Board of Trustees of Northeastern Illinois University
Finance, Buildings and Grounds Committee Meeting Minutes
September 24, 2026

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Thursday, September 24, 2026 in the Student Union – Alumni Hall North located at 5500 N. St. Louis Avenue in Chicago. Trustee J. Todd Phillips, Chair of the committee, called the meeting order at 9:30 a.m.

Roll was called and the following Trustee committee members were present: Anna Meresidis; J. Todd Philllips; and Paula Wolff

Also present: Katrina Bell-Jordan, President; Karl Voigt, Assistant Secretary to the Board; vice presidents, staff, students and University community members attending both in person and viewing online.

Opportunity for Public Comment in Accordance with P. A. 91-0715

Chair Phillips announced the opportunity for public comment. There was one registration placed in advance and one presentation made.

1. **Emily Erblich**, University Employees
   Topic: employee safety while construction is happening on site

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Chair's and President's Remarks

President Bell-Jordan reported that total Fall enrollment stands at 5,674 students. Credit hours are at 98.6% of goal. Student enrollment information this Fall shows increases in African American/Black students, Asian/Asian American students, and White students, with a slight decrease in Latino students. Student retention this year is 65% (trending ahead of the 62% goal) compared to 60% for the same time last year. The Executive Committee of the Board met on August 28 and approved a change in the University's tuition model from in-state/out-of-state and international rates, to domestic and international rates becoming effective with the Fall 2026 semester. This change will support broader student recruitment and affordability. The University is presenting its FY2027 final operating budget today reflective of some changes from the preliminary FY27 budget that was approved at the June meeting. This includes a $42.4 million appropriation for FY27 representing a 3% increase over FY26. The University will also be presenting its preliminary FY2028 operating and capital budgets request for approval. This preliminary budget will be presented by leadership to the IBHE in October. The FY28 preliminary budget accounts for salary increases, inflation, fiscal stability, and student success initiatives outlined within the University's strategic plan. The October 9 meeting with IBHE will be the University's big-picture meeting to advocate for funding by presenting NEIU's alignment with the state equity, sustainability, and growth initiatives.

Trustee Phillips recounted this same meeting last year when the discussion focused on the appropriation change and how the University's budget reflected that change. The state was able to make the University whole near the end of the 2026 fiscal year, which turned out to be unexpected good news. Other recent good news is the University's credit rating upgrade from both Moody's and Standard & Poor's. These upgrades serve as external validation of the good work being done which promotes the University's long term financial stability for students, faculty and staff.

ITEMS FOR INFORMATION

<u>FY26 Final Budget to Actual Report</u>

Vice President for Finance and Administration, Beni Ortiz, reported that the FY26 operating budget was $159,408,000. Of that total, $93,785,000 was the University's unrestricted general operating budget and $65,623,000 was the University's restricted budget, made up of student fee programs, grants and

contracts, and auxiliary operations. An update on fourth quarter spending in the unrestricted budget is summarized in Table 1, which also includes a comparison with year-to-date spending for FY2025.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FISCAL YEAR 2026 BUDGET TO ACTUAL COMPARISONS
FOR THE PERIOD ENDED JUNE 30, 2026
UNAUDITED FIGURES

	FY2025			FY2026					
	Adopted Budget	FY25 Actual YTD	% of Budget	Adopted Budget	Current Budget	FY26 Actual YTD	% of Current Budget	FY26 Actual vs FY26 Budget	
Revenue									
State Appropriations	$ 40,758,700	$ 40,758,700	100.0%	$ 41,166,300	$ 41,166,300	$ 41,981,500	102.0%	$ 815,200	{A}
Net Tuition Revenue	45,134,178	45,868,313	101.6%	47,001,700	47,001,700	47,910,316	101.9%	908,616	{B}
Net Differential Tuition Revenue	820,122	949,735	115.8%	1,617,000	1,617,000	1,746,296	108.0%	129,296	{B}
Investment Income	3,700,000	4,023,483	108.7%	3,400,000	3,400,000	3,320,097	97.6%	(79,903)	
All Other Sources	500,000	659,606	131.9%	600,000	600,000	606,997	101.2%	6,997	
Total Revenue	$ 90,913,000	$ 92,259,837	101.5%	$ 93,785,000	$ 93,785,000	$ 95,565,206	101.9%	$ 1,780,206	
Expenditures									
Personnel Services	$ 70,829,802	$ 72,749,541	102.7%	$ 73,613,490	$ 73,973,128	$ 73,898,237	99.9%	$ 74,891	
Contractual Services	14,821,712	12,821,699	86.5	14,032,107	12,779,608	12,770,270	99.9	9,338	
Equipment	383,986	937,613	244.2	379,486	402,664	400,774	99.5	1,890	
Commodities	818,150	866,732	105.9	758,917	758,222	707,437	93.3	50,785	
Telecommunications	176,700	267,565	151.4	176,700	308,623	273,138	88.5	35,485	
Travel	193,650	268,047	138.4	171,800	383,126	347,279	90.6	35,847	
Permanent Improvements	25,000	115,500	462.0	25,000	-	-		-	
Operation of Auto Equip	24,000	35,794	149.1	23,500	54,317	54,317	100.0	-	
Tuition Scholarships	1,299,000	450,093	34.6	1,299,000	1,819,906	1,819,906	100.0	-	
Debt Service	2,341,000	2,341,267	100.0	3,305,000	3,305,406	3,305,406	100.0	-	
Total Expenditures	90,913,000	90,853,851	99.9%	93,785,000	93,785,000	93,576,764	99.8%	208,236	
Excess Revenue Over Expenditures	$ -	$ 1,405,986		$ -	$ -	$ 1,988,442			

Notes:
1. Adopted Budget column reflects the FY2026 budget approved by the Board of Trustees on September 18, 2025.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date" or "Actual YTD" is current year expenses recorded or booked through September 9, 2026. 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.)

{A} The favorable variance in State appropriations of $815K is attributable to the release of the 2% reserve appropriation by the Governor's Office in June 2026. Due to the uncertainty surrounding the release, the University had excluded the 2% reserve appropriation from its final budget. Once the funds were released, the University had approximately one week to voucher and encumber the funds. The University vouchered the State for eligible payroll costs, consistent with the intent of the appropriation.

{B} The $1.04 million favorable variance in Net Tuition Revenue and Net Differential Revenue was primarily driven by lower-than-budgeted bad debt and tuition waiver allowances. The combined FY2026 actual allowance rate was 7.5%, compared with the budgeted rate of 10.0% and an improvement from the FY2025 actual rate of 9.0%. The decline in the overall allowance rate was driven primarily by lower bad debt, reflecting, in part, the impact of the accounts receivable (AR) hold program piloted with a limited student group. The program promotes timely payment and helps prevent the accumulation of outstanding student balances. Beginning in Fall 2026, the AR hold program was expanded to all students. To support students through this transition, the University also launched an interest-free, automated payment plan, providing a flexible option for managing outstanding balances while supporting continued improvement in collections. The favorable revenue performance was further supported by enrollment activity, with actual credit hours exceeding budget by 0.2%, or 202 credit hours, as presented in Table 2. The favorable variance in State appropriations of $815K is attributable to the release of the 2% reserve appropriation by the Governor's Office in June 2026. Due to the uncertainty surrounding the release, the University had excluded the 2% reserve appropriation from its final budget.

Table 2 presents relevant information regarding the projected credit hours used in the budgeting process. In FY2026, overall credit hour enrollment increased by 2% compared with FY2025, representing an increase of 2,338 credit hours. Actual FY2026 enrollment also exceeded budget projections by 0.2%, or 202 credit hours. This favorable variance was primarily attributable to higher-than-budgeted enrollment among continuing undergraduate students.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
ENROLLMENT COMPARISON OF PROJECTION AND ACTUALS

FY2026 ACTUAL

Enrollment (Actual)	Fall	Spring	Summer	FY
UG - New	16,401	3,762	1,181	**21,344**
UG - Continuing	29,760	37,012	7,226	**73,998**
Grad. - New	3,372	1,019	785	**5,175**
Grad. Continuing	6,445	8,107	4,064	**18,616**
Total	**55,977**	**49,900**	**13,256**	**119,133**

FY2025 ACTUAL

Enrollment	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**

FY2026 BUDGET

Credit Hour Proj.	Fall	Spring	Summer	FY
UG - New	16,676	4,110	1,452	**22,239**
UG - Continuing	30,445	35,783	6,420	**72,647**
Grad. - New	3,331	1,689	1,000	**6,020**
Grad. Continuing	6,322	8,078	3,624	**18,025**
Total	**56,775**	**49,660**	**12,496**	**118,930**

FY26 % Diff. from FY25	Fall	Spring	Summer	FY
UG - New	0%	-2%	-5%	**-1%**
UG - Continuing	6%	2%	1%	**4%**
Grad. - New	8%	-36%	-2%	**-6%**
Grad. Continuing	2%	5%	-7%	**1%**
Total	4%	1%	-2%	**2%**

Actual % Diff. from Proj.	Fall	Spring	Summer	FY
UG - New	-2%	-8%	-19%	**-4%**
UG - Continuing	-2%	3%	13%	**2%**
Grad. - New	1%	-40%	-21%	**-14%**
Grad. Continuing	2%	0%	12%	**3%**
Total	-1%	0%	6%	**0.2%**

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

Purchases of at Least $100,000 but Less Than $250,000

Beni Ortiz reported on a recent purchase with EXP U.S. Services, Inc. for professional architectural and engineering services for demolition of vacant buildings at El Centro in the amount of $204,199.88.

The University is moving forward with a three-phase project to demolish four vacant industrial buildings adjacent to the El Centro location. The total project is estimated at approximately $800,000.

For phase 1, the University contracted with EXP U.S. Services Inc. for $204,199.88 to provide architectural and engineering services, including demolition plans, site, hazardous-materials and environmental inspections, landscaping plans, and construction oversight. phases 2 and 3 – demolition and site restoration – are preliminarily estimated at $600,000 combined, with final costs to be determined after phase 1 is complete. The University will bring the Board up to date on the next steps and finalized costs for phases 2 and 3 when the project is ready to proceed.

NEIU Foundation Institutional Advancement

Vice President for Institutional Advancement and Executive Director of the NEIU Foundation, Liesl Downey, presented a recap of the Foundation's FY26. The Foundation raised $3.3 million in FY26 compared to $1.7 million in FY25. In FY26, the endowment fund was at $26.4 million, a 20% increase over FY25, with total Foundation net assets of $30.8 million. The majority of funds raised (58%) were from alumni and single donations. The second largest source of income (36%) came from private foundation giving. In FY26, the Foundation distributed $793,484 to students; $594,388 in scholarships and fellowships, and $199,097 in grants and awards. This represents a combination of renewable support (annual drawdown) and

time/cause-limited restricted giving (nonrenewable). Of the approved $686,000 drawdown in FY26, approximately 75% of that was actually used. In FY27, the endowment drawdown is budgeted at $690,000.

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

Committee Recommendation Regarding the FY27 Final Operating Budget

Trustee Phillips, seconded by Trustee Wolff, moved to recommend approval of the University's FY27 final operating budget.

Discussion: Beni Ortiz, Vice President for Finance and Administration, reported that the FY27 final operating budget being presented for approval today is $160,117,400. Of this figure, $93,796,400 is the unrestricted budget and $66,321,000 is the restricted budget.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2027 Final Operating Budget
UNRESTRICTED OPERATING BUDGET
(with comparable data provided for Fiscal Year 2026)

REVENUES	FY2026 Actual YTD	FY2027 Preliminary Budget	FY2027 Final Budget	Transfer to Restricted Budget	Changes Preliminary vs Final
State General Funds Appropriations	$ 41,981,500	$ 42,401,300	$ 42,401,300	$ -	$ -
University Income Fund - Tuition	47,910,316	48,384,500	47,384,500	-	(1,000,000)
University Income Fund - Tuition Differential	1,746,296	1,710,200	410,600	(1,299,600)	-
University Income Fund - Investment Income	3,320,097	2,600,000	3,000,000	-	400,000
University Income Fund - Others	606,997	600,000	600,000	-	-
Total Revenues	**$ 95,565,206**	**$ 95,696,000**	**$ 93,796,400**	**$ (1,299,600)**	**$ (600,000)**
EXPENDITURES					
Personal Services	$ 73,898,237	$ 77,636,057	$ 77,465,561	$ (170,496)	$ -
Contractual Services	12,770,270	11,992,256	10,263,152	(1,129,104)	(600,000)
Equipment	400,774	139,586	139,586	-	-
Commodities	707,437	759,917	759,917	-	-
Telecommunications	273,138	250,100	250,100	-	-
Travel	347,279	173,124	173,124	-	-
Permanent Improvements	-	25,000	25,000	-	-
Operations of Auto	54,317	23,500	23,500	-	-
Awards and Grants	1,819,906	1,299,000	1,299,000	-	-
Debt Service	3,305,406	3,397,460	3,397,460	-	-
Total Expenditures	**$ 93,576,764**	**$ 95,696,000**	**$ 93,796,400**	**$ (1,299,600)**	**$ (600,000)**

Notes:

Personal Services includes across the board increases 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, efforts to address equity and compression of salaries, and the filling of vacant positions resulting from strengthened recruitment and hiring efforts.

Other operating lines include impact of technology-driven efficiencies, NEST Debt refinancing savings, and expense realignment to dedicated revenue sources.

The final unrestricted operating budget represents a net decrease in the overall budget by $1,899,600, or approximately 2 percent, from the approved Preliminary Operating Budget.

The reduction is primarily attributable to the following factors:

- Lower-than-targeted enrollment: Summer and Fall 2026 enrollment outcomes were approximately 2,200 credit hours below target, resulting in an estimated $900,000 reduction in revenue.

- Tuition rate model change: the transition from the in-state/out-of-state tuition rate model to the domestic/international tuition rate model is projected to result in an estimated $400,000 reduction in revenue.
- Partial transfer of tuition differential: $1,299,600 transferred from the Unrestricted Operating Budget to the Restricted Operating Budget, with no impact on the University's overall budget.[1]

To address the projected revenue reduction, the University implemented the following budget adjustments:

- Reduced allowance for doubtful accounts: $300,000[2]
- Increased investment income: $400,000[3]
- Reduced general contractual expenses: $600,000

[1] As part of the Workday implementation effective July 1, the University revisited the classification and use of tuition differential funds and determined that these resources are restricted to program-related activities associated with the programs that generate the revenue. Accordingly, the applicable tuition differential funds were transferred from the Unrestricted Operating Budget to the Restricted Operating Budget to appropriately align the budget classification with the intended use of the funds. This change provides for improved tracking and oversight of related expenditures, enhances financial transparency and accountability, and ensures the funds are used for their intended programmatic purposes. The transfer is budget-neutral and has no impact on the University's overall budget.

[2] Adjusted for improved allowance rates, with FY2026 actuals at 7.5% versus 10.0% budgeted and 9.0% in FY2025. The improvement was primarily driven by lower bad debt, supported in part by the AR hold program, which encouraged timely payments and reduced outstanding balances. The program was expanded to all students in Fall 2026 along with an interest-free automated payment plan to further improve collections. The improved allowance rate provides greater confidence that these expanded efforts will have a continued positive impact on revenues going forward.

[3] Investment income was increased to reflect the revised Federal Reserve rate outlook. The preliminary operating budget assumed quarterly 25-basis-point rate cuts; however, rates remained higher than anticipated, including a 25-basis-point increase in September 2026.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2027 Final Operating Budget
RESTRICTED OPERATING BUDGET
(with comparable data provided for Fiscal Year 2026)

	FY2026 Budget	FY2027 Preliminary Budget	FY2027 Final Budget	Transfer to Restricted Budget	Changes Preliminary vs Final
REVENUES					
Student Fee Programs	$ 12,352,500	$ 15,511,500	$ 15,511,500	$ -	$ -
Tuition Differential	-	-	1,299,600	1,299,600	-
Sales and Auxiliary Services	7,439,700	4,998,400	4,998,400	-	-
Indirect Costs Recovery	1,230,500	1,172,200	1,172,200	-	-
State and Local Grants and Contracts	17,692,400	16,519,000	18,592,000	-	2,073,000
Federal Grants and Contracts	25,892,600	23,097,300	23,847,300	-	750,000
Non-governmental Grants and Contracts	1,015,300	900,000	900,000	-	-
Total Revenues	**$ 65,623,000**	**$ 62,198,400**	**$ 66,321,000**	**$ 1,299,600**	**$ 4,122,600**
EXPENDITURES					
Personal Services	$ 11,773,000	$ 10,036,200	$ 10,206,696	$ 170,496	$ -
Contractual Services	15,252,700	12,579,600	14,458,704	1,129,104	750,000
Equipment	864,900	639,300	639,300	-	-
Commodities	567,200	601,100	601,100	-	-
Telecommunications	48,400	5,600	5,600	-	-
Travel	428,800	342,800	342,800	-	-
Permanent Improvements	281,000	-	-	-	-
Operations of Auto	5,700	-	-	-	-
Awards and Grants	32,039,900	33,711,300	35,784,300	-	2,073,000
Debt Service/Others	4,361,400	4,282,500	4,282,500	-	-
Total Expenditures	**$ 65,623,000**	**$ 62,198,400**	**$ 66,321,000**	**$ 1,299,600**	**$ 4,122,600**

The final restricted operating budget represents an increase of $5,422,200, or approximately 9.0 percent, compared with the approved preliminary operating budget. The increase is primarily attributable to:

- New grant awards: $4,122,600 in new grant funding, including the Afghan Refugee Transition Program, and Talent Search.

- Partial transfer of tuition differential: $1,299,600 transferred from the Unrestricted Operating Budget to the Restricted Operating Budget, with no impact on the University's overall budget.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Recommendation Regarding the FY28 Preliminary Operating and Capital Budgets Request

Trustee Wolff, seconded by Trustee Meresidis, moved to recommend approval of the FY28 preliminary operating and capital budgets request.

Discussion: Beni Ortiz reported that the FY28 preliminary operating budget request is $52,943,400 representing an increase of 25% over FY26 actual appropriation.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
FY2028 OPERATING BUDGET REQUESTS
(Dollars in Thousands)

FY2027 State (GRF/EAF*) Appropriation		**$ 42,401.3**
Requested Increase in Operating Budget		
NEIU's Strategic Plan:		
I. Goal 1: Strengthen Student Success and Retention	$ 1,794.6	
II. Goal 2: Enhance Curricular Innovation, Scholarship and Faculty/Staff Excellence	1,413.3	
III. Goal 3: Improve Infrastructure for a Sustainable, Accessible, and Student-Centered University	1,842.3	
IV. Goal 4: Elevate NEIU's Identity as an Urban University with Regional Impact	500.0	
V. Goal 5: Advance Fiscal Stability and Growth	379.8	
VI. Inflationary Cost Increases	4,612.1	**10,542.1**
FY2028 State (GRF/EAF*) Appropriation Request		**$ 52,943.4**
% increase in State (GRF/EAF) Appropriation*		*25%*

**General Revenue Fund /Educational Assistance Fund*

Table 3 summarizes capital improvement requests for FY2028. Requested capital projects total $401,502,000 with $363,284,000 in Regular Capital projects and $38,218,000 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 — such as roof replacements and elevator upgrades — can no longer be deferred without significant risk to operations and safety. Accordingly, portions of the campus roof replacement ($7.7 million) and the University's pool renovation 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 and expects to have them completed in 2027 and 2028.

Table 3
NORTHEASTERN ILLINOIS UNIVERSITY
FY2028 CAPITAL BDUGET REQUESTS
(Dollars in Thousands)

	Priority	Estimated Project Cost
REGULAR CAPITAL PROJECTS		**$ 363,284**
Mixed Use Facility	1	60,742
Science Building, Planning	2	14,055
Science Building, Construction	3	178,470
Science Building, Furniture, Fixtures and Equipment	4	28,778
Lech Walesa Hall, Remodeling	5	22,509
Ronald Williams Library Renovation	6	58,730
CAPITAL RENEWAL PROJECTS		**$ 38,218**
Vacant Property Demolition and Safety Stablization	1	1,726
Parking lot D Replacement	2	2,045
Masonry and Building Envelope, Replacements	3	12,256
Building D and E Exterior Window Wall, Replaceme	4	4,122
Five Science Lab Renovations	5	6,410
Fume Hoods	6	1,435
Lower Level Egress and Fire Separation	7	10,224
TOTAL CAPITAL REQUESTS		**$ 401,502**

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Motion to Convene in Closed Session

At 11:02 a.m. Trustee Meresidis, seconded by Trustee Wolff, moved to convene in Closed Session pursuant to Section 2(c)2 of the Illinois Open Meetings Act.

Discussion: there was no discussion. Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried. The audience was asked to leave the room.

Motion to Reconvene in Open Session

At 11:19 a.m. Trustee Phillips, seconded by Trustee Meresidis, moved to reconvene in Open Session. The motion carried by unanimous acclamation.

New Business

Trustee Phillips asked if there as any new business to discuss. Hearing none, there was no further business of the committee.

Motion to Adjourn

At 11:22 a.m. Trustee Wolff, seconded by Trustee Phillips, moved to adjourn. The motion carried by unanimous acclamation.

Respectfully submitted,

J. Todd Phillips, Chair of the Committee
Karl Voigt, Assistant Secretary to the Board
Approved November 19, 2026