



Northern Illinois University

Approach to Budgeting at NIU Monthly Leadership April 13, 2021

Beth Ingram, Executive Vice President & Provost
Sarah Chinniah, Vice President Administration and Finance & CFO

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 (anti-racism 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 (approx):
 - \$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

FY22 Budget Goals



- 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 next 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—FY23FY25
- 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