor of Science in Artificial Intelligence with an expected program launch date of Fall 2026.

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL OPERATING BUDGET

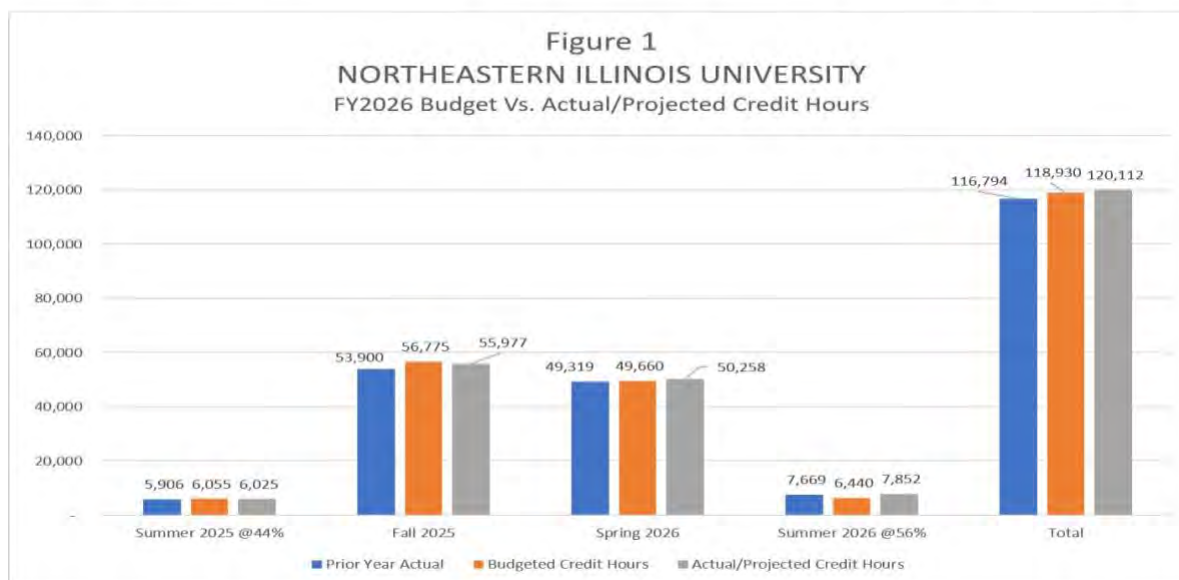
Summary

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.

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL OPERATING BUDGET

2. 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

3. 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.

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL OPERATING BUDGET

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/SAMSMannualMaster.pdf>

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL 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.

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL 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.

ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL 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

**ACTION ITEM I. E. COMMITTEE RECOMMENDATION TO APPROVE THE FY2026 FINAL
OPERATING BUDGET**

Recommended Action

I request that the Board adopt the Finance, Buildings and Grounds Committee's recommendation to approve the FY2026 Final Operating Budget of \$93,785,000 as presented in the preceding narrative and tables.

ACTION ITEM I. F. COMMITTEE RECOMMENDATION TO APPROVE 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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)	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.

**ACTION ITEM I. F. COMMITTEE RECOMMENDATION TO APPROVE 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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
 FISCALYEAR 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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 I. F. COMMITTEE RECOMMENDATION TO APPROVE 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.

ACTION ITEM I. F. COMMITTEE RECOMMENDATION TO APPROVE THE FY2027 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

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.

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 date of existing roof):

**ACTION ITEM I. F. COMMITTEE RECOMMENDATION TO APPROVE THE FY2027
PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST**

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

**ACTION ITEM I. F. COMMITTEE RECOMMENDATION TO APPROVE THE FY2027
PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST**

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.

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 Board adopt the Finance, Buildings and Grounds Committee recommendation to approve the FY2027 Preliminary Operating and Capital Budgets Request as presented.

**ACTION ITEM I. G. COMMITTEE 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 Board adopt the Finance, Buildings and Grounds Committee's recommendation to approve 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 I. H. COMMITTEE RECOMMENDATION REGARDING EXPENDITURES OF \$250,000 OR MORE: APPROVAL OF CONTRACT WITH APACHE SERVICE AND SUPPLY CO. FOR JANITORIAL SERVICES AT 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 I. I. COMMITTEE RECOMMENDATION TO APPROVE THE CONTRACT BETWEEN NEIU 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 I. I. COMMITTEE RECOMMENDATION TO APPROVE THE CONTRACT BETWEEN NEIU 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 Board adopt the Finance, Buildings and Grounds Committee's recommendation to approve 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.

INFORMATION ITEM II. A. FY2026 4TH QUARTER BUDGET TO ACTUALS REPORT

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.

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.)

INFORMATION ITEM II. A. FY2026 4TH QUARTER BUDGET TO ACTUALS REPORT

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	(707)	633	1,324	1,250

\$ 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	(5,106,033)	(4,643,567)	462,466
Net Tuition Revenue (including Tuition Differential)	\$ 45,954,300	\$ 46,818,048	\$ 863,748

{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.

INFORMATION ITEM II. A. FY2026 4TH QUARTER BUDGET TO ACTUALS REPORT

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.

INFORMATION ITEM II. B. 2025 NEW FACULTY BIOGRAPHIES

Dr. Neha Chauhan, Computer Science

Dr. Chauhan earned her Ph.D. in Electrical Engineering and Computer Science from Wichita State University. Her interdisciplinary research explores machine learning, natural language processing, and artificial intelligence with applications in cybersecurity, space situational awareness, and protein modeling. She previously worked in industry as a Software Engineer and has extensive teaching experience in programming, networking, and cybersecurity. At NEIU, Dr. Chauhan looks forward to teaching courses in data science, artificial intelligence, and machine learning.

Dr. Emily Esposito, Psychology

Dr. Esposito earned her PhD in Social Psychology with a sub-specialization in Diversity and Inequality from the University of California, Riverside in 2024. Before joining NEIU, she worked as a postdoctoral fellow at Northwestern University. Her research studies how people's identities interact with the contexts, spaces, and environments that they live in and how these interactions have downstream effects on important outcomes such as well-being and health.

Dr. Ruth Llana Fernandez, World Languages & Cultures

Dr. Llana Fernández earned her Ph.D. in Latin American Literatures and Cultures from the University of Wisconsin–Madison, with a concentration in Visual Cultures. Her work spans scholarship and creative practice: she studies disability, Latin American cultural production, and non-normative approaches to the literary, while also developing her creative practice across poetry, translation, and creative nonfiction. She is the author of four poetry collections that explore migratory identities, queer affect, and radical belonging.

Dr. Amanda Greenbacker-Mitchell, Music

Dr. Greenbacker-Mitchell earned her PhD in Music Education from the University of Missouri and a master's degree in Wind Conducting and a bachelor's degree in Music Education from Syracuse University. Her research interests include historical research in music education, music learning practices within the context of human atrocities, interdisciplinary methodologies in music education, preservice music teacher education, and Holocaust music education. At NEIU, she teaches music education courses, supervises music student teachers, oversees the music Teaching Licensure Program (TLP) and conducts the Wind Ensemble.

Dr. Robert Holmes, Physical Education

Dr. Holmes received his Doctor of Education from National Louis University and his Master of Science and Bachelor of Science degree from Illinois State University. He is responsible for leading efforts in clinical student teaching and is passionate about helping students achieve personal success and teacher readiness through experiential learning. He is a member and chair of the SHAPE PE Council, is a SHAPE Midwest Board Member, and serves as Vice President for Adult Programming (higher education) for Illinois Association for Health Physical Education Recreation and Dance.

Dr. Judith Landeros, Bilingual/Bicultural Education

Dr. Landeros earned her Ph.D. in Curriculum and Instruction from the University of Texas at Austin with a certificate in Native American and Indigenous Studies. She holds a master's degree in early childhood education from Dominican University and a bachelor's degree in Social Policy and Latina/o Studies from Northwestern University. Dr. Landeros is a former bilingual early childhood teacher in Chicago Public Schools and Summit School District 104. Her research interests are at the intersection of multilingual education, traditional healing knowledge, intergenerational learning contexts, and girls' and women's health education.

INFORMATION ITEM II. C. NEWS AND EVENTS (JUNE – SEPTEMBER)

52nd Kane Golf Outing (July 28, 2025) - The Chuck Kane Golf Outing at The Preserves in Oak Meadows was a record-breaking success, selling out with 136 golfers and additional dinner guests. The event featured new participants from Old National Bank and university vendors, grossing \$55,608 through registrations, donations, sponsorships, and silent auctions. Next year's event is scheduled for August 3, 2026 and will again be hosted at The Preserves at Oak Meadows.

NEIU Football Reunion (July 29, 2025) - Approximately 60 alumni of the NEIU football program (that ran from 1974 - 1988) gathered at La Villa Banquets and Restaurants the day after the Chuck Kane Golf Outing to celebrate 50 years since the beginning of football as an organized sport at NEIU. This special reunion brought together former players and supporters to commemorate the university's athletic history and the establishment of its football program.

NEIU Alumni Association Golden Eagle Family Lifetime Appreciation Dinner (July 31, 2025) - This annual stewardship tradition was held at L. Woods Tap & Pine Lodge in Lincolnwood, welcoming 9 Lifetime or Golden Eagle alumni as well as their guests. The evening inducted 2 new Lifetime members and received a generous contribution from a participating alum, with one Golden Eagle member upgrading to Lifetime status.




Education Building Groundbreaking Ceremony (August 18, 2025) - Northeastern Illinois University held a ceremonial groundbreaking for its new Education Building, which will house the Daniel L. Goodwin College of Education. The ceremony was attended by more than 200 guests including elected officials Senator Ram Villivalam, Senator Graciela Guzman, Representative Mike Kelly, and Alderman Samantha Nugent, representatives from the Capital Development Board, including Executive Director TJ Edwards, Presidents Emeritae Salme Harju Steinberg and Sharon Hahs, and members of the Board of Trustees and NEIU Foundation Board.

NEIU Night at Chicago White Sox (August 23, 2025) - The Office of Alumni Relations organized NEIU Night at Guaranteed Rate Field when the Sox took on the Minnesota Twins. The event was preceded by a celebratory pre-game tailgate hosted by the Division of Student Affairs, featuring barbecue and beverages for ticket holders. The combined tailgate and game drew more than 100 NEIU attendees continuing the annual ballpark partnership tradition with strong community participation.


NEIU Homecoming 2025 (September 11-13, 2025) - Formerly NEIU Weekend, this rebranded event used the new tagline "Where it all Began" to bring alumni back to campus. The three-day celebration included events that were free and open to the public, including an NEIU Trivia Night, walking history tour of the Main Campus, fitness fest, alumni art exhibit and Poetry and Pancakes. Alumni-specific events included a Greek Life Alumni Reunion at Cesar's Killer Margaritas and a Wine Down event hosted by Assistant Professor Robert Cook at Cooper's Hawk in Morton Grove.

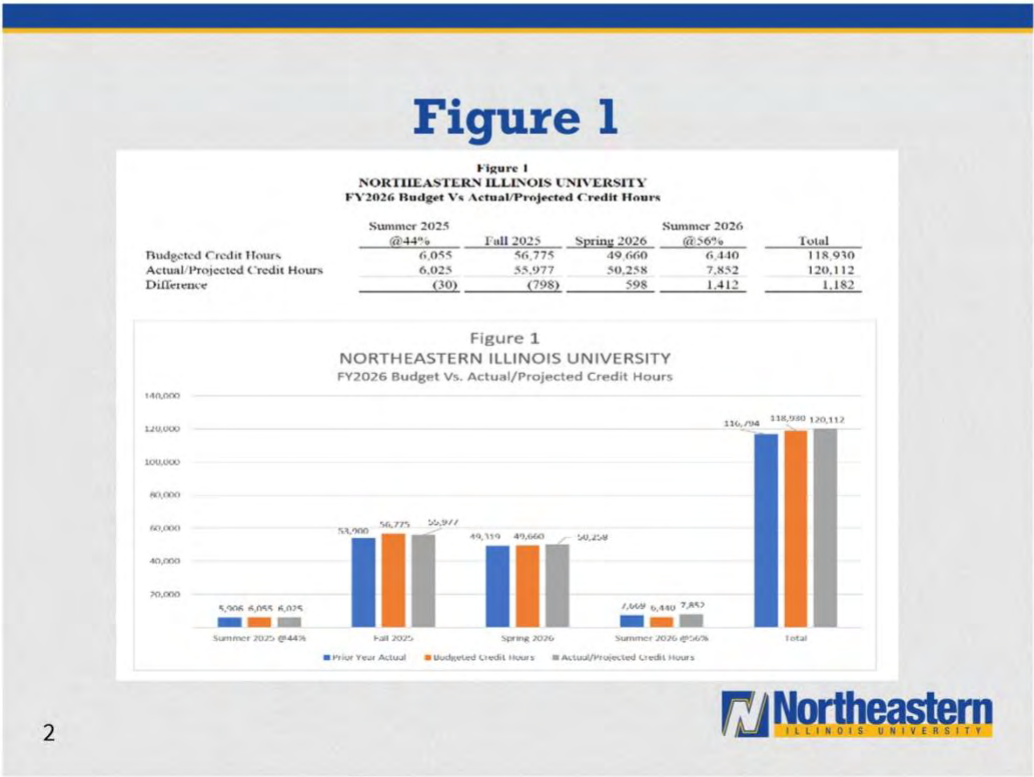
APPENDIX A. FY2026 FINAL OPERATING BUDGET SLIDES

FY26 Final Operating Request Budget



09/18/2025





APPENDIX A. FY2026 FINAL OPERATING BUDGET SLIDES

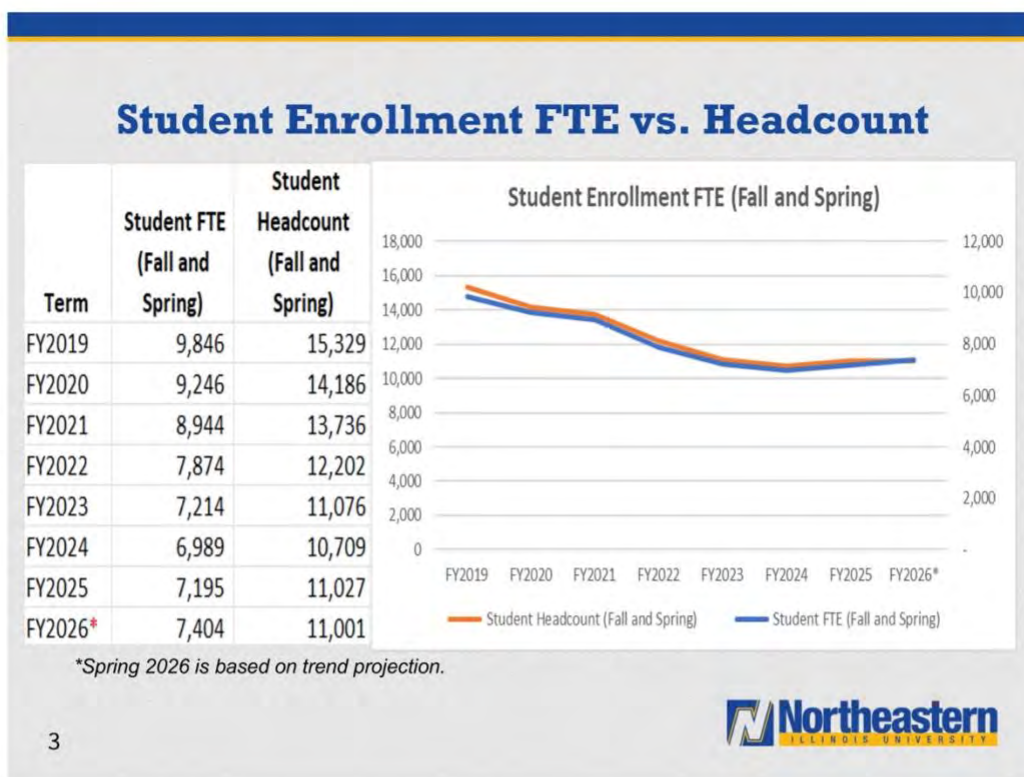


Table 1

	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

4

APPENDIX A. FY2026 FINAL OPERATING BUDGET SLIDES

Table 2

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

APPENDIX B. FY2027 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST SLIDES

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

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APPENDIX B. FY2027 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST SLIDES

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%

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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.

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APPENDIX B. FY2027 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST SLIDES

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
TOTAL CAPITAL REQUESTS		380,726




Note: All projects reflect FY2026 IBHE cost guidelines.

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APPENDIX C. FY2025 4TH QUARTER BUDGET TO ACTUAL SLIDES

4th Quarter Budget to Actuals FY2025

09/18/2025




Table 2

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					FY2025 BUDGET				
Enrollment	Fall	Spring	Summer	FY	Credit Hour Proj.	Fall	Spring	Summer	FY
UG - New	14,692	3,962	1,249	19,903	UG - New	16,434	4,029	1,424	21,887
UG - Continuing	28,014	35,900	7,376	70,690	UG - Continuing	28,473	35,081	6,294	69,848
Grad. - New	3,126	1,584	757	5,467	Grad. - New	3,591	1,656	980	6,227
Grad. Continuing	6,013	7,571	4,198	17,782	Grad. Continuing	6,109	7,920	3,553	17,582
Total	51,845	48,417	13,581	113,843	Total	54,607	48,686	12,251	115,544

FY25 % Diff. from FY24					Actual % Diff. from Proj.				
	Fall	Spring	Summer	FY		Fall	Spring	Summer	FY
UG - New	12%	-3%	-1%	8%	UG - New	0%	-5%	-13%	-2%
UG - Continuing	0%	2%	-3%	1%	UG - Continuing	-1%	3%	14%	2%
Grad. - New	0%	0%	6%	1%	Grad. - New	-13%	-5%	-18%	-12%
Grad. Continuing	5%	2%	4%	4%	Grad. Continuing	3%	-2%	23%	5%
Total	4%	2%	0%	3%	Total	-1%	1%	11%	1%

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

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APPENDIX C. FY2025 4TH QUARTER BUDGET TO ACTUAL SLIDES

Table 1

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	866,734	866,732	100.0%	22
Telecommunications	176,700	122,318	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	2,358,000	2,360,264	102.2%	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
BOT Reserve Allocation	(2,500,000)	-	-	-	-	-	-	-
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, manuscript, NSF, late fees, etc.)

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