PRESIDENT'S REPORT
to the Board of Trustees
September 24, 2026

NEIU | NORTHEASTERN ILLINOIS UNIVERSITY

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ACTION ITEM I. A. BOARD ACTION ON COMMITTEE RECOMMENDATION TO ACCEPT AND FILE THE INTERNAL AUDIT CHARTER, THE 2027-28 INTERNAL AUDIT PLAN, AND THE STATEMENT OF AUDITOR INDEPENDENCE

Recommended Action

I request that the Board approve the Audit Committee’s recommendation to accept and file the internal audit charter, the 2027-28 internal audit plan, and the statement of auditor independence as presented by the University’s Director of Internal Audit, Chrystal Temples, at the September 24, 2026 Audit Committee meeting.

ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING BUDGET

Overview

The Northeastern Illinois University Board of Trustees is requested to approve the University's **final FY2027 Operating Budget**, which represents the estimated spending plan for the fiscal year beginning July 1, 2026, and ending June 30, 2027. A preliminary FY2027 Operating Budget was approved by the Board of Trustees at its June 11, 2026 meeting.

In August 2003, the Illinois Board of Higher Education (IBHE) adopted the *Recommended Actions to Expand and Enhance Public University Annual Operating Budget Review, Approval and Oversight*. These actions require each public university to adopt a "preliminary/estimated spending plan" prior to July 1 of each fiscal year. The spending plan must identify:

- Funding sources, including, at a minimum, State-appropriated funds, University income funds, and all other non-appropriated funds; and
- Expenditures by object of expenditure, including personal services, contractual services, equipment, and other applicable categories.

This report provides the information required by the IBHE for the University's FY2027 Operating Budget. **Tables 1** and **2** present a breakdown of projected revenues and expenditures for the Unrestricted and Restricted Operating Budgets.

The **Unrestricted Operating Budget** (**Table 1**) is primarily supported by two sources of revenue: State General Funds appropriations, which account for approximately 45 percent of operating revenues, and University Income Funds, which account for approximately 51 percent of operating revenues.

The **Restricted Operating Budget** (**Table 2**) is supported by several primary revenue sources, including student fees, auxiliary enterprises, and grants and contracts from local, State, and federal sources.

The budgeted revenues presented in **Tables 1** and **2** represent the anticipated funding sources available to support the University's FY2027 budgeted expenditures. Expenditures are presented by "line-item categories" established in accordance with requirements of the Illinois State Comptroller and the IBHE. The University uses these categories to report budget and expenditure information to the State, including information submitted through the Resource Allocation and Management Program (RAMP) and Illinois State Legislature (ISL) reporting processes.

ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING BUDGET

Preliminary vs. Final Operating Budgets

Final Unrestricted Operating Budget

The Final Unrestricted Operating Budget is **$93,796,400**, representing a net decrease in the overall budget of **$1,899,600**, or approximately **2 percent**, from the approved Preliminary Operating Budget. The reduction is primarily attributable to the following factors:

- **Lower-than-target 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

These adjustments, together with the other changes incorporated into the final budget, result in the proposed Final Unrestricted Operating Budget of $93,796,400.

[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 budget assumed quarterly 25-basis-point rate cuts; however, rates remained higher than anticipated, including a 25-basis-point increase in September 2026.

ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING 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.

ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING BUDGET

Final Restricted Operating Budget

The Final Restricted Operating Budget is **$66,321,000**, representing 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**.

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

REVENUES	FY2026 Budget	FY2027 Preliminary Budget	FY2027 Final Budget	Transfer to Restricted Budget	Changes Preliminary vs Final
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**

Recommended Action

I request that the Board adopt the Finance, Buildings and Grounds Committee's recommendation to approve the FY2027 Final Operating Budget as presented.

ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING BUDGET

FY 2027 Final Unrestricted Budget

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)**

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FY 2027 Final Restricted Budget

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

REVENUES	FY2026 Budget	FY2027 Preliminary Budget	FY2027 Final Budget	Transfer to Restricted Budget	Changes Preliminary vs Final
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**

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ACTION ITEM I. B. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY27 FINAL OPERATING BUDGET

FY 2026 Final Enrollment Data

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.

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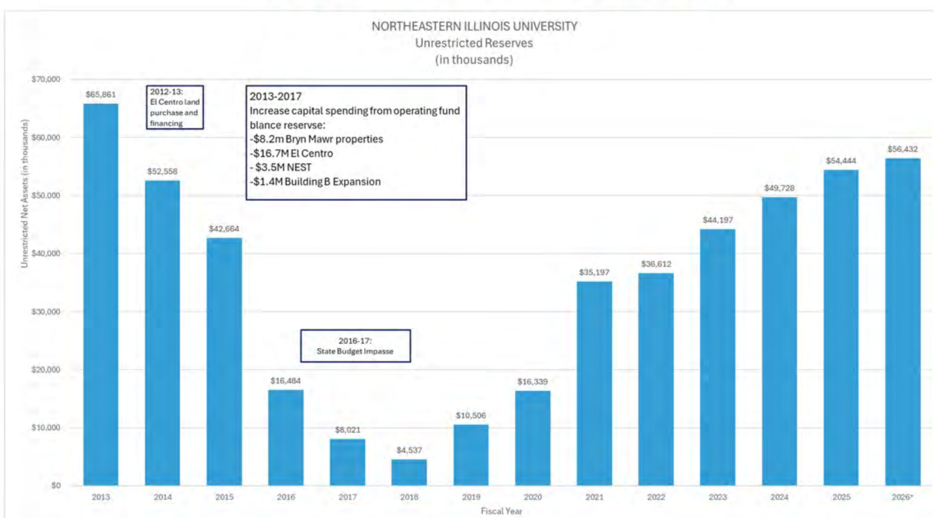
Unrestricted Reserves



*Estimated.

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ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

Northeastern Illinois University Overview

Founded in 1867, Northeastern Illinois University (NEIU) is a public, comprehensive university rooted in Chicago and dedicated to providing accessible, high-quality, and affordable higher education. NEIU serves more than 5,700 students through its Main Campus on Chicago's Northwest Side and additional locations at El Centro, the Jacob H. Carruthers Center, and the University Center of Lake County. The University offers undergraduate and graduate programs across education, business, technology, the sciences, the arts, social sciences, and other disciplines.

NEIU is the Midwest's longest-standing four-year public Hispanic-Serving Institution (HSI) and is also recognized as a Minority-Serving Institution. More than 60 percent of NEIU students identify as African American, Hispanic, Asian, or Native American, and the University serves students from a wide range of cultural, linguistic, and socioeconomic backgrounds. NEIU's commitment to access and opportunity is reflected in its small-class environment, student support services, financial assistance, and focus on preparing students for meaningful careers and continued contributions to their communities.

NEIU has a longstanding connection to the Chicago region and Illinois workforce. More than 78 percent of NEIU's 90,000+ alumni live and work in the Chicago area, contributing to education, health care, business, public service, technology, the arts, and other sectors. The University's locations throughout Chicago and the surrounding metropolitan area further strengthen its ability to serve students and communities where they live, work, and learn.

FY 2028 Operating Request

Consistent with NEIU's Strategic Plan and its mission as an urban public comprehensive university serving Chicago and the region, NEIU's FY 2028 operating budget request seeks the State investment that is necessary to expand opportunity, strengthen student success, and advance the University's contributions to Illinois' workforce and economy.

The University's new 5-year Strategic Plan provides a framework centered on rebuilding, stabilization, and growth and establishes five strategic priorities: strengthening student success and retention; enhancing curricular innovation and faculty and staff excellence; improving infrastructure for a sustainable, accessible, and student-centered university; elevating NEIU's identity and regional impact; and advancing long-term fiscal stability and growth. Together, these strategic priorities align institutional resources with measurable improvements in student outcomes, academic quality, infrastructure, regional engagement, and financial sustainability.

As a Hispanic-Serving and Minority-Serving Institution, NEIU plays an important role in expanding access to public higher education for students throughout Chicago and the surrounding region. State support for NEIU's strategic priorities will enable the University to strengthen the academic, financial, and student-support resources that help students persist from enrollment through graduation. State investment will support the University's efforts to improve retention and completion, expand academic and career pathways, strengthen programs responsive to workforce and community needs, and provide students with the resources necessary to graduate and succeed.

FY 2028 funding will also support strategic investments in instructional infrastructure, technology, facilities, and other essential systems necessary to provide a modern, accessible, and student-centered educational environment. These investments are particularly important as NEIU advances a comprehensive approach to campus and technology planning under its new Strategic Plan.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY’S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

NEIU is also expanding academic offerings in areas responsive to emerging workforce needs. For example, the University launched a Bachelor of Science in Artificial Intelligence in Fall 2026 and is preparing a new Master of Science in Nursing – Entry into Practice program beginning in Fall 2027. These initiatives demonstrate NEIU’s continued efforts to align academic programs with evolving workforce needs in Chicago and throughout Illinois.

State investment in NEIU supports Illinois students, the Chicago region, and the State’s future workforce. FY 2028 appropriations will provide resources to sustain an affordable pathway to a college degree, strengthen student outcomes, support academic and workforce development, and advance the University’s educational, economic, and civic contributions throughout Illinois.

Table 1, on the following page, summarizes NEIU’s overall FY 2028 operating budget request.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

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

FY2027 State (GRF/EAF*) Appropriation		$	**42,401.3**
<u>Requested Increase in Operating Budget</u>			
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

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

I. Goal 1: Strengthen Student Success and Retention

The University requests **$1,794,600 in additional FY2028 State funding** to support strategic initiatives that improve student retention and persistence, advance equity in student outcomes, strengthen student engagement and belonging, and enhance pathways to degree completion and career readiness.

a. Improve First-Year Student Retention and Persistence Funding will support early-alert and student success initiatives, including expansion of the Summer Transition Program to improve college readiness and fall enrollment; offering tuition-free summer headstart to college programs and initiatives; instructional support in foundational courses; enhanced onboarding and placement services; and additional student care and support capacity.	$	485,600
b. Advance Equity in Retention and Graduation Funding will support an equity-driven retention and completion strategy focused on improving persistence and graduation outcomes for African American and Latine students, as aligned to the University's and State's equity initiatives. Activities will include student feedback and focus groups, disaggregated student data analysis, and proactive academic, financial, and enrollment interventions to address identified barriers.		10,000
c. Enhance Student Engagement and Sense of Belonging Funding will expand peer mentoring and coaching, student support and engagement initiatives, advising improvements, and outreach at each of NEIU's campus locations. Resources will also support organizational capacity within Enrollment Management and Student Affairs, counseling and wellness services, civic engagement and community impact programming, student engagement technology, and other services that promote student connection, well-being, and persistence.		1,177,000
d. Strengthen Pathways to Completion and Career Readiness Funding will expand access to labor-market information and strengthen career development and career-readiness programming. These resources will help students connect academic programs and enrollment decisions to workforce opportunities and provide additional support for career planning and preparation.		122,000
TOTAL	**$**	**1,794,600**

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

II. Goal 2: Enhance Curricular Innovation, Scholarship and Faculty/Staff Excellence

The University requests **$1,413,303 in additional FY2028 State funding** to strengthen academic excellence, faculty capacity, workforce-aligned credentials, employee development, and student-centered support. The requested investments will enhance instructional innovation, recruit faculty in high-need areas, expand career and experiential learning opportunities, and strengthen the University's capacity to support student and employee success.

a. Strengthen Academic Programs and Collaboration Funding will support multidisciplinary collaboration, faculty development of student-centered instructional practices, academic and instructional initiatives, and enhanced visibility and coordination of academic programs. Investments will promote curriculum innovation and high-impact learning practices.	$	230,000
b. Advance Student-Centered Learning and Workforce-Aligned Credentials Funding will support evidence-based, student-centered instructional practices and expand certificates and microcredentials through digital badging and targeted outreach, strengthening student learning and connections between academic programs, workforce needs, and community demand.		45,000
c. Strengthen Institutional Capacity and Employee Development Funding will strengthen instructional and institutional capacity through strategic investments in high-need academic areas, professional development, staff training, and career growth opportunities. These investments will enhance the University's ability to recruit and retain talent, strengthen employee skills, and deliver high-quality academic, institutional support, and student services.		900,000
d. Foster a Supportive Campus Environment Funding will support employee wellness and engagement initiatives that advance the University-wide *Start with Care* initiative. Investments will expand career development, experiential learning, student employment, disability services, graduate assistance, and other supports that promote an inclusive and supportive campus environment for faculty, staff and students.		238,300
TOTAL	**$**	**1,413,300**

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

III. Goal 3: Improve Infrastructure for a Sustainable, Accessible, and Student-Centered University

The University requests **$1,842,300 in FY2028 State funding** to modernize technology, strengthen student support and engagement, and enhance learning environments across campus.

a. Modernize Technology, Learning Environments, and Student Services to Enhance the Student Experience Funding will modernize student-facing technology, enrollment systems, classroom technology, and instructional spaces to improve the student experience, strengthen recruitment and communication, support data-informed decision-making, and ensure reliable learning environments. Investments will also enhance career development, counseling, accessibility, and other student services, while replacing aging or incompatible technology and equipment.	$	1,727,300
b. Reenvision Student Engagement, Wellness, and Support Spaces Funding will strengthen essential student services and campus resources, including food access and cafeteria services, to promote student well-being, engagement, and a supportive campus environment.		45,000
TOTAL	**$**	**1,842,300**

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

IV. Goal 4: Elevate NEIU's Identity as an Urban University with Regional Impact

The University requests **$500,000 in additional FY2028 State funding** to strengthen institutional visibility, expand strategic outreach, enhance academic program awareness, and build stronger connections with students, communities, and stakeholders.

a. Strengthen University Brand, Visibility, and Digital Presence Funding will support brand and messaging consistency, to strengthen the University's visibility and competitive positioning, including research, analytics and search optimization practices.	$	190,000
b. Expand Inclusive Outreach and Academic Program Awareness Funding will expand culturally responsive outreach and targeted promotion of academic programs to increase awareness among prospective students and communities, with emphasis on existing and emerging programs that address workforce needs in our city and region.		160,000
c. Strengthen Institutional Storytelling and Regional Visibility Funding will promote signature events, highlight student, faculty, and alumni achievements, and expand strategic communications, creative content, and media efforts to strengthen institutional reputation and regional awareness.		120,000
d. Strengthen Stakeholder and Community Engagement Funding will support strategic communications and impact materials that strengthen relationships with community, government, and other key stakeholders and communicate the University's contributions to our city and region.		30,000
TOTAL	**$**	**500,000**

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

V. Goal 5: Advance Fiscal Stability and Growth

The University requests **$379,800 in additional FY2028 State funding** to strengthen institutional advancement capacity, strategic relationship development, and the technology and infrastructure needed to support long-term institutional priorities. These investments will advance fiscal stability and growth by strengthening regional and stakeholder engagement, expanding opportunities for strategic partnerships and external resources, improving constituent data and communications, and building sustainable institutional capacity.

a. Strategic Institutional Advancement and Engagement **$ 379,800**

Funding will support dedicated advancement capacity, research, strategic engagement activities, and a one-time transition to a modern customer relationship management (CRM) system. Together, these investments will strengthen the University's fiscal stability and growth by augmenting the ability to build and maintain strategic partnerships and pipelines to external resources that support long-term institutional priorities.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

VI. Inflationary Cost Increases

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
FY2028 OPERATING BUDGET REQUESTS
INFLATIONARY COST INCREASES
(Dollars in Thousands)

	FY2028 Projected Increase	
Salary Adjustment	$	3,419.2
Utilities		131.3
Library Materials		12.3
Operations and Maintenance of Buildings		22.5
All Other Operating Costs		1,026.9
Total	**$**	**4,612.1**

The request includes salary increases intended to maintain employee compensation at competitive market rates. As summarized in Table 2 above, the requests include an estimated general salary increase of $3,419,200, or 4.4 percent. This estimate is based on the University's current collective bargaining agreements, a comparable increase for non-negotiated staff, and anticipated adjustments associated with outstanding labor contracts. It also includes funding for faculty promotions and efforts to address salary equity and compression.

Non-salary cost increases are estimated at an average of 4.8 percent, based on the Higher Education Price Index (HEPI) as of August 2026, which represents the most recent data available.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

FY2028 Capital Budget Requests

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**

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.

Brief descriptions of each project requested are provided below. Project costs reflect the FY2027 IBHE cost guidelines used in preparing the FY2028 budget request.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY’S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

A. Regular Capital Projects

2028-1 Mixed Use Facility - $60,741,964

NEIU is landlocked. The addition of the Student Residence, the Education Building, and the future Science Building will displace Building J, the Grounds Maintenance building, and reallocate the site of parking lots H and J. Building J also provides instructional space for dance classes. A mixed-use facility is planned to house the Trades and Grounds departments and provide necessary additional parking.

2028-2 Science Building Planning - $14,054,553

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 NEIU 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 and ADA accessibility requirements.

2028-3 Science Building Construction - $178,470,524

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

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

2028-4 Science Building Modernization, Furniture, Fixtures and Equipment - $28,777,840

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.

2028-5 Lech Walesa Hall Remodeling - $22,508,677

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.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

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

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

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

a. Relocate faculty and staff offices from lower-level spaces to spaces at and above grade level, providing better environmental conditions for the occupants, and freeing up space in the lower levels of the buildings for much-needed additional storage space and auxiliary offices.+

b. Implement recommendations for classrooms from "Study of Teaching Space" completed in February 1994, prepared by Educational Consulting Services Ltd. The recommendations include expanding the current transmission mode of existing classrooms with other room types, including seminar rooms, case study rooms, electronic classrooms and methods rooms, as well as providing high-profile and universally accessible locations.

c. Provide adequate consolidated offices for University Computing Services, Administrative Information Systems, Network and Distributed Services, and Telecommunications, which have been located, as space has allowed, in various locations throughout the Lech Walesa Hall.

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

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

Gross abatement of all floor tile and mastic containing asbestos will be completed. Asbestos abatement consists of the removal of the floor tile and mastic.

2027-6 Ronald Williams Library Renovation - $58,729,508

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

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

B. Capital Renewal Projects

2028-1 Vacant Property Demolition and Stabilization - $1,725,751

Northeastern Illinois University owns a number of former commercial properties along Bryn Mawr Avenue adjacent to campus that have fallen into disrepair. The buildings were originally vacated in preparation for their eventual replacement and now represent a nuisance and safety concern, as well as a liability exposure for the University. This funding would support the demolition of the buildings and restoration of the sites as grassy areas for community use while the University engages a campus master planning process to develop a long-term plan for the properties and to identify funding for future construction.

2028-2 Parking Lot D Replacement - $2,045,285

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.

2028-3 Masonry and Building Envelope, Replacements - $12,255,799

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

The University is proposing masonry repairs/replacement and exterior glazed curtain walls repairs and/or replacements to address these concerns.

2028-4 Buildings D and E Exterior Window Wall, Replacement - $4,121,663

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.

2028-5 Five Science Lab Renovations - $6,410,067

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

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

2028-6 Fume Hoods - $1,435,067

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.

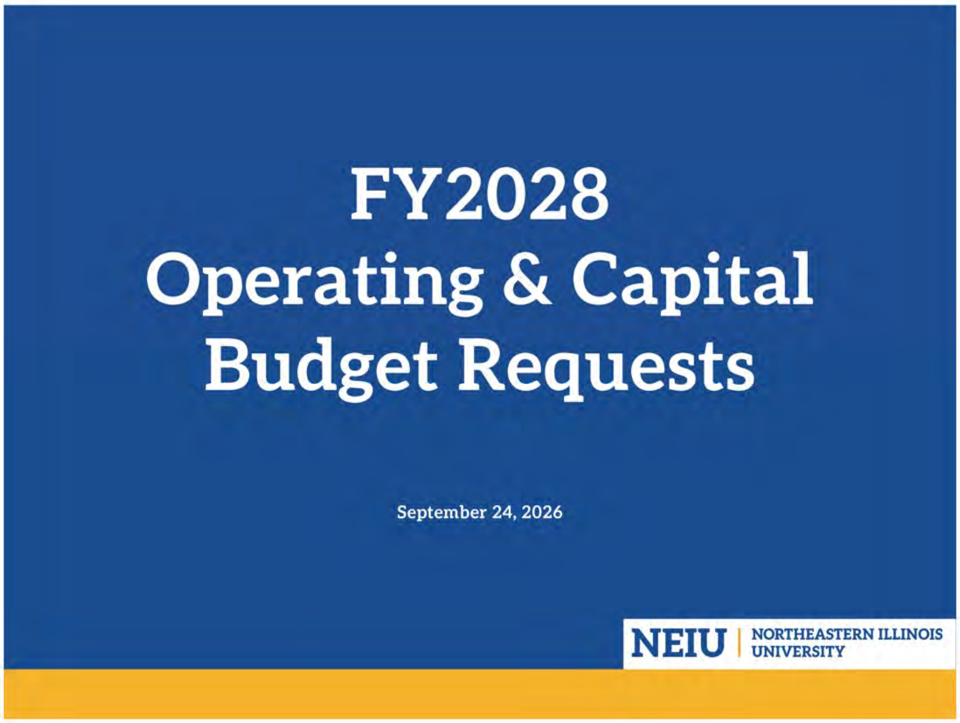
2027-7 Lower-Level Egress and Fire Separation - $10,224,420

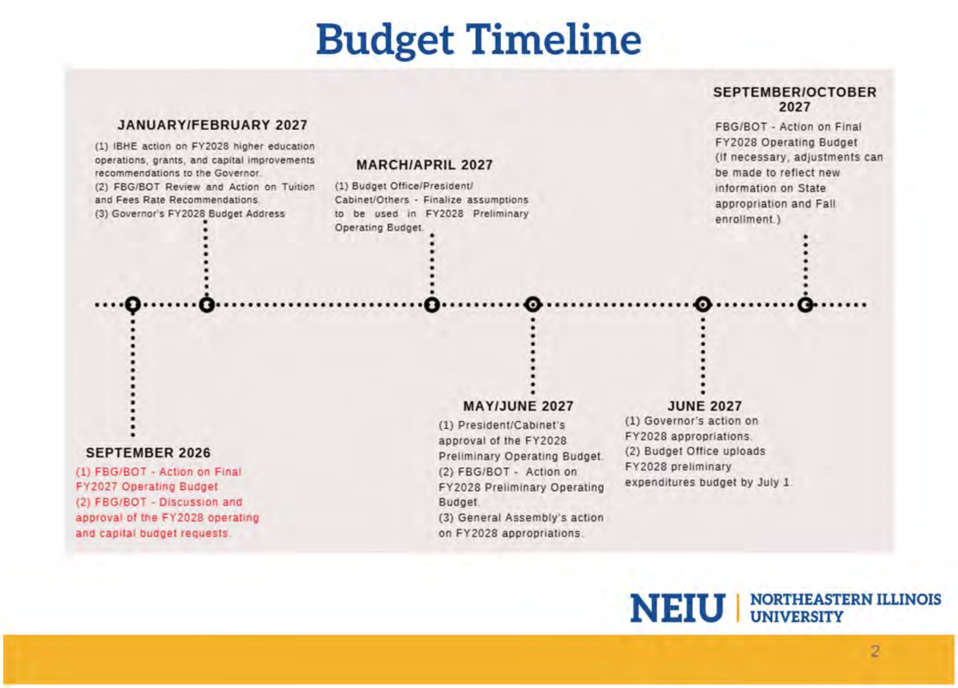
This project addresses lower-level fire separation and egress requirements for connected main campus buildings. The scope of work includes planning, new code required egress signs, fire separations at openings, new construction to meet separation, and connection to the university addressable fire alarm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

Recommended Action

I request that the Board adopt the Finance, Buildings and Grounds Committee's recommendation to approve the FY2028 Preliminary Operating and Capital Budgets Request as presented.

ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST





ACTION ITEM I. C. BOARD ACTION ON COMMITTEE RECOMMENDATION TO APPROVE THE UNIVERSITY'S FY2028 PRELIMINARY OPERATING AND CAPITAL BUDGETS REQUEST

FY2028 Operating Budget Requests

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*

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FY2028 Capital Budget Requests

Table 3
NORTHEASTERN ILLINOIS UNIVERSITY
FY2028 CAPITAL BUDGET 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, Replacement	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

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INFORMATION ITEM II. A. FY2026 FINAL BUDGET TO ACTUAL REPORT

The Northeastern Illinois University Board of Trustees at its September 18, 2025 meeting approved the University final operating budget, which represented spending plans for fiscal year 2026 (FY2026). 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 FY2026 totals $159,408,000. Of that total, $93,785,000 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 $65,623,000 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 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.)

INFORMATION ITEM II. A. FY2026 FINAL BUDGET TO ACTUAL REPORT

Northeastern Illinois University FY2026 Budget to Actual Explanation for Variance

{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.

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.

INFORMATION ITEM II. A. FY2026 FINAL BUDGET TO ACTUAL REPORT

FINAL
FY 2026
Budget to Actual

September 24, 2026

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FY 2026 Final Budget to Actual

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	93,576,761	99.8%	208,236	
Excess Revenue Over Expenditures	$ -	$ 1,405,986		$ -	$ -	$ 1,988,442			

{A} $815K favorable variance reflects the June release of the State's 2% reserve appropriation.
{B} $1.03M favorable variance reflects lower bad debt allowance as a result of AR hold pilot program

NEIU | NORTHEASTERN ILLINOIS UNIVERSITY

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INFORMATION ITEM II. A. FY2026 FINAL BUDGET TO ACTUAL REPORT

FY 2026 Final Enrollment Data

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.

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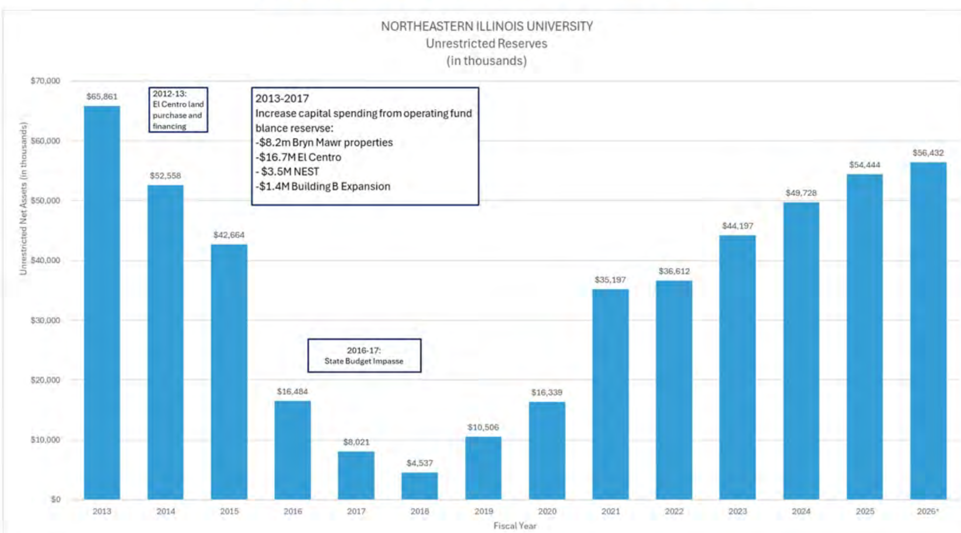
Unrestricted Reserves



*Estimated.

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INFORMATION ITEM II. B. PURCHASES OF AT LEAST $100,000 BUT LESS THAN $250,000

Board of Trustees’ Regulations require that the President report to the Board purchases of at least $100,000 but less than $250,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

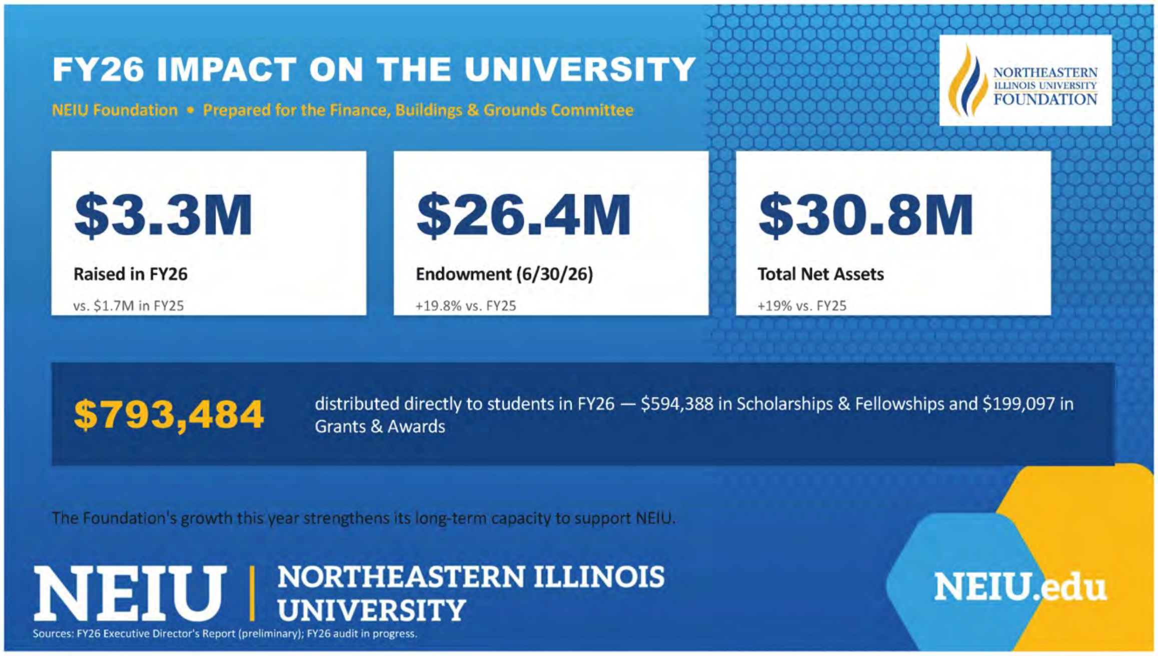
VENDOR	DESCRIPTION	CONTRACT AMOUNT
Exp US Services Inc.	Professional architectural and engineering services for demolition of vacant buildings at El Centro	**$204,199.88** PO-0000000966

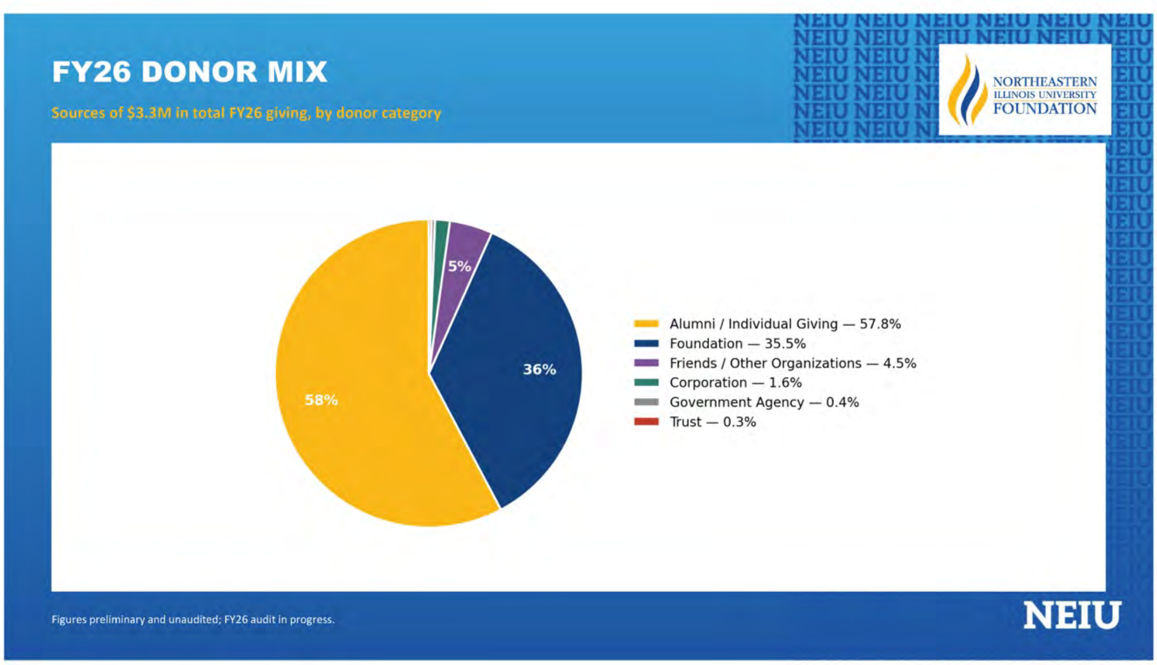
<u>Additional notes:</u>

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.

INFORMATION ITEM II. C. NEIU FOUNDATION INSTITUTIONAL ADVANCEMENT





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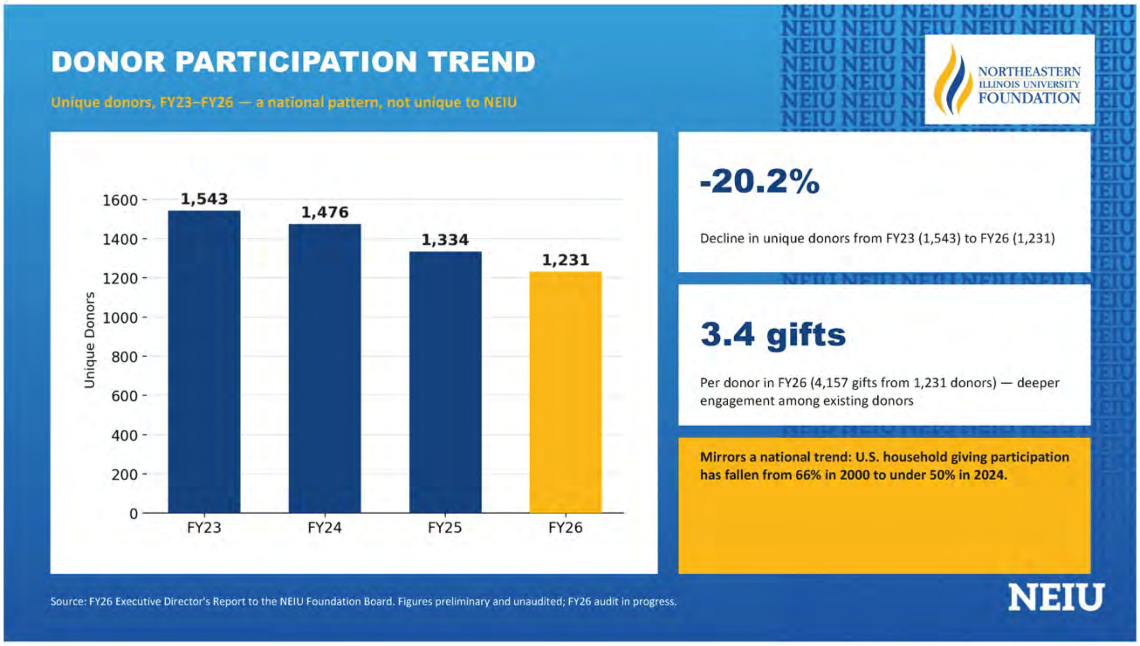

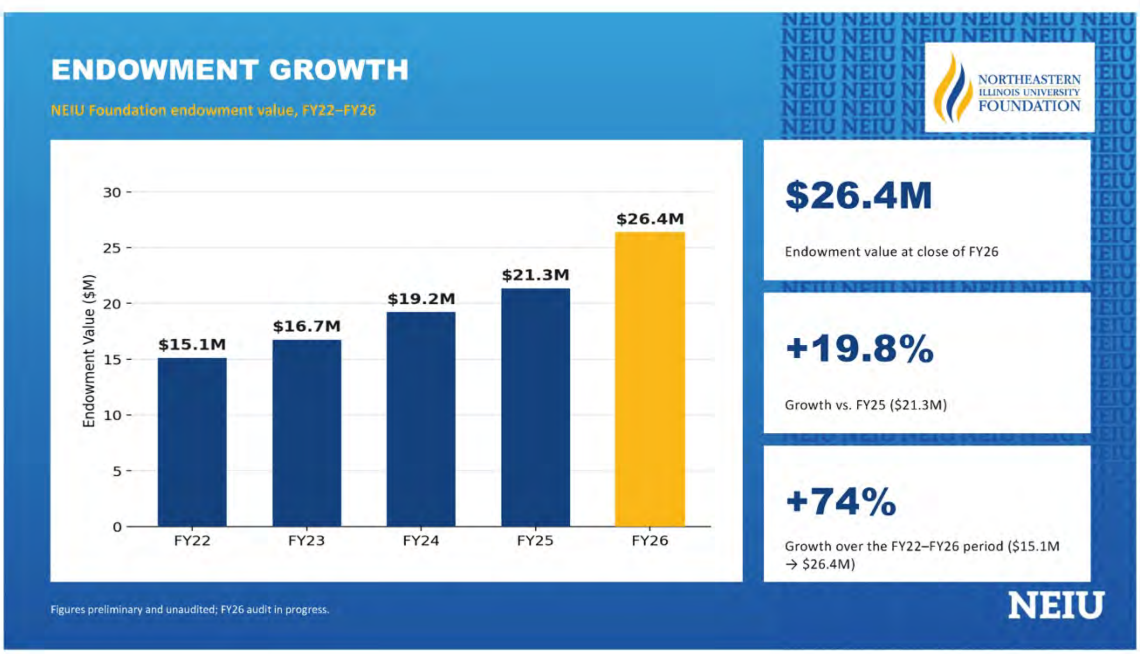

INFORMATION ITEM II. C. NEIU FOUNDATION INSTITUTIONAL ADVANCEMENT