Approach to Budgeting at NIU
Monthly Leadership
April 13, 2021

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Agenda

- Historical Context
- Changes to Budgeting in Response to Campus Feedback
- FY22 Budgeting
- Budget Timeline
- Multi-Year Planning and Budgeting
- Discussion and Input
Changes to Budgeting in Response to Campus Feedback

• Transparency
  – Inclusive Process: Resources, Space and Budget, now University Council; President’s Budget Roundtable; Dean’s Council; Monthly Leadership; Budget, Resource and Information Network of Business Managers (BRAIN)
  – Access to Information: Daily budget reports, key definitions, reporting to the Board

• Realignment of budget with strategic priorities
  – Student recruitment and scholarships
  – Salary increments for faculty and staff
  – Program growth (online)

• Return to Multi-Year Planning
  – Addition of new priorities (antiracism and social justice)
  – Allows appropriate length of time to identify and implement action
  – Permits remodeling of the university to align with changing landscape and demands
Investments in Strategic Priorities

• Since FY18, NIU's revenue has decreased/remained flat year over year
• In the meantime, we have reallocated annually (prox):
  – $20M to Recruitment and Scholarships
  – $6.5M to Faculty and Staff Increments
  – $2M to Diversity, Equity and Inclusion
• To accommodate these reallocations:
  – Units have reallocated internally
  – Units have changed sources of funding
  – Units have had to work with decreased budgets
• Utilize FY22 as a transition year to multi-year planning and budgeting
• Leverage local knowledge for revenue planning
• Advance affordability and access initiatives
• Prepare for campus density that is closer to a pre-pandemic normal
• Responsibly relax pandemic-induced fiscal measures (hiring chill, spending restrictions, etc.)
• Honor commitments made for FY22 in prior years
FY22 Strategies

• Streamline FY22 budget development process; create capacity for multi-year planning and budgeting launch (FY23)
  – Acknowledge that not all decisions will be on the same timeline
• Continued Need for Flexibility
  – Pandemic-induced fiscal measures to remain in place through start of fall classes
  – Every dollar saved provides flexibility in the future
• Continue to Make Decisions as Information Becomes Available
  – Some COVID mitigation measures will continue
  – Fall Enrollment
  – Return of in-person events, athletic activities, conferences and camps
  – Return to normal density in residence halls
Current FY22 Budget Assumptions

• Flat overall enrollment
• Board approved 1.5% tuition rate increase (new students, grad students) for student support services
• Flat State of Illinois appropriation ($87.8M)
• Commitment to affordability: $7.5M increase in institutional aid to students
• Invest in employees
• Anticipate New Hall/Northern View bond refinance
• Take action on urgent facility needs
FY22 Timeline

• Mid-Late April—
  – Review budget results from FY21, Third Quarter
  – Provide preliminary guidance for FY22 budget planning to campus

• Thursday, May 13—Preliminary FY22 Budget presented to the Finance, Audit, Compliance, Facilities and Operations Committee (FACFO)

• Thursday, June 16—FY22 Budget presented to the Board of Trustees
Multi-Year Planning and Budgeting

• Align academic offerings and administrative functions in support of university goals
• Time horizon– FY23-FY25
• Mix of sustainable actions with limited use of cash
• Ownership and accountability throughout the process
• Incentivize and acknowledge change

Allows time to make thoughtful and deliberate resource decisions in support of NIU mission, goals, and values
Discussion & Questions