



Northern Illinois University

Your Future. Our Focus.

Monthly Leadership Meeting

April 30, 2024

Outline



- Where are we in terms of multi-year budgeting and the deficit?
- What have we been doing to address the deficit?
- FAFSA – Cause for Concern
- Our Response and Call to Action

Guiding Principles



- Access and Affordability
- Student Success
- Investing in Our Employees
- Budget Planning Resource Group Recommendations

FY24 Revenue Budget

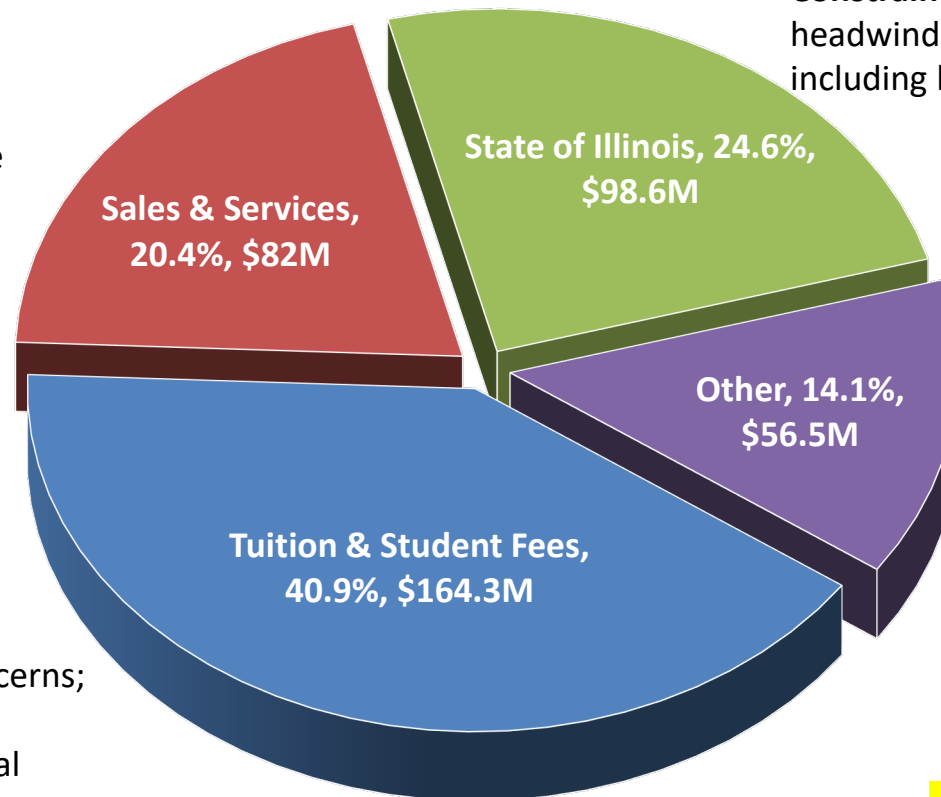


Sales & Services

Constraints: Affordability concerns; Market conditions; Aging/obsolete infrastructure

State of Illinois

Constraints: State revenues/Economic headwinds; Competing priorities including healthcare



Other

Constraints: Market conditions; Student population

Tuition & Student Fees

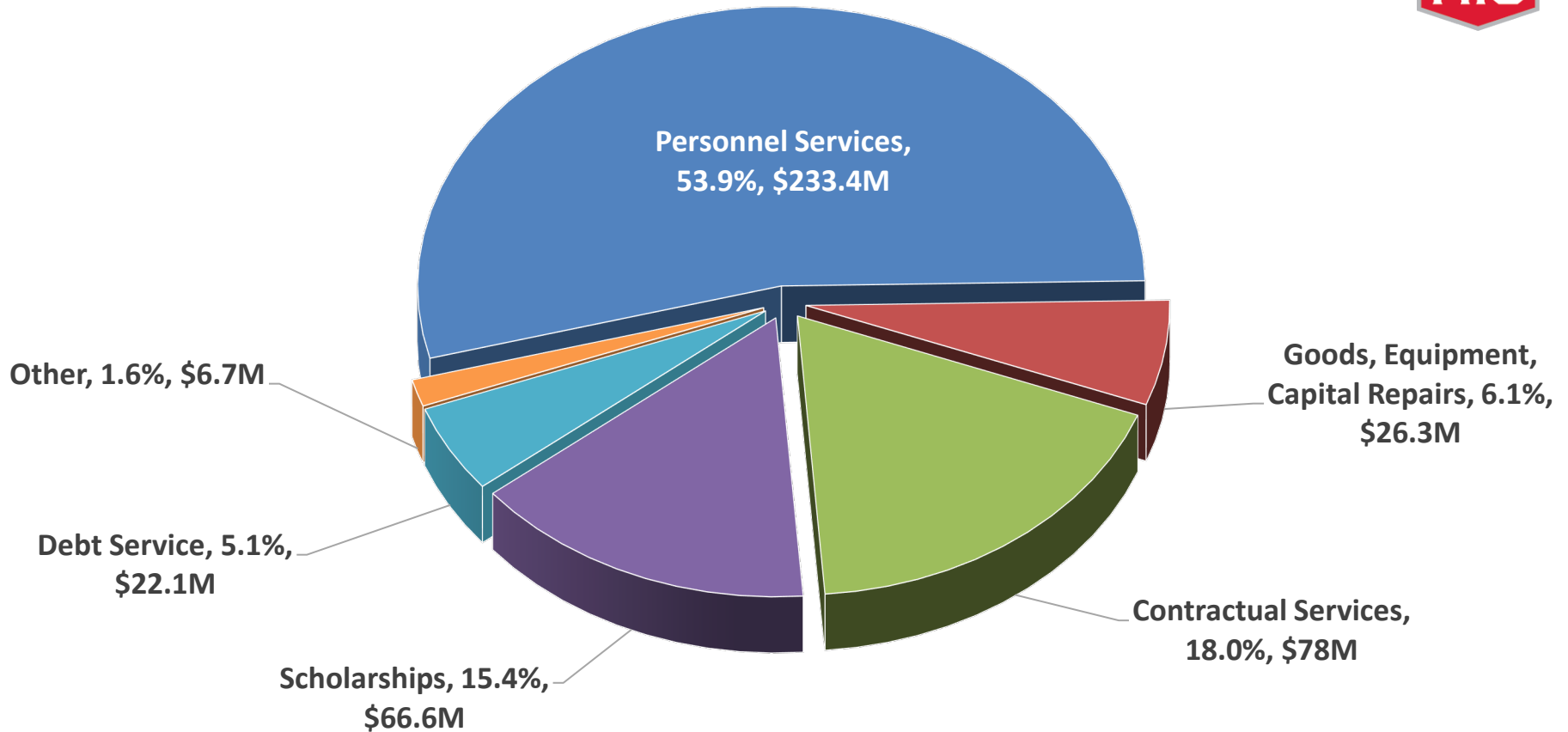
Constraints: Affordability concerns; "Truth-in-Tuition" policies; Demographic changes; Political pressure

Notes: Excludes sponsored research revenue (44 fund).

Total Revenue Budget:
\$401.4M

Your Future. Our Focus.

FY24 Expense Budget



Notes: Excludes sponsored research revenue (44 fund).

Total Expense Budget:
\$433.2M

Your Future. Our Focus.

FY24 Deficit -- FY25 Goal



FY24 Deficit: \$401.4M Revenue — \$433.2M Expenses = (\$31.8M)

University Goal 6A:

Identify strategies during FY24 to reduce deficit by half for FY25 through university-wide efforts focused on revenue generation as well as expense reduction and reallocation.

Target: \$16M

FY25: Proposed Appropriations



	Operations Appropriations
NIU BoT Approved Request	\$ 116,400,000 (+18%)
Higher Ed proposed Budget (IBHE)	\$ 106,236,400 (+7.8%)
Governor's Proposed Budget	\$ 100,643,300 (+2.0%)
<i>Public Funding Commission Assessment of NIU Funding Adequacy</i>	<i>55.6% of Adequacy Target Funded</i> <i>Further from adequacy target than 9 other public universities</i>

Additional Revenue - Tuition Increase (projected)



Revenue from 4.5% Undergraduate Tuition Increase*	
AY 2024-25	\$ 1,545,152
AY 2025-26	\$ 2,880,064
AY 2026-27	\$ 3,795,394
AY 2027-28	\$ 4,483,550
Total	\$ 12,704,160

* - Assumes flat enrollment and historical retention rates.

Summary: Deficit Mitigation



Action	FY25 Impact (approx.)	Multi-year Impact or Potential
Tuition and Fee Pricing, Reenrollment and Retention	\$5.4 million revenue	+\$12 million over 4 years
Maximizing Existing Residence Hall Space (+160 Beds)	\$1.8 million revenue	At least +\$1.8 million annually
Increased FY25 State Appropriation	\$1,973,000 revenue	N/A
Athletics guarantees/licensing	\$1 million revenue	\$1 million annually
Additional Revenue Generation-facilities, infrastructure, sales & service	\$9 million revenue	TBD
Scholarship and Financial Aid Deployment Strategies	\$4.1 million expense reallocation	At least - \$4.1 million annually
Expanded Community College Partnerships	minimal	\$1.5 million over next 2 years
Total Impact	\$23.3 million	

FAFSA Update and Impact

A video thumbnail showing a woman in a blue shirt sitting at a desk in an office, writing on a document. A large white play button is overlaid on the center of the image. The desk is cluttered with papers and a red bag. In the background, there are computer monitors and office equipment.

NEW THIS MORNING
FAFSA DELAYS CAUSE STRESS
HANNIBAL

6:02 45°
WGEM

FORECAST
NEW LONDON THU 66°/50° FRI 69°/64° SAT 82°/66°

April 28, 2024

EDUCATION

FAFSA problems pile up, leaving students and parents scrambling

BY LEXI LONAS - 02/08/24 6:00 AM ET

SHARE POST



Richard Cordray Takes the Fall for FAFSA Fiasco

The Federal Student Aid chief and debt-relief czar is stepping down after months of criticism over the bungled FAFSA overhaul. But is now the right time for accountability?

By [Katherine Knott](#) and [Liam Knox](#)

Your Future. Our Focus.

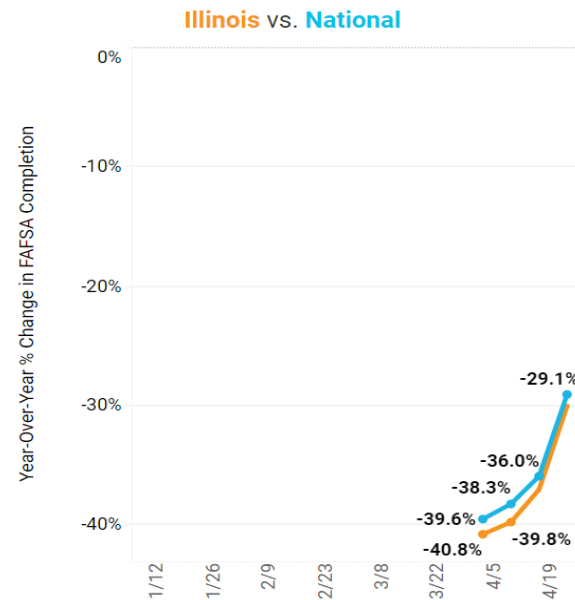
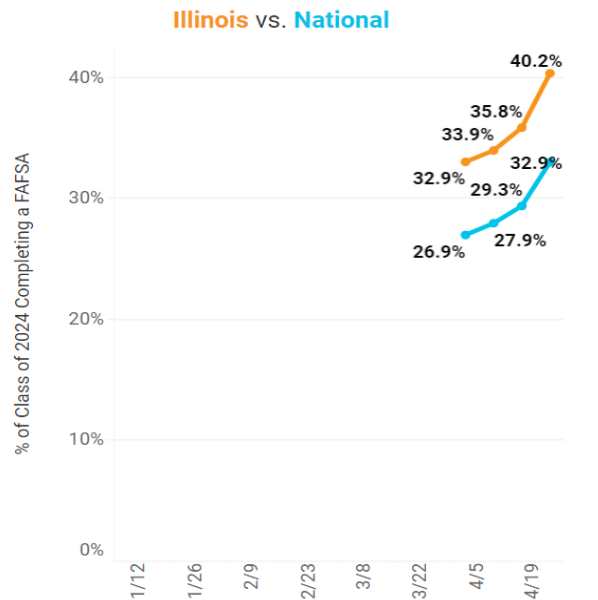
National/State FAFSA Data



Through **April 19, 2024**, **40.2%** of the **high school class of 2024** in Illinois has completed a FAFSA. There have been **63,608** completions in Illinois, a **-30.1%** change (**-27,381 completions**) compared to last academic year.

Estimated Percent of Seniors Completing a FAFSA

Year-Over-Year % Change in FAFSA Completions



Your Future. Our Focus.

FAFSA Impact on NIU



As of April 22, 2024

Aid Applicants	New Freshmen	New Transfers	Other UGRD	TOTAL
AY 23-24	11,295	1,177	6,886	19,358
AY 24-25	7,292	835	5,103	13,230
% Change	-35%	-29%	-26%	-32%

As of April 29, 2024

Aid Applicants	New Freshmen	New Transfers	Other UGRD	TOTAL
AY 23-24	11,446	1,218	6,979	19,643
AY 24-25	8,893	917	5,260	15,070
% Change	-22%	-24%	-24%	-23%

FAFSA Impact on NIU (cont'd)



- A positive or negative 1% change in enrollment is associated with a \$1.27M change in anticipated tuition and fee revenues.
- Housing, Dining and other units will be directly affected.

FAFSA Demands Immediate Action



- Discuss Current Conditions with Your Teams
- Reduce Spending Across All Categories
 - Needs vs. Wants
- Apply Greater Scrutiny to Personnel Decisions
 - Hiring, Vacancy Refills, Extra Help, Add Pay and Overtime
- Prioritize Personalized Student Engagement for Returning and New Students

Work in Progress



- Currently Working Through Multiple Budget Scenarios
 - FAFSA – Resolved in May with Minimal Impact
 - FAFSA – Beyond May with Extended Impact
 - Multi-Year Budgeting
- Timely Communication Updates Forthcoming

Summary



- NIU Goal is to Reduce Deficit by \$16M in FY25 via Enhanced Revenue and Reduced Spending
- FAFSA Unknowns Call for Immediate Action to Achieve FY25 Goal-- and Respond to the Potential for a Worsened Enrollment Forecast
- We're Working Through FAFSA Scenarios and Multi-Year Budgeting Guidance Concurrently
- We are Again in a Dynamic Environment that Requires Short and Long-Term Strategies



Discussion/Questions

Your Future. Our Focus.