



Board of Trustees

Finance, Audit, Compliance,
Facilities and Operations
Committee

August 15, 2019

BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY
Finance, Audit, Compliance, Facilities and Operations Committee
9:45 a.m. – Thursday – August 15, 2019
Board of Trustees Room
315 Altgeld Hall

AGENDA

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action*..... i
4. Review and Approval of Minutes of May 9, 2019 *Action*..... 1
5. Chair's Comments/Announcements
6. Public Comment*
7. University Recommendations
 - a. Fiscal Year 2021 Budget Request..... *Action*.....9
 - b. Fiscal Year 2021 IBHE Capital Budget Request..... *Action*.....12
 - c. Student Recreation Center Changing Room Remodel..... *Action*.....23
 - d. Bowl Game Participation Expenses..... *Action*.....24
8. University Reports
 - a. Fiscal Year 2019 Report of Tuition and Fee Waivers *Information*.....25
 - b. Fiscal Year 2019 Annual Report of Cash and Investments *Information*.....27
 - c. Fiscal Year 2019 Annual Summary Report Obligation of Financial Resources *Information*.....31
 - d. Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period April 1, 2019 to June 30, 2019..... *Information*.....32
 - e. Campus Facility Project Updates..... *Information*.....36
 - f. Ethics and Compliance Update..... *Information*.....37
9. Other Matters
10. Next Meeting Date
11. Adjournment

*Individuals wishing to make an appearance before the Board should consult the [Bylaws of the Board of Trustees of Northern Illinois University](#), Article II, Section 4 – *Appearances before the Board*. Appearance request forms can be completed [online](#) in advance of the meeting or will be available in the Board Room the day of the meeting. For more information contact Karen Campbell, kcampbell5@niu.edu, Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Karen Campbell, kcampbell5@niu.edu or (815) 753-1273, as soon as possible.

Minutes of the
NIU Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations Committee
May 9, 2019

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:31 a.m. by Committee Chair Dennis Barsema in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call of the Trustees. Members present were Trustee Rita Athas, Trustee John Butler, Trustee Montel Gayles, Trustee Nathan Hays, Trustee Veronica Herrero, Trustee Bob Pritchard, Trustee Eric Wasowicz (arrived at 8:35), and Committee Chair Dennis Barsema. There were no members absent. Also present were President Lisa Freeman, Committee Liaison Sarah McGill, Acting General Counsel Greg Brady, and Board Liaison Matt Streb.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

Acting General Counsel Greg Brady indicated the appropriate notification of the meeting has been provided pursuant to the Illinois Open Meetings Act. Mr. Brady also advised that a quorum was present.

3. SWEARING IN OF TRUSTEES RITA ATHAS, JOHN BUTLER, MONTEL GAYLES, AND ROBERT PRITCHARD

New Trustees Rita Athas and Montel Gayles, as well as returning Trustees John Butler and Robert Pritchard were sworn in by Judge James Snyder, Associate Judge for the Circuit Court of Cook County.

4. MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Eric Wasowicz; seconded by Trustee Bob Pritchard. All were in favor. None were opposed. The agenda is approved.

5. REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the February 7, 2019 meeting was made by Trustee Bob Pritchard; seconded by Trustee Eric Wasowicz. All were in favor. None were opposed. The minutes are approved.

6. CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Barsema welcomed the new trustees and welcomed back the reappointed trustees. He also publicly thanked departing Trustee Tim Struthers for his outstanding service. Elections will be held in June for officer positions on the Board. These are Chair, Vice Chair, Secretary, Civil Service Merit Board Representative, and the fifth representative on the Executive Committee. Chair Barsema also thanked everyone who participated in the first ever NIU Foundation Day of Giving which raised over \$756,000 from 1400 gifts. He also commended the creation of the new tagline, "Huskies Never Quit, You Just Have to Unleash Them."

Further, Chair Barsema thanked new Trustee Rita Athas, as a member of the Alumni Association, for chairing the Day of Advocacy in Springfield on behalf of NIU. Over 50 people represented NIU advocating for the three legislative agenda items. It was a very successful day. Chair Barsema encouraged everyone to partake in this event in the future.

Chair Barsema also commended the members of the UAC who spoke at Dr. Freeman's investiture in April for a fantastic job.

Holly Nicholson, Operating Staff Council President, welcomed the new Trustees as well as welcoming back reappointed Trustees and gave a brief introduction of her role.

Cathy Doederlein, Supportive Professional Staff Council President, also welcomed the new and reappointed Trustees and introduced herself and her role. She also mentioned looking forward to moving forward with the strategic enrollment management plan.

Therese Arado, Faculty Senate President, welcomed the new and reappointed Trustees. She mentioned that she is not continuing as Faculty Senate President and return to her regular duties at the end of June.

7. PUBLIC COMMENT

There were two public comments.

Aubrey Gallione, NIU Head Cheerleading Coach, expressed concern about the lack of funding in support of the cheerleading program. The program, unlike every other cheerleading program in the MAC, is not financially supported by the NIU Athletic Department. Ms. Gallione reported that NIU is the only university that does not fund cheerleading. She feels these student athletes should be treated as other NIU athletes.

Kristen Foley, who is a Huskie mom, expressed concern that her son's fraternity was searched by NIU during spring break when no students were present. Chair Barsema explained that there were prior issues with PKT, Phi Kappa Theta, and he has the utmost confidence in how Student Affairs is handling the situation.

8. FINANCIAL UPDATE

Information Item 8.a. – FY18 Audit Results

Shyree Sanan, Associate Vice President for Finance & Treasury, presented the 2018 audited financial statements. She explained that the University received an unqualified audit opinion on its 2018 financial statements which is the best possible outcome. The overall net position declined by \$2.5M despite the continued stress on tuition revenue, the lingering impact of the budget impasse, and the implementation of new accounting standards. A couple of significant irregularities that impacted the financial results was the requirement to report two years of MAP funding and a portion of the FY17 appropriation in FY18 as a result of the late authorization of the funding bill. This irregularity made it difficult to conduct any trend analysis. Going forward, the numbers are expected to smooth out. This shifted a \$44M liability from the state to the University. Ms. Sanan pointed out that tuition and fees and scholarship allowance was substantially down due to the reporting of two years of MAP funding. The actual tuition and fees revenue was down 5%. She also pointed out that operating expenses increased by \$23M due to the need to catch up on investments that were put on hold during the two-year budget impasse. Ms. Sanan commented that the two notable changes on the balance sheet were related to the large increase in cash and investments and the increase in noncurrent liabilities related to the other post-employment benefits. The University's working capital improved significantly in FY18 due primarily to the receipt of the FY17 appropriations and MAP funding. The University did not acquire any new debt during FY18 as current debt exceeds net position. Staff are exploring opportunities to restructure the debt portfolio to save money without extending the life of the debt. Series 2010 and 2011 revenue bonds become eligible for refinancing as early as January 2020, which could yield some much-needed savings. Finally, Ms. Sanan noted the improvement in reporting to the Board.

Ms. Sanan introduced Jason Askin, the new Controller, and Greg Martyn, the new Deputy Controller to the Committee.

Ms. Sanan also mentioned that there was one less external audit finding in 2018 compared to 2017. The internal audit area has been engaged to follow up on corrective actions plans.

A question was raised regarding the repeat audit findings. Ms. Sanan explained that it usually takes a couple of cycles to totally correct an issue.

Information Item 8.b. – Quarterly Financial Summary – FY19 Third Quarter

Ms. McGill presented the quarterly financial summary for the third quarter of FY19, which included a report of year-to-date budget performance. Forecasting for year-end of FY19 shows the University \$4.8M ahead of budget. Although the total revenues are short of budget by about \$18.5M, expenses have outperformed expectations. This is primarily tied to a deferral of capital repairs. Core tuition and fees are slightly above for the period, however, they are 2% under for the year. More significant is a shortfall of about \$14M in gifts, grants, and contracts. This is due to ambitious revenue targets that were just not met.

Chair Barsema pointed out that the University can only put off capital repairs for so long. There is a continued need to advocate in Springfield for capital budget. He also questioned the scholarships being down. He did point out that the University has gotten much better in making available scholarship dollars known to the students. Ms. McGill offered to research the answer to that concern. President Freeman emphasized the importance of financial aid for NIU students. Ms. McGill clarified that although there were more scholarship dollars spent in the third quarter than was budgeted, the year-to-date amount will fall about \$8M short. Trustee Wasowicz pointed out that there is still much work to be done as the debt-to-equity ratio is \$192M to \$341M.

Information Item 8.c. – Fiscal Year 2020 University Budget – Preliminary Summary

Ms. McGill explained that the final budget recommendation for FY20 will be brought to the Board for approval once the University has received and enacted appropriation from the state, typically in June. This preliminary budget being presented today is consistent with the launch of a multi-year planning and budget process and will include a preliminary forecast through FY24. Program Prioritization as well as the launch of the Strategic Enrollment Management Plan provided critical information involved in planning efforts. Ms. McGill introduced Andrew Rogers, Director of Budget and Financial Planning and thanked him for his work on this new model.

Ms. McGill explained the report contains a consolidated view of the University revenue and expense categories summarizing key budget drivers. The report showed a structurally balanced budget by FY24. At this time, the University is projecting an all-funds \$8M shortfall in FY20. This planned shortfall is attributed to deploying a multi-year time horizon to make the structural changes to have a structurally balanced budget by FY24. Beginning in FY20 and going through FY24, there is an increased commitment to facilities to address both deferred maintenance and mission enhancement. The FY20 operating budget includes several noteworthy characteristics. It anticipates \$4.1M in increased state appropriations consistent with Governor Pritzker's proposed budget and enrollment projections consistent with the Strategic Enrollment Management plan. The model incorporates an increase in scholarship support for students and it reflects over \$17M in savings and new revenues to the education and general fund from new or expanded efforts to promote operational efficiency and expense reduction. The assumptions for FY21 and beyond will be adjusted and reported on as budgeting efforts move forward.

Ms. McGill was asked about and clarified why the debt servicing is going up \$9M. Ms. McGill clarified that debt servicing is not increasing, rather it has not been accurately reported in the past. Further conversation ensued around NIU's level of debt. Since the series 2010 bonds will be eligible for refinance in January 2020, financial advisors have indicated they may be refinanced at a lower rate. Specifics will be reported as they are available. The state appropriation amounts came into question. Matt Streb, Board Liaison, explained that although there's always developments in

Springfield, there should be a finalized and signed budget by the end of the month. President Freeman added that universities are now seen as more of an investment than a liability. Chair Barsema expressed concern over the \$8M shortfall, fearing \$8M could become \$10M. He challenged the administration to find a combination of reduced expense, or increased revenue, so that the budget shortfall is \$5M when the budget goes before the Board in June. Ms. McGill committed to continue to assess the numbers.

9. UNIVERSITY REPORTS

Information Item 9.a. – Information Technology at NIU

Sarah McGill explained that there are four Information Technology (IT) requests to come before this committee. IT is a crucial service provided to campus and there is need for investment in IT platforms in support of University priorities.

Matt Parks, Associate Vice President and Chief Information Officer, began by providing an overview of staff and how IT is organized around campus. He explained that there are four major functional areas: Enterprise Applications, Infrastructure Services, IT Operations, and Information Security. Enterprise Applications oversees the major application portfolio for the University. Infrastructure Services focuses on the campus network, both wired and wireless, including telephone service, servers, storage in the data centers, as well as an outward-facing entity called the Broadband Team. This team is being rebranded as a Regional Technology Support Team that focuses outside of NIU to the broader northern Illinois region to promote technology broadband adoption in communities. This generates about \$2M of external revenue into the division to help offset costs for campus IT services. IT Operations consists of Tier I and Tier II support. Information Security focuses on developing security policies and responding to security issues within the NIU community relative to data and privacy.

Further, Mr. Parks expressed the need for NIU to move towards electronic workflow systems and invest in aging infrastructure system.

A question was asked about revenue-generating possibilities in IT. Mr. Parks confirmed that IT assesses options. Also discussed was the use of the cloud and the caution that NIU assesses associated costs. A request was made to obtain an explanation of NIUNet and its relationship to NIU's existing infrastructure as well as what services are provided. Further discussion centered on the development of electronic workflow systems.

10. UNIVERSITY RECOMMENDATIONS

Action Item 10.a. – New Oracle ERP Hardware/Software Contract

Sarah McGill indicated the need to enter into a three-year agreement with Oracle to modernize the University's enterprise resource planning system at a funding level of \$5.3M. This includes an upgrade in hardware infrastructure of the University's ERP environment eliminating the nine-year-old current equipment. A \$400,000 savings is expected.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Montel Gayles; seconded by Trustee Bob Pritchard.

A question about Oracle being the only provider was clarified stating that this is a bridging strategy to a longer-term ERP discussion.

All were in favor. None were opposed. The motion passed.

Action Item 10.b. – Wireless Network Expansion and Upgrade – Phase 3

Sarah McGill explained that NIU provides data network connectivity to students, faculty, and staff via both wired and wireless access points on campus. This is the third phase of a multi-year effort to improve the provision of mobile Wi-Fi access to the University community and includes seven buildings at a funding level of \$425,000.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Montel Gayles.

A discussion ensued about the percentage of campus completed thus far, which is about 40%. Also discussed was the criteria on how buildings are chosen. Student academic areas were the first area of focus, followed by student housing, and then down to administration areas.

All were in favor. None were opposed. The motion passed.

Action Item 10.c. – FY20 Cisco Hardware Maintenance Contract

Sarah McGill expressed the need to purchase Cisco network and security maintenance for hardware, software, and 24/7 technical support for the University's campus-wide Cisco-based enterprise network at a cost of \$400,000 for FY20.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Bob Pritchard; seconded by Trustee Eric Wasowicz.

All were in favor. None were opposed. The motion passed.

Action Item 10.d. – Ciena Hardware Maintenance – Five-Year Agreement

Sarah McGill indicated the need to enter into a five-year maintenance contract for hardware, software, and 24/7 technical support for the University's high-speed, fiber-optic-based, broadband network which connects NIU's DeKalb Campus to the University's outreach centers as well as serving a number of public sector institutions throughout the northern Illinois region with a funding amount of \$800,000. Ms. McGill noted that there is approximately \$2M of external revenue generation from this technology, which more than covers the funding amount being requested.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Veronica Herrero.

The revenue generation from this technology was commended by the committee, and it was noted that the revenue generated is tracked very carefully by IT. It was encouraged that NIU students could be trained to maintain systems and that women and minorities are given opportunities to participate in professional services contracts.

All were in favor. None were opposed. The motion passed.

Action Item 10.e. – FY20 NIU Foundation Professional Services Contract

Sarah McGill indicated the need to renew the NIU Foundation Professional Services Contract. The NIU Foundation is an independent organization and operates to support the mission of Northern Illinois University through fundraising, asset management, and related support activities. The FY20 contract renewal amount is \$743,600, consistent with the level of funding in FY19.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Montel Gayles; seconded by Trustee Veronica Herrero.

All were in favor. None were opposed. The motion passed.

Action Item 10.f. – FY20 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal

Sarah McGill explained the need for annual secondary health insurance for student athletes for athletically related illnesses and injuries. This is the sixth of nine, one-year renewal options with a funding amount of \$325,000.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Montel Gayles.

A brief discussion was held defining who is qualified as a student athlete. This is determined by the NCAA-sponsored sport that a student plays in. NIU has 17 such sports. Further discussion centered around the renewal options and bids from other companies. The renewal is advertised on the procurement bulletin. This product was designed with the NCAA so a competitor would not necessarily bid. It was decided that more clarifying information will be added to the item prior to the June Board meeting.

All were in favor. None were opposed. The motion passed.

Action Item 10.g. – New Depository Account for Commercial Card Program

Sarah McGill explained the need to open a depository account with J.P. Morgan Chase Bank, which will be an investments account held as collateral for the University's new commercial card program. The required deposit to open this account is \$1M, which may increase or decrease based on the annual card spend and/or credit rating.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Veronica Herrero; seconded by Trustee Rita Athas.

A discussion ensued which clarified the decision to partner with J.P. Morgan. The original request to enter into an agreement for a commercial card service with J.P. Morgan was discussed in March 2018 with the Board.

All were in favor. None were opposed. The motion passed.

Action Item 10.h. – Fire Services Contract Extension with the City of DeKalb

Sarah McGill explained that the University obtains fire response and emergency ambulance services from the City of DeKalb in the same manner as the local community. Since the University does not pay property taxes, a contract with the city serves as the mechanism to fund an appropriate share of these services. The current five-year contract expires on June 30, 2019, however with changes in the city leadership, a proposal to extend this contract until December 31, 2019 will provide time for discussions around a new multi-year contract. The proposed amount is \$415,857, which represents half of the annual cost for FY19.

Ms. McGill read the following recommendation for consideration by the committee:

The University requests authorization to complete a six-month extension on the current contract adding \$415,857 for a new total cost of \$4,091,604. The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 13, 2019.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Bob Pritchard.

A question was asked about the increase in cost from FY18 to FY19. John Heckmann responded that the reason for this extension is to have the time to vet out what happened in the past. There is some alignment of logic to the number of calls and cost, however comparisons with other communities will be done to see if there are other mechanisms or models that can be used. A new proposal will come before the committee at the fall meeting.

All were in favor. None were opposed. The motion passed.

11. UNIVERSITY REPORTS

Sarah McGill indicated that she was happy to respond to any questions pertaining to the University Report Information Items but would not go into detail on the individual items. She did mention that an update on the Holmes Student Center was included in the Facilities Update item noting that the posters displayed in the hall before entering the Board Room reflect renderings of the renovations currently underway. The posters show drawing of the new spaces alongside pictures of current construction progress. Chair Barsema added that he has toured the Holmes Student Center and found it exceeded his expectations. He recommended to board members that they also take a tour if they are able

Information Item 11.a. – Periodic Report on Investments for Period Ending March 31, 2019

Information Item 11.b. – Quarterly Summary Report of Transactions in Excess of \$100,000

Information Item 11.c. – Semi-Annual Progress Report of Active Capital Projects

Information Item 11.d. – Facilities Update

12. OTHER MATTERS

Chair Barsema thank Eric Wasowicz and his wife, Ann Lawrence, for their \$50,000 gift to the College of Business for the new Creativity and Empathy Lab on the NIU Giving Day.

13. NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be August 15, 2019.

14. ADJOURNMENT

A motion was made to adjourn by Trustee Montel Gayles; seconded by Trustee Nathan Hays. The meeting adjourned at 11:05 a.m.

Respectfully submitted,

Vicky Rippberger
Recording Secretary

FISCAL YEAR 2021 BUDGET REQUEST

Summary: Each year, at this time, staff seeks the Board's approval of budget request guidelines or the overall level of state funding requested for the upcoming fiscal year. This total request amount is recognized as the University's budget request throughout the budget development process. Staff uses the request figure when developing the University's detailed budget request and other budgetary reporting materials for the Illinois Board of Higher Education and the Illinois General Assembly.

For FY21, NIU requests a funding level of \$93,628,600.

Background: For FY20, the University submitted a Board-approved budget request of \$93.6 million to the Illinois Board of Higher Education. That request reflected an overall return to the revised FY15 base funding level of \$91.1 million plus an additional \$2.5 million for academic program priority requests. While the request was not fully realized, state appropriations in FY20 increased 5% over the prior year to \$87.8 million, a demonstration of the focus that Governor Pritzker has placed on higher education.

During the past several years, state General Funds appropriations provided to Northern Illinois University have varied greatly and declined significantly. The aggregate funding level during the past 6 years reflects a state funding shortfall of \$84.7 million, ignoring inflation, when compared to a flat-funding scenario at the FY15 level of support.

<u>State General Funds</u>	<u>State Funding Deficit compared to FY15</u>
FY15: \$91.1 million	
FY16: \$26.4 million	(\$64.7 million)
FY17: \$91.1 million	
FY18: \$81.9 million	(\$9.2 million)
FY19: \$83.6 million	(\$7.5 million)
FY20: \$87.8 million	<u>(\$3.3 million)</u>
	(\$84.7 million)

FY21 Budget Request

The FY21 state budget request presented for the Board's consideration reflects the University's commitment to, and advocacy for, the students, faculty, and staff at NIU. This FY21 request for \$93.6 million attempts to secure a more adequate level of state funding support which responsibly supports the University's mission. The recommended budget request seeks funding for operational support and academic program priorities.

1. TOTAL BUDGET REQUEST: \$93,628,600

A. OPERATIONS/BASE FUNDING REQUEST: \$91,092,700

A base funding level of \$91.1 million provides for a general 3% cost increase on activities supported by state appropriations, plus an additional \$654,000 to fund other priorities, including student support.

B. ACADEMIC PROGRAM PRIORITY REQUESTS: \$2,535,900

The identified requests continue NIU's efforts to enhance and strengthen academic commitments in education and address critical workforce needs. In conjunction with the University's Program Prioritization Initiative the following have been identified as the top priorities:

- \$764,200: Data Sciences. To support increasing enrollments and number of degrees awarded in existing degree programs related to data sciences including programs in operations management and information systems, computer science, statistics, engineering, and educational research and evaluation. Also, will expand vision of what data sciences encompasses at NIU by bringing in data utilization and applications in areas such as humanities and social sciences as well as business, natural sciences, and engineering. Further, will support the exploration of the integration of these aspects of data sciences through the potential development of an interdisciplinary graduate program in data sciences.
- \$554,900: Nursing. To provide the resources needed to increase enrollments and the numbers of degrees awarded in nursing, which would contribute to the key work force needs in the State of Illinois.
- \$613,800: Health Information Management. To support the development of a new degree program that exists at the intersection of information science, computer science, and health care. A Health Information Management degree will provide undergraduates and graduates with the skills needed to enter high demand health fields dealing with the acquisition, storage, retrieval, and use of information related to health and health services.
- \$603,000: Expanding Offerings of Industrial & Systems Engineering and Mechanical Engineering Programs with Pathways with Community Colleges in the State of IL. To support these priority programs, specifically with a 2 + 2 pathway from local community colleges. The proposed expanded programs will provide an opportunity to attain skills to qualify them for high-skill jobs in different sectors including advanced manufacturing, health care, distribution/logistics, and financial sector jobs.

In addition to state funding support, the University will also seek reforms that impact University resources but are considered non-budgetary in nature. Staff will work with the IBHE, the Governor's Office, legislators, and other institutions to seek relief from unfunded mandates and

burdensome regulations and requirements related to procurement and civil service. In short, more flexibility is needed in order to adapt and thrive in today's environment.

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse the budget request of \$93,628,600 to ensure the timely preparation and submission of the University's FY21 detailed budget request to the IBHE and subsequent reports to the General Assembly and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

FISCAL YEAR 2021 IBHE CAPITAL BUDGET REQUEST

Summary: The Illinois Board of Higher Education (IBHE) Capital Budget Request is submitted in the fall prior to the budget year in order to meet IBHE and state capital project review and approval submission schedules. The Capital Budget Request consists of two principal categories of projects requesting state funding support and a third category that provides notification of anticipated non-instructional projects that might eventually require specific IBHE approval. Eleven capital projects, totaling approximately \$326M, and twenty capital renewal projects totaling approximately \$57M, are proposed for submission. (Note: the originally posted Board Report stated this figure as \$53M in error. \$57 is the correct amount requested.)

Background: Requests for state funding support include regular capital projects which represent major investments for new construction and renovation; and capital renewal projects which lists major repairs and system improvement projects with estimated budgets in excess of \$100,000. Table 15 is an excerpt from the FY20 IBHE budget recommendation showing the integrated priorities of capital projects across all Illinois public universities. There are four capital projects listed for NIU based on previous requests. Other than the first priority project, NIU's capital priorities have changed as reflected in the following capital project listing. The University will be working with IBHE to develop a new integrated priority listing for all public universities.

Priorities for capital projects were determined through reviews and discussions with the Provost; Research, Innovation, and Partnerships; and the Chief Financial Officer, assessing mission program areas, building conditions, and impact on student enrollment. Capital Renewal priorities are predominantly driven by building/infrastructure conditions and the potential for impacting University operations.

From the recent FY20 state capital budget, the University's first priority capital project, Health Informatics & Technology Center, was authorized at \$77M with an additional \$3M reauthorized for required project planning. Additionally, authorization included \$52.9M for miscellaneous capital improvements. While the timing of these funds are uncertain and may represent multiple years of capital funding support, the flow of funds from FY19 budget authorizations supporting \$6.1M for boiler replacements, \$476K for steam line repairs, and a pending \$5M for steam tunnel repairs have been addressing top priorities from the Capital Renewal requests made from the past couple years. While not directly related to this IBHE submission, the pending grant funding supporting the Northern Illinois Center for Community Sustainability (~\$22.9M) is another capital investment opportunity which will bolster research on the campus.

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

Regular Capital Project Priorities for FY21 IBHE Budget Submission		
Priority	Project Title	Total Estimated Cost (\$K)
1	Health Informatics & Technology Center	77,025
2	Dusable Hall Renovation	31,000
3	Williston Hall Renovation	14,500
4	Still Hall and Still Gym Renovation	25,500
5	Gabel and Graham Complex Renovation	62,000
6	Davis Hall Renovation	30,000
7	McMurry Hall Renovation	7,000
8	Reavis Hall Renovation	11,000
9	Watson Hall Renovation	10,800
10	Psychology/Computer Science Building Renovation	7,500
11	Montgomery Hall Renovation	50,000
	Total Regular Capital Projects	\$326,325

Capital Renewal Project Priorities for FY21 IBHE Budget Submission		
Priority	Project Title	Total Estimated Cost (\$K)
R1	Critical Electrical Infrastructure Improvements Phase IV	4,032
R2	Swen Parson Hall- Parapet and Roof Restoration	2,633
R3	Gabel Hall Roof Replacement - Phase II	1,260
R4	Music Building Roof Replacement	1,063
R5	Masonry/Stone Restoration: Still Hall and Still Gym	399
R6	Anderson Hall Pool and Structural Repairs	3,602
R7	East Campus Chilled Water System Reconfiguration	6,286
R8	Visual Arts Building Structural Repairs	2,525
90	Campus Roadway Repairs	3,041
R10	Campus Wide Boiler Replacement - Phase II	9,936
R11	LaTourette Hall Control Valve and HVAC Repairs	3,068
R12	Monat Building Roof Replacement	345
R13	Davis Hall Parapet Restoration	1,727
R14	McMurry Hall Stone Repair	1,621
R15	Campus Telephone System Modernization	2,500
R16	Primary Data Center Environmental Improvements	962
R17	Critical Campus Wide ADA Deficiency Upgrades	3,475
R18	Replace Watermain Central Campus	1,105
R19	Campus Wide Boiler Replacement - Phase III	7,632
	Total Capital Renewal Projects	\$ 57,212

Table 15
ILLINOIS BOARD OF HIGHER EDUCATION
HIGHER EDUCATION CAPITAL IMPROVEMENT PROVISIONAL PRIORITY LIST
FY2020 RECOMMENDATION

(in thousands of dollars)

	<u>Institution</u>	<u>Project</u>	<u>Budget Category</u>	<u>FY2019 IBHE Recommendation</u>	<u>Total Project Cost*</u>
	Public Universities	Capital Renewal	Repair/Renovate/Remodel	\$ 507,787.5	
	IMSA & Univ. Center of Lake County	Capital Renewal	Repair/Renovate/Remodel	5,902.2	
I.	Statewide Capital Renewal	Capital Renewal - Public Universities, ICCB & IMSA	Repair/Renovate	\$513,689.7	
	Public Universities and IMSA				
1	Northeastern Illinois University	Education Building ¹	Equipment	10,398.0	10,398.0
2	Northern Illinois University	Computer Science, Health Informatics, & Technology Center ¹	Construction/Equipment	74,237.5	77,024.9
3	Southern Illinois University Carbondale	Communications Building ¹	Planning/Renovate/Addition	78,763.8	83,019.2
4	Western Illinois University	Science Building, Phase I	Planning/Construction	94,500.0	94,500.0
5	Southern Illinois University Edwardsville	Health Sciences Building	Planning	9,350.0	105,370.0
6	Eastern Illinois University	New Science Building	Planning/Construction	118,836.5	118,836.5
7	Illinois State University	Milner Library Rehabilitation	Addition/Construction	89,205.0	89,205.0
8	University of Illinois at Springfield	Library Learning Student Success Center	Planning/Construction	35,000.0	35,000.0
9	University of Illinois at Urbana-Champaign	Math/Statistics/ Data Science Collaborative Facility	Planning/Construction	43,200.0	100,000.0
10	Northeastern Illinois University	Carruthers Center for Inner City Studies	Remodeling	21,441.0	21,441.0
11	University of Illinois at Chicago	Computer Design Research and Learning Center	Renovation/Construction	98,000.0	98,000.0
12	Northern Illinois University	Wirtz Hall Renovation	Planning/Remodeling	22,578.4	22,578.4
13	Chicago State University	Nursing Lab (Simulated Hospital)	Renovation	15,836.3	15,375.0
14	Governors State University	Academic Building E Extension	Planning/Construction	3,530.0	3,530.0
15	Illinois Mathematics and Science Academy	Residence Halls - Phase II, Interior Renovations, Part A 2	Renovate	2,089.0	7,109.8
16	Eastern Illinois University	Rehabilitate Life Science/Coleman HVAC & Plumbing, Escalation 1, 2	Renovation/Cost Escalation	1,709.8	7,109.8
17	Northern Illinois University	Campus Roadway Repair 2	Repairs	7,729.2	7,729.2
18	Eastern Illinois University	Fire Alarm Upgrades 2	Rehabilitation	4,105.9	4,105.9
19	University of Illinois at Urbana-Champaign	School of Art and Design Thinking and Learning Addition	Planning/Construction	64,860.0	84,000.0
20	Chicago State University	Library Exterior Repair (Water Infiltration) 2	Repairs	5,198.4	5,548.4
21	Western Illinois University	Science Building, Phase II	Planning/Construction	61,900.0	61,900.0
22	Governors State University	Innovation Center	Planning	4,019.0	47,265.0
23	Southern Illinois University Edwardsville	Alton Dental Consolidation	Planning	8,460.0	91,300.0
24	Illinois State University	Mennonite College of Nursing	Planning/Construction	30,548.0	30,548.0
25	Northeastern Illinois University	Science Building Modernization	Planning	8,720.0	137,186.0
26	Northern Illinois University	Davis Hall Renovation	Planning	2,849.5	46,559.2
27	University of Illinois at Urbana-Champaign	Library Upgrades	Planning/Remodeling	54,500.0	54,500.0
28	Chicago State University	JDC Pool/Bldg HVAC Upgrade 2	Renovation	6,785.0	6,785.0
29	Illinois Mathematics and Science Academy	Residence Halls - Phase II, Interior Renovations, Part B 2	Renovate	1,566.0	See # 16
30	University of Illinois at Chicago	Drug Discovery and Innovation Pavilion	Planning/Construction	100,000.0	100,000.0
II.		Regular Capital		\$ 1,079,916.3	\$ 1,565,924.3
		Public University & IMSA, Subtotal		\$ 1,593,606.0	

* In some cases, IBHE capital recommendations are partial project funding for initial phases such as planning and land acquisition. Total project cost reflects the full cost of project completion including construction, renovation, utilities and equipment. In several cases the additional costs to be covered from other funds. Cost estimates excludes prior year state appropriations and non-state funds.

¹ Planning funds were included in the FY2010 Illinois Jobs Now! program for these projects but funding was never released. Illinois JobsNow! Projects were reappropriated for FY 2019

² Smaller renovation and remodeling projects could be covered with capital renewal funding if the IBHE request for capital renewal is granted.

Narrative on Priority Rationale – Capital Projects

1. Health Informatics & Technology Center

The University is requesting funding for a new Health Informatics & Technology Center. In the last decade the demand for college graduates with expertise in health-based technology fields has increased exponentially. The new facility will offer students a unique learning environment combining the best of a time-honored college education driven by a focus on advancing health technology. The center will have extensive infrastructure to accommodate a broad range of equipment necessary to develop a nationally competitive program with potential for industry and professional certification programs, custom health informatics learning labs and single classes for corporations and individuals. Experience using “cutting edge” technology in a well-planned, well equipped facility, will prepare students to compete and succeed in the intense technologically complex world of the future.

2. DuSable Renovation

Constructed in 1968, this building houses the classrooms for the College of Liberal Arts and Sciences, and the departments of Economics, Foreign Language, History, Communication, Mathematical Science & Political Science. Space within DuSable is configured for the building’s original use in 1968. While the space generally works for a classroom building, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. Many of the mechanical systems are inefficient, inadequate, and antiquated and electrical systems are in-efficient. This request will provide funding for the planning, design, and construction of remodeling DuSable Hall.

3. Williston Hall Renovation

Williston Hall opened in 1915 and was originally built as a woman’s dormitory. Converted to administrative office space in 1969, the building has had no other major renovations over the last 49 years. Available power is inadequate to meet modern technology demands. Mechanical systems are inefficient and antiquated. Repairs are required to the existing masonry structure to address water intrusion and general deterioration. To provide a healthy and attractive work environment for the faculty, staff, and students that occupy the building for various student support services, the University seeks to preform major renovations on Williston Hall to address space functionality of the building and the overall building structure and systems.

4. Still Hall and Still Gym Renovation

The Still Hall and Gym were built in 1928 and were converted into office and classroom space in 1964. No other major renovations have occurred in the buildings over the last 54 years. Available power is inadequate to meet modern technology demands. Mechanical, electrical, and plumbing systems are inefficient and antiquated. The need to provide major repairs to the existing masonry structure and tuck pointing have caused significant concerns for water intrusion and structural deterioration as the exterior walls are deflecting outward. This project seeks to update the building structure and its mechanical, electrical, and plumbing systems to better meet the needs of modern-day students.

5. Gabel and Graham Complex Renovation

Gabel Hall was constructed in 1958, and Graham Hall was constructed in 1964. The buildings are interconnected, and access corridors flow directly between the two “buildings”, so they share many of the same deficiencies. Housed in these buildings are the

Colleges of Education, Health and Human Sciences, and Visual and Performing Arts. Significant classroom and faculty spaces dominate the use. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. The roof system is in critical need of replacement. The buildings incorporate large amounts of asbestos containing materials, and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods. This request will provide funding for the planning, design, and construction of remodeling both Gabel and Graham Halls.

6. Davis Hall Renovation

This Gothic style building was built in 1942 and constructed with steel and steel reinforced concrete and then sheathed with Joliet Limestone. Davis Hall was constructed as the institutions first Science Building and now houses the Geology (Geology and Environmental Geosciences) and Geography departments. Other than the installation of a telescope in 1965 and air conditioning systems in 1975, no other major renovations have occurred to Davis Hall over the last 76+ years. The building still utilizes the original fused electrical panels. Available power is completely inadequate for modern lab requirements. Davis' mechanical systems are inefficient, inadequate, and antiquated. The flat roof sections are failing, and two sides of the building need major repairs to the stonework including overall tuck pointing. In order to continue to be of functional value, the building requires several comprehensive infrastructure updates. Existing fume hoods are not able to satisfactorily accommodate the needs of the instruction and research assigned to Davis. There is no elevator IBHE Resource Allocation and Management Program - Capital Request – FY20 - Page 2 of 8 service to the 6th and 7th floors. Restroom locations are not compliant with today's code requirements.

7. McMurry Hall Renovation

This Georgian style building was constructed in 1911 and is the second oldest building at Northern Illinois University. The building was constructed of brick and limestone consisting of 33,649 gross square feet of which 26,694 are assignable. The first floor was used to educate the lower grades and the second floor was used for the upper grades. McMurry was eventually converted into classrooms and offices for the College of Business. In 2002 the College of Business constructed Barsema Hall, and McMurry became the home of the College of Health and Human Sciences.

Other than the installation of a new roof in 2002 and various other minor renovations (i.e. painting/ carpeting/lighting), no other major renovations have occurred to McMurry Hall over the last 100+ years. Available power is completely inadequate for modern technology and classroom requirements. McMurry Hall still utilizes window unit air conditioning systems and the various other mechanical systems are inefficient, inadequate, and antiquated. The building as a whole is in need of major repairs; this includes tuck-pointing of all exterior masonry and stonework. In order to continue to be of functional value, the building requires a number of comprehensive infrastructure updates, including a new HVAC system that can take advantage of the East Campus Chilled Water line, as well as an upgraded electrical system, etc.

Space within McMurry Hall is configured for the building's original use in 1911. While the space generally works for a classroom building, additional efficiencies need to be made.

In order to achieve more optimal learning environments, a more modern, student focused, technology oriented, teaching experience needs to be created.

8. Reavis Hall Renovation

Constructed in 1957, this building houses classroom and faculty spaces for the College of Liberal Arts and Sciences. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. The buildings incorporate significant quantities of asbestos containing materials; roofing membranes need replacement and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods. This request will provide funding for the planning, design, and construction of remodeling Reavis Hall.

9. Watson Hall Renovation

Constructed in 1962, this building houses classroom and faculty spaces for the College of Liberal Arts and Sciences. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. The buildings incorporate significant quantities of asbestos containing materials; roofing membranes need replacement, and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods. This request will provide funding for the planning, design, and construction of remodeling Watson Hall.

10. Psychology/Computer Science Building Renovation

Constructed in 1973, this building houses classroom and faculty spaces for the College of Liberal Arts and Sciences. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. The buildings incorporate significant quantities of asbestos containing materials; roofing membranes need replacement, and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods. This request will provide funding for the planning, design, and construction of remodeling Psychology/Computer Science Building.

11. Montgomery Hall Renovation

Constructed in 1967, this building houses classroom and faculty spaces for the College of Liberal Arts and Sciences. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments; a more modern, student-focused, technology-oriented teaching experience needs to be created. The buildings incorporate significant quantities of asbestos containing materials; roofing membranes need replacement, and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods. This request will provide funding for the planning, design, and construction of remodeling Montgomery Hall.

Narrative on Priority Rationale – Capital Renewal Projects

R1. Critical Electrical Infrastructure Improvements Phase IV

The existing electrical infrastructure on main campus was constructed in the 1960s and components of the system are beyond life expectancy and not repairable. Improvements have systematically been addressed over the past years as funding could be made available, but a final phase is required to address remaining 50+ year-old transformers, switch gears, substations, and distribution cables. Major failures of these components may render portions of the campus without power for extended periods of time and pose significant risk to personnel near this antiquated equipment. Numerous power failures have occurred over the recent past and are demonstrating the increasing deteriorated condition of the system.

R2. Swen Parson Hall – Parapet and Roof Restoration

Northern Illinois University's Swen Parson Hall was originally constructed in 1952. Over the years, through natural weather deterioration, the limestone tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall and has damaged the attached roof membrane. Work would include tuck pointing of existing limestone structure, restoration of the masonry parapet which has begun to deteriorate, spall and lose stones, and replacing/repairing the adjacent flashing and roofing membrane.

R3. Gabel Hall Roof Replacement – Phase II

The original roof on Gabel Hall was installed in 1958 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. This project seeks to replace the roofing and skylights on the single story south west corridor wing. Water infiltration and secondary damage is occurring within the building whenever it rains. Skylights leak consistently and plaster laden with asbestos continually collects moisture and falls from the ceiling. Roof replacement is necessary to correct the problem. The insulation is also spoiled at this point and must be replaced.

R4. Music Building Roof Replacement

The original roof on the NIU Music Building was installed in 1972 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The all-weather-crete insulation is also spoiled at this point and must be replaced. The existing roof is a 3-ply built-up roof with a gravel surface over coal tar pitch. The roof is over 60,000 square feet with eight major roof levels that will require 2,000 feet of new roof flashing. This roof offers an ideal location for green roof opportunities which will be considered in this scope of work.

R5. General Masonry and Stone Restoration/Replacement: Still Hall & Still Gym

Still Hall and Still Gym are two existing masonry buildings on campus that have begun to deteriorate including significant sagging and bowing of some of the exterior walls. This will require significant structural repair and restoration involving the interior wall and window repair. Water is infiltrating causing secondary damage to building interiors. Deteriorated parapets are allowing water to come in from the ceilings. To maintain the building's exterior integrity, significant masonry structural repair and tuck pointing will need to be done.

R6. Anderson Hall Pool and Structural Repairs

Northern Illinois University's Anderson Hall was originally constructed in 1964. Through the years minor work has been done to maintain the building, but no significant renovations have occurred. Over the years, through natural wear and tear the existing Anderson Hall facility has begun to show its age. More specifically the concrete pool, pool deck, pool systems, and exterior glazed curtain walls have begun to deteriorate. Existing pool motors, filters, heating, and other systems are showing their age and are in a constant state of failure. Maintenance of the system has become burdensome due to the age of the system and the University's lack of ability to acquire replacement parts. This project seeks to repair the existing pool structure and pool deck and to rework/replace the existing pool systems to allow for higher level maintenance, chlorine control, and overall pool quality.

R7. East Campus Chilled Water System Reconfiguration

Several buildings located on the Northern Illinois University campus are operated by stand-alone HVAC systems. The equipment comprising these systems has either reached the end of their recommended lifespan or will relatively soon. Due to equipment age, these systems have become costly to maintain and operate. Therefore, this project seeks to connect Anderson Hall, Engineering Building, Barsema Hall, Still Gym, Still Hall, and McMurry Hall to the east campus chilled water loop which is supplied by the East Chiller Plant. Based on preliminary evaluation, this would be the more cost and energy efficient method of cooling than replacing the existing equipment. It would also allow for the existing stand-alone systems to be removed. However, during peak load times, the chiller plant is already operated at its maximum capacity. The load requirements of the additional buildings will increase the required capacity beyond the maximum ability of the facility. The plant currently houses four chillers with space originally allocated for two new chillers for future use. New chillers are required to be provided and installed in the East Chiller Plant in the existing bays reserved for future use. The addition of the new chillers will also require additional cooling tower capacity to meet demand. Two additional cooling tower cells will be provided and installed in the two empty tower bays. Additionally, the campus has increasingly seen issues from added sediment within the chilled water loops and at terminal units. The added sediment has resulted in significant clogging which inhibits the chilled water system's ability to provide adequate cooling. A dirt and air separator will be provided and installed upstream of the chilled water system pumps.

R8. Visual Arts Building Structural Repairs

The 48-year-old Visual Arts building has developed severe fractures and spalling in the exterior concrete structural columns as well as many other structural, safety and water intrusion issues. This project will repair the structural interior and exterior columns and beams, tuck point the building in deteriorated areas, caulk all building expansion/control joints, caulk around all windows, replace the north and south entry stairs, replace the north entry deck area, replace or modify the first floor exterior railing, install improved draining at specific entry points of the building, and regrade and replace on grade concrete at approaches to the building to prevent water intrusion.

R9. Campus Roadway Repairs

Most roadways serving the NIU campus were constructed and are owned by the University, except Lucinda Avenue, Normal Road, Carroll Avenue, Locust Street, and Annie Glidden Road. Much of the road construction coincided with the building surge in the 1950s and 1960s, though much of the East Campus road construction pre-dates that period. During the 1970s and 1980s several campus roadways were resurfaced, however, the only

significant reconstruction projects that have been completed in recent years are Lucinda Ave, Castle Dr, Gilbert Dr, a section of Stadium Drive West, and a section of College Ave. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration on a localized basis. In addition to normal freeze/thaw damage, repairs due to construction projects (underground utility replacement, etc.) have led to a patchwork of street surfaces each with seams that let more water penetrate and add to the deterioration. The additional burden of Huskie Bus traffic on University streets has accelerated the breakdown, particularly at bus stop locations. This project will reconstruct the pavement of such roads that are deemed to be in fair/poor condition, as well as make minor adjustments of any associated storm structures.

R10. Campus Wide Boiler Replacement – Phase II

The campus boiler system provides steam for heating both the east and west sides of the campus. As the existing steam system ages, many of its components have been decommissioned due to severe deterioration of the interior boiler tubes and apparatuses. The loss of one or more of the boilers creates a safety hazard for the heating plant, students, and University staff by putting the campus at risk of losing heat during the winter months. A University-wide boiler assessment, completed in 2017, provided a three-phase project for replacing the boilers at both heating plants and centralizing all steam production to a single central heating plant. Phase I of the project was funded in the FY19 legislation and will begin the process of replacing the outdated heat generation capacity of the University. Phase II of this project will continue this process by adding a third boiler to the newly constructed centralized plant. Additionally, this phase will upgrade the existing campus electrical system and replace aging equipment. Phase III of this project will be refined as Phase II nears completion. The completion of all three phases of this project will allow the new heat generation to be more reliable and more energy efficient. Moreover, all three phases of this project are required to fully eliminate the risk of a catastrophic boiler failure during peak winter demand. As each phase is completed, the risk is reduced; however, the risk of campus-wide impact will not be adequately mitigated until all three phases are complete.

R11. LaTourette Hall Control Valve and HVAC System Repairs

LaTourette Hall connects with Faraday Hall and together represent NIU's main academic Science building facility. LaTourette was constructed in 1995 and Faraday Hall in 1964. Critical work includes replacement of the control valves, safety modifications of existing lab fume hood system, and corrections to the building's HVAC system. The control valves represent a critical component in the control system of the building for maintaining proper pressurization of spaces as they support the proper operation of the fume hoods. However, because the existing valves in the building have aged to the point that replacement parts are no longer available, maintaining the required environments of the science spaces has become increasingly difficult. The fume hood system isolation and outside air dampers require replacements with fast-acting damper to allow for safe operation of the fume hoods. Additionally, the building HVAC system is failing to provide adequate humidity control within the building causing deteriorating issues such as failing fireproofing, duct insulation mold issues, condensate drains being inadequate, and excessive corrosion to mechanical units.

R12. Monat Building Roof Replacement

The original roof on the NIU Monat Building was installed in 1968 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration

and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The existing roofing system is a low slope 3 ply built-up roof. The roof is over 11,600 square feet and will require roughly 1,000 feet of new roof flashing.

R13. Davis Hall Parapet Restoration

Northern Illinois University's Davis Hall was originally constructed in 1942. Over the years, through natural weathering, the masonry tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall. In order to avoid further damage, tuck pointing of existing masonry structure and restoration of masonry parapet is required to adequately address the water infiltration and falling debris hazard created by this deterioration.

R14. McMurry Hall Stone Repair

McMurry Hall, constructed in 1911, is a three-story solid brick masonry bearing wall structure with decorative cut limestone accents surrounding the doors, windows, and eave line of the building. The masonry requires tuck pointing, and restoration to ensure the building exterior is kept weather-tight to protect the structural integrity of the bearing walls. The decorative limestone is in poor condition at the south entry and several other locations. The aluminum framed windows installed in 1963 are now worn and leaking and beyond the normal life expectancy for the material.

R15. Campus Telephone System Modernization

NIU's existing voice system is 25 years-old and comprised of components that are no longer manufactured, and software no longer supported. The system is vulnerable to power outages which not only compromises critical emergency communications, but also increases the risk of major component failure. In the past five years, four complete telephone system outages have been experienced due power-related issues. Necessary component failure repairs have been dependent on finding spare parts from salvage distributors which are increasingly becoming harder to find. This project will replace the existing system with a current generation telephone system that converges voice onto NIU's existing enterprise network using Voice-over-IP (VoIP) technology and leverages a geo-redundant architecture to ensure a robust service that is no longer dependent on a single telephone system facility.

R16. Primary Data Center Environmental Improvements

NIU's primary datacenter, located in Swen Parson, houses the majority of the University's enterprise application server, storage, and network infrastructure. Three key environmental components (uninterruptable power supply, fire suppression, and power distribution) supporting this datacenter are past useful life and in dire need of being replaced. These components are critical to providing a stable operating environment for the multi-million-dollar data management infrastructure. A failure of these components will directly impact major portions of the campus and support to academic course delivery. The uninterruptable power supply (UPS) system is several years beyond its useful life and is no longer able to be repaired when parts fail. The fire suppression is also beyond its useful life and may not be reliable putting both the building and data system at risk for significant damage and causing severe campus impacts. The AC power distribution infrastructure within the data center needs to be replaced to ensure reliable and redundant power delivery.

R17. Critical Campus Wide ADA Deficiency Upgrades

Many of our University buildings were built before 1998 (Americans with Disabilities Act - ADA) and lack the needed amenities for individuals with disabilities. A 1994 study completed by the CDB confirmed and highlighted deficiencies that exist on campus. For NIU to continue to provide sufficient facilities to our students, staff, and visitors with disabilities, NIU seeks to update various areas on campus to meet the current ADA code. Work will include, but not be limited to, the renovation of existing handicap toilet rooms, ramps, entry pathways and doors, lifts, service counters, adaptive hearing mechanisms, and exterior improvements to accommodate individuals with disabilities.

R18. Replace Watermain Central Campus

The NIU Campus domestic water main piping distribution system consists of looped piping networks interconnected with the City of DeKalb water distribution system at many points. In 1990, a utility system assessment effort was completed to recommend improvements to underground water distribution piping. The study recommended that 1,700 feet of the central campus 6-inch water main, installed in 1959, be replaced within 5 years of the report due to deterioration and capacity flow concerns to ensure maximum fire hydrant flows with minimum pressure drops during emergencies. This project will also include critically required valve vaults for isolating breaks without major disruption of water service.

R19. Campus Wide Boiler Replacement – Phase III

The campus boiler system provides steam for heating both the east and west sides of the campus. As the existing steam system ages, many of its components have been decommissioned due to severe deterioration of the interior boiler tubes and apparatuses. The loss of one or more of the boilers creates a safety hazard for the heating plant, students, and University staff by putting the campus at risk of losing heat during the winter months. A University-wide boiler assessment, completed in 2017, provided a three-phase project for replacing the boilers at both heating plants and centralizing all steam production to a single central heating plant. Phase I and Phase II of the project constructed a new central heating plant with three boilers and replaced existing infrastructure. Phase III of the project will complete the process of replacing the existing equipment. This phase will add a fourth steam generator to the central heating plant and decommission all the existing boilers and associated equipment at the East Heating Plant. The base option for this phase is to add a fourth natural gas fired boiler to the newly constructed central heating plant. The alternate option for this phase is to add a gas turbine and heat recovery steam generator (HRSG) to cogenerate steam and electricity for use on the campus. The ability to produce electricity for use throughout campus offers potential energy savings for the University. However, it is estimated that this option would cost approximately thirteen million dollars more than the base boiler option. A complete economic analysis will need to be completed during Phase I and II of the project to justify the cost difference. The completion of all three phases of this project will allow the new heat generation to be more reliable and more energy efficient. Moreover, all three phases of this project are required to fully eliminate the risk of a catastrophic boiler failure during peak winter demand. As each phase is completed, the risk is reduced; however, the risk of campus-wide impact will not be adequately mitigated until all three phases are complete.

STUDENT RECREATION CENTER – CHANGING ROOM REMODEL CAPITAL PROJECT DESIGN APPROVAL

Summary: The Student Recreation Center locker rooms are largely unchanged since the original construction in 1983. Student lifestyle and expectations, however, have changed significantly, and the existing configuration, fixtures, finishes, and infrastructure need to be updated to best align with needs and preferences for the diverse student population. Since recreation amenities are an influential factor for student recruitment, an investment to make the locker rooms more inclusive and appealing is considered worthwhile.

Background: A significant goal for the Recreation and Wellness Department is to lower barriers to fitness for all students. Creating a comfortable and welcoming environment for students and other patrons to come to work out is a key element of this goal.

The existing locker spaces were built prior to current ADA codes and more recent universal design principals. The existing plumbing and electrical fixtures are energy inefficient, existing lockers are in a state of disrepair, and the spaces are configured in such a way that security monitoring by operations is challenging. The intent is to redesign the two locker room spaces into changing rooms accommodating to all patrons and configured to provide the levels of privacy desired by students.

Funding: Auxiliary Reserves \$1,100,000

Recommendation: Board of Trustees approval is requested to proceed with design development. Approval for construction will be requested at a subsequent meeting once additional details for the project can be developed. The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its next meeting on September 12, 2019.

BOWL GAME PARTICIPATION EXPENSE

Summary: The University is requesting that the Board of Trustees delegate to the President, or designee, approval for all necessary and proper expenses related to NIU's participation in a post-season Bowl Game competition, including (but not limited to) the following: the Bowl agreement(s), expenses relating to ticketing, tickets, travel/transportation, lodging, rentals, insurance, dining, beverages (non-alcoholic), fees, services, broadcast rights, apparel, commodities, equipment, and supplies. Further, such approval is requested to also authorize the President, or designee, to undertake all business transactions necessary in relation to an anticipated upcoming Bowl event, reporting actions taken where required beyond customary authorizations at a subsequent meeting of the Board.

Background: For ten of the past eleven football seasons, the NIU football team has been invited to participate in a post-season Bowl Game. Through a shared cost model, the Mid-American Conference and respective institutions participating in bowl games account for the costs (amount established each fiscal year).

Funding: Institutional – Local Funds, Intercollegiate Athletics

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

Amount Paid in FY19: \$550,000
Amount Paid in FY18: \$460,000
Amount Paid in FY17: not applicable
Amount Paid in FY16: \$875,000

FISCAL YEAR 2019 REPORT OF TUITION AND FEE WAIVERS

The Illinois Board of Higher Education issued Tuition and Fee Waiver Guidelines for Illinois Public Universities in June 1999, which was amended in February 2000. These guidelines include the requirement that tuition and fee waivers granted during the fiscal year be reported to each university's Board of Trustees. Pursuant to that requirement, the University has prepared the following report.

The Tuition and Fee Waiver Report includes all waivers processed and applied as of June 30, 2019. Any waivers that apply to the 2019 fiscal year, and processed between July 1, 2019 and August 1, 2019, have not been included in this report. All adjustments for fiscal year 2019 that are processed through the cutoff date of August 31, 2019 will be submitted to the Board of Trustees for approval at a subsequent Board meeting.

FISCAL YEAR 2019
TOTAL TUITION AND FEE WAIVERS

(\$ in thousands)

(in thousands of dollars)	Number of Recipients (unduplicated)	Tuition Waived		Fees Waived	
		Number of Recipients (unduplicated)	Value of Waivers	Number of Recipients (unduplicated)	Value of Waivers
<u>MANDATORY WAIVER CATEGORY</u>					
PROGRAM:					
Teacher Special Education	151	151	\$ 647	140	\$ 208
General Assembly	-	-	-	-	-
ROTC	38	38	229	27	2
DCFS	40	40	211	24	27
Children of Employees	145	145	610	-	-
Senior Citizens	5	5	32	-	-
Honorary Scholarships	-	-	-	-	-
Veterans Grants & Scholarships*	165	165	1,278	165	10
Other (please specify) **	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Unduplicated Mandatory Waiver Count Total ***	544		\$ 3,007	356	\$ 247

DISCRETIONARY WAIVERS CATEGORY

PROGRAM:					
Faculty/Administrators (Non-Civil Service)	118	118	\$ 453	5	\$ 3
Civil Service	169	169	640	67	75
Interinstitutional/Related Agencies	40	40	139	-	-
Retired University Employees	10	10	29	2	1
Children of Deceased Employees	4	4	33	3	8
Children of Employees	-	-	-	-	-
Academic/Other Talent	755	755	3,163	-	-
Athletic	200	200	1,576	-	-
Gender Equity in Intercollegiate Athletics	185	185	1,424	-	-
Foreign Exchange Students	-	-	-	-	-
Out-of-State Students	-	-	-	-	-
Foreign Students	16	16	180	-	-
Fellowships	10	10	38	-	-
Student Need - Financial Aid	1	1	9	-	-
Student Need - Special Programs	3	3	12	-	-
Cooperating Professionals	348	348	886	-	-
Research Assistants	546	546	3,472	-	-
Teaching Assistants	954	954	6,793	-	-
Other Assistants	192	192	1,468	-	-
Contract/Training Grants	23	23	173	-	-
Other (please specify) ***	-	-	-	-	-
	-	-	-	-	-
Unduplicated Discretionary Waiver Count Total ***	3,574	3,574	\$ 20,488	77	\$ 87

Unduplicated Summary Tuition and/or Fees	Number of Recipients	Total Value of Waivers
Mandatory Waiver Category Total***	544	\$ 3,254
Discretionary Waiver Category Total***	3,574	\$ 20,575
Total count of Waivers****	4,118	\$ 23,829

Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans' Affairs). Included are only the waived (unfunded) portion of these grants.

* Other waiver categories must be approved by the Board of Higher Education prior to reporting.

** Each recipient is counted only once in the unduplicated count even if they benefited from multiple waivers during the academic year.

*** Each recipient is counted only once in the Total Count of Waivers even if they benefited from a mandatory and a discretionary waiver.

FISCAL YEAR 2019 ANNUAL REPORT OF CASH AND INVESTMENTS FOR PERIOD ENDING JUNE 30, 2019

In accordance with the approved University Investment and Cash Management policy, this report on investments is submitted at the end of each calendar quarter to the Board of Trustees. This report is required by Board of Trustees *Regulations* (Section V, Subsection D). The following schedules are included:

- Report of Depositories as of June 30, 2019
- Cash and Investment Holdings Summary as of June 30, 2019
- Investment Earnings for the quarter ended June 30, 2019

The Investment Committee is responsible for monitoring compliance with the University's Investment and Cash Management Policy. The investment goals, as stated in the policy, are to insure the preservation of principal and maintain compliance with applicable state laws, rules, regulations, debt covenants, and Board of Trustees *Regulations* while meeting cash flow needs and earning a yield acceptable to conservative investment managers.

The *Report of Depositories* is submitted annually, along with the University [*Investment and Cash Management Policy*](#). The depository report summarizes deposits and withdrawals in each bank account during the fiscal year. The ending balances reflect bank statement amounts and may differ from university financial records due to reconciling items. The *Report of Depositories* does not include the fixed income portfolio that contains \$36 million in agency and Treasury notes.

The *Cash and Investment Holdings Summary* at June 30, 2019 shows NIU's total holdings of \$175.3 million, which is down \$13 million from the previous year due to the timing of State reimbursements. A notable difference in holdings between fiscal years 2018 and 2019 is the portfolio composition. In fiscal year 2018, fixed income securities, agency and Treasury notes, comprised 40% of the portfolio, while cash and cash equivalents made up 60%. At June 30, 2019, only 20% of the holdings are in fixed income securities while 80% are in cash and cash equivalents. This shift in asset allocation is a strategic investment and cash management decision based on current market conditions. Near the end of the first quarter 2019, the yield curve inverted resulting in higher yields from short-term investments, such as bank savings accounts and money markets, than from fixed income securities.

The *Investment Earnings* report shows the interest earnings for the 4th quarter at \$1,044,118, which is \$257,000 more than the same quarter of fiscal year 2018. This is a result of rising interest rates over the past year and the investment strategy mentioned above. The annualized rates of return steadily increased throughout fiscal year 2019 from 1.73% to 2.27%.

There are speculations that the Federal Reserve will reduce the federal funds interest rate twice this calendar year. If this occurs, it is likely investment yields will also decline. The inverted yield curve historically precedes a recession; however, the economy still shows growth. There is uncertainty among economists of a recession. Treasury Operations and the University Investment Committee will continue to monitor market conditions and implement strategies that will maximize earnings while safeguarding the university's holdings.

Northern Illinois University
REPORT OF DEPOSITORIES
For the Year Ended June 30, 2019

	Beginning Balance 7/1/2018	Deposits*	Withdrawals*	Ending Balance 6/30/2019
Amalgamated Bank				
Series 2010 Build America Bonds	\$21,341,738	\$12,568,754	\$20,414,263	\$13,496,229
Series 2011 Revenue Bonds	-	7,072,538	7,072,538	-
Series 2014 Certificates of Participation	-	1,507,200	1,507,200	-
	\$ 21,341,738	\$ 21,148,491	\$ 28,994,000	\$ 13,496,229
First National Bank				
Investment	\$ 2,595,657	\$ 101,753,790	\$ 103,939,484	\$ 409,963
Project Funds	64,775	2,014,448	2,078,511	712
	\$ 2,660,432	\$ 103,768,238	\$ 106,017,995	\$ 410,675
First Midwest Bank				
Credit Card Account	\$ 50,000	\$ 63,726,205	\$ 63,726,205	\$ 50,000
Deposit Account	159,411	116,949,702	116,565,297	543,816
Disbursement Account	50,000	81,851,427	81,851,427	50,000
Investment Account	46,955,862	392,855,393	387,066,466	52,744,789
Payment Account	50,000	422,976,807	422,976,807	50,000
Payroll Account	79,215	155,424,288	155,381,501	122,002
	\$ 47,344,488	\$ 1,233,783,822	\$ 1,227,567,703	\$ 53,560,607
JP Morgan Chase Bank				
CD	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Illinois National Bank				
NIU Operations- IL Funds	\$ 5,000	\$ 182,467	\$ 182,477	\$ 4,990
US Bancorp Fund Services				
NIU Operations- IL Funds	\$ 40,913,872	\$ 82,061,937	\$ 52,000,000	\$ 70,975,809
Total For All Banks	\$ 112,265,530	\$ 1,441,944,955	\$ 1,414,762,175	\$ 139,448,310

* Deposits and Withdrawals include interaccount transfers.

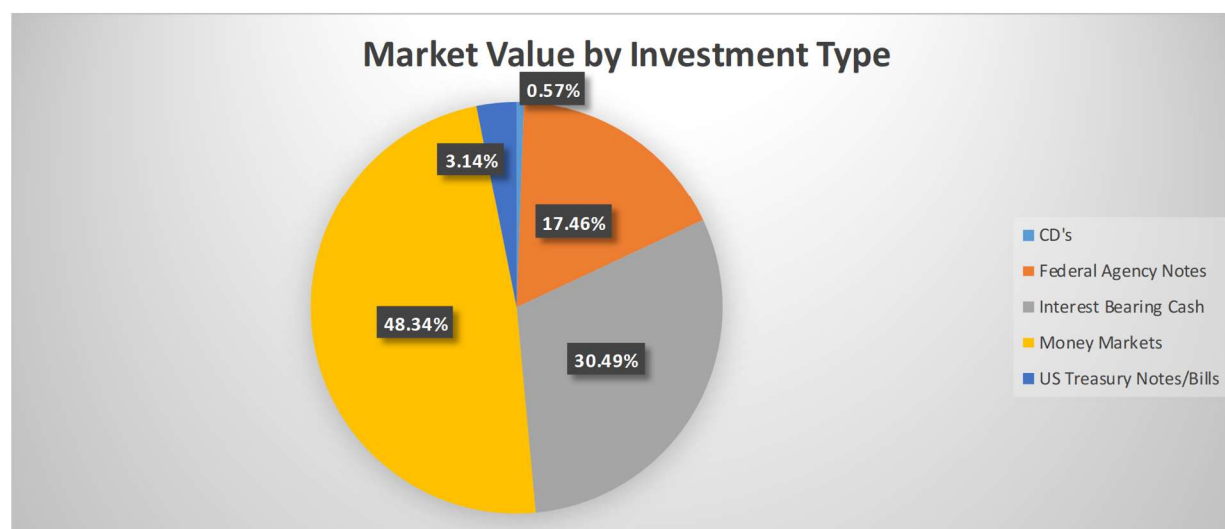
The balances and activity reflected on this report are taken from bank statements and may not necessarily reflect those amounts recorded in the university financial records due to reconciling items.

NORTHERN ILLINOIS UNIVERSITY
CASH and INVESTMENT HOLDINGS SUMMARY

June 30, 2019

For Fiscal Year 2019

Investment Type	Purchase Price/ Ending Bal *	Book Value **	Market Value ***
CD's:			
Local Funds	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Federal Agency Notes:			
Local Funds	\$ 30,281,836	\$ 30,491,996	\$ 30,517,152
Interest Bearing Cash Accounts:			
Local Funds	\$ 53,276,754	\$ 53,276,754	\$ 53,276,754
Project Funds	712	712	712
	<u>\$ 53,277,466</u>	<u>\$ 53,277,466</u>	<u>\$ 53,277,466</u>
Money Markets:			
Local Funds	\$ 70,975,810	\$ 70,975,810	\$ 70,975,810
Project Funds	13,496,229	13,496,229	13,496,229
	<u>\$ 84,472,039</u>	<u>\$ 84,472,039</u>	<u>\$ 84,472,039</u>
US Treasury Notes/Bills:			
Local Funds	\$ 5,527,960	\$ 5,494,243	\$ 5,481,991
TOTAL INVESTMENT HOLDINGS	\$ 174,559,301	\$ 174,735,744	\$ 174,748,648
Non-interest Bearing Cash	\$ 784,006	\$ 784,006	\$ 784,006
TOTAL CASH & INVESTMENT HOLDINGS	\$ 175,343,307	\$ 175,519,750	\$ 175,532,654
TOTAL REPORTED FOR 06/30/2018	\$ 188,503,863	\$ 188,514,731	\$ 188,313,377



* Amounts per Bank and Investment Statements

** Purchase price, net of accumulated amortization of premiums and discounts

*** Estimated price for which an investment would sell in the marketplace

Assets reported in the CASH and INVESTMENT HOLDINGS SUMMARY comply with the Illinois Public Funds Investment Act (30 ILCS 235)
and the NIU Investment and Cash Management Policy

**NORTHERN ILLINOIS UNIVERSITY
INVESTMENT EARNINGS
For Fiscal Year 2019
April 1, 2019 - June 30, 2019**

	June 30 Ending Balance	Average Daily Investment Balance	Percent of Portfolio	Income Earned	Annualized Rates of Return			
					FY 2019			
					4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Short-Term Investment Accounts								
Illinois Funds	\$ 70,975,810	\$ 59,392,800	32.17%	\$ 360,625	2.435%	2.448%	2.244%	1.971%
Investment Accounts - Financial Institutions	\$ 53,276,754	\$ 57,270,864	31.02%	\$ 353,678	2.477%	2.424%	2.279%	2.025%
Investment Accounts - Project Funds	\$ 13,496,941	\$ 15,861,078	8.59%	\$ 88,786	2.245%	2.052%	1.735%	1.454%
CD's	\$ 1,000,000	\$ 1,000,000	0.54%	\$ 562	1.710%	-	-	-
ST Investment Accounts Total	\$ 138,749,504	\$ 133,524,742	72.33%	\$ 803,651	2.414%	2.371%	2.138%	1.878%
Fixed Income Securities								
Local Funds	\$ 35,809,796	\$ 51,077,665	27.68%	\$ 240,467	1.883%	1.475%	1.643%	1.537%
Fixed Income Securities Total	\$ 35,809,796	\$ 51,077,665	27.68%	\$ 240,467	1.883%	1.475%	1.643%	1.537%
Non-interest Bearing Cash	\$ 784,006	\$ -	-	-	-	-	-	-
COMBINED TOTAL	\$ 175,343,306	\$ 184,602,407	100.00%	\$ 1,044,118	2.27%	2.03%	1.90%	1.73%

Assets reported in INVESTMENT EARNINGS BY TYPE AND DURATION comply with the Illinois Public Funds Investment Act (30 ILCS 235)
and the NIU Investment and Cash Management Policy

**FISCAL YEAR 2019 ANNUAL SUMMARY REPORT
OBLIGATION OF FINANCIAL RESOURCES**

<u>Category</u>	<u>Number of Purchase Orders</u>	<u>Percentage</u>	<u>Dollar Volume</u>	<u>Percentage</u>
\$0 to \$25,000 ¹	1963	78.11	\$ 13,648,647	7.90
\$25,001 to \$100,000 ¹	399	15.88	20,926,560	12.11
\$100,001 to \$250,000 ²	81	3.22	13,565,008	7.85
\$250,001 to \$500,000 ³	28	1.11	9,434,822	5.46
Over \$500,000 ³	42	1.67	115,191,141	66.67
TOTAL	2,513	100%	\$172,766,178	100%

The Annual Summary Report on the Obligation of Financial Resources is required by the Board of Trustees Regulations and supplements the “Periodic Summary Report of Transactions” which is presented on a quarterly basis.

Transactions reported to and/or approved by the Board of Trustees throughout the fiscal year and those included in the Quarterly Summary Report of Transactions reflect the maximum approved amount that orders may not exceed. Pursuant to this authority, the Annual Summary Report outlined above reflects orders actually placed including purchases, professional services, and capital projects.

¹ Authorizations for transactions less than \$100,000 are approved at the University level (above \$25,000 by the President).

² Authorizations for purchases and capital projects between \$100,000 and \$250,000 are approved by the President and periodically reported to the Board of Trustees.

³ Authorizations for purchases and capital projects exceeding \$250,000 are presented for approval by the Board of Trustees.

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF \$100,000
FOR THE PERIOD APRIL 1, 2019 THROUGH JUNE 30, 2019**

Purchase Amount	No. of Transactions	*Appropriated	Non-Appropriated	Total
Over \$100,000	15	\$504,025	\$2,369,825	\$2,873,850

TRANSACTIONS DETAIL:

Purchases:

1. Materials Management requested permission to establish an open order to provide commodities and repair parts needed for various maintenance and operational units of the University for the period of July 1, 2019 - June 30, 2020. This order was exempt from the Illinois Procurement Code, because they are below the bid threshold. (WW Grainger, Downers Grove, IL) 150,000
2. The Division of Information Technology requested permission to renew a contract with DeKalb County to provide services including billing for Community Anchor Institutions (CAI) through USAC using the DATA network. This PO is used for the accounting of funds that are received from CAI's that the County in turn bills for as the funds are received by NIU. Because the vendor is a governmental agency, this purchase was exempt from posting on the Illinois Procurement Bulletin. (DeKalb County Government, DeKalb, IL) 160,000
3. An increase was required to pay an updated invoice which reflects "refunded amounts" and MAC Tournament 1st Round official's game fees. The original amount was \$98,000 and the requested increase was \$3,500, which exceeds \$100,000. This order was posted on the Illinois Procurement Bulletin under sole source JMT163249. (Mid-American Conference, Cleveland, OH) 101,500
4. Information Technology Services requested permission to purchase a conference and event scheduling system. This system will replace various calendar systems used across all NIU campuses over the course of the next fiscal year. This engagement was supported by the award for RFP #KMC053118 as advertised on the Illinois Procurement Bulletin. (Ungerbroeck Systems International, O'Fallon, MO) 170,000
5. Research & Innovation Partnerships requested permission to enter into a contract with Northern Illinois Research Foundation (NIRF), established as a not-for-profit 501(c)(3) in Illinois for the principal purpose of aiding and assisting Northern Illinois University in advancing its economic development, public service, and research and educational mission. This contract will be for the period of July 1, 2019 - June 30, 2020. This order was exempt from posting on the Illinois Public Higher Education Procurement Bulletin. (Northern Illinois Research Foundation, DeKalb, IL) 230,000

- | | |
|--|-----------|
| 6. The Division of Information Technology requested permission to enter into an agreement for telephone trunking services. This purchase was completed as a sole source #KMC22613 and will be posted to the Illinois Procurement Bulletin. (Frontier North, Sycamore, IL) | 235,000** |
| Appropriated/Income Funds-\$196,500; Institutional/Local-\$38,500 | |
| 7. Renewal was required of an FY20 open order for educational material and data used for non-credit courses offered for preparation for Human Resource certifications for the period of July 1, 2019 - June 30, 2020. This is the seventh of nine one-year renewal options. The sole source renewal was advertised in the Illinois Public Higher Education Procurement Bulletin and has been waived by the PPB. (Society for Human Resource Management, Eagan, MN) | 130,000 |
| 8. The National Safety Education Center requested permission to issue an FY20 open order to the following host site to offer OSHA courses to be taught during the period of July 1, 2019 - June 30, 2020. This order is exempt from the Illinois Procurement Code, according to Section 30 ILCS 500 / 1-13(b)(2). (Minnesota Safety Council, St. Paul, MN) | 150,000 |
| 9. The National Safety Education Center requested permission to issue an FY20 open order to the following host site to offer OSHA courses to be taught during the period of July 1, 2019 - June 30, 2020. This order is exempt from the Illinois Procurement Code, according to Section 30 ILCS 500 / 1-13(b)(2). (Construction Safety Council, Hillside, IL) | 200,000 |
| 10. The Bursar Office requested permission to issue an FY20 open order for collection agency commission for commercial accounts receivable, agency collections, and Perkins collections for the period of July 1, 2019 - June 30, 2020. This order was exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. (National Credit Management, St. Louis, MO) | 130,000 |
| 11. The Bursar Office requested permission to issue an FY20 open order for collection agency commission for commercial accounts receivable, agency collections, and Perkins collections for the period of July 1, 2019 - June 30, 2020. This order was exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. (Conserve, Fairport, NY) | 130,000 |
| 12. The Bursar Office requested permission to issue an FY20 open order for collection agency commission for commercial accounts receivable, agency collections, and Perkins collections for the period of July 1, 2019 - June 30, 2020. This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. (Alltran Education, Inc., Houston, TX) | 130,000 |

Capital Improvement Projects:

1. Flooring in the residential rooms of Neptune East was experiencing a failure where the floor tile is releasing from the subfloor. The result was a safety concern and needed to be addressed prior to student occupancy for the fall semester beginning in August, Neptune East wing was already tracking to be filled to capacity beginning in the fall semester, this is largely due to the upgrade project scope of work in this wing. 242,000

This issue was believed to be a warranty issue that may eventually be reimbursed. However, due to the tight timing to ensure the rooms are ready for the start of the fall semester, and to avoid a business interruption that could create a monetary loss, the work needed to proceed in advance of settling any warranty claim with the manufacturer.

A budget not to exceed \$242,000 was requested to complete this floor replacement using an outside contractor with the understanding that the university is pursuing compensation from the flooring manufacturer for replacement of the floor product. The university is also pursuing independent testing and inspections services as part of this project with the goal of pursuing further compensation from the manufacturer for reinstallation cost.

2. On an annual basis, maintenance and repairs are required at the East Heating Plant each summer to ensure that the aging steam boilers and associated steam distribution equipment at the East Plant will have the ability and capacity to operate and generate steam needed for the entire campus during the winter season. Many of the repairs are related to worn, broken or non-functioning steam valves, nozzles, gauges, vents, expansion joints, control calibration equipment and other failed equipment that can cause serious operational and safety hazards or problems if not operating properly. To ensure that the reliable and safe steam production capacity is available for the next winter season, the maintenance and repairs needed to be completed during the summer shutdown of the East Heating Plant. 127,650**

Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager.

Appropriated/Income Funds-\$63,825; Institutional/Revenue Bond-\$63,825

3. The work under this Repair Project consisted of and is not limited to providing all supervision, labor, materials, tear down and installation, quality assurance and other related services as required to repair the roofs at Dusable, Grant A-B Towers and to the skylights in Stevenson central complex. General scopes of work to include the following: 115,000**

- DuSable: repair of approximately a 40' x 170' area with a silicone coating
- Grant A-B towers: repair approximately 4000' of seams
- Stevenson central: repair flashing around skylights and improve drainage around the area of the skylights.

Work will be completed by outside contractors and in-house workforce under the coordination of a NIU project manager.

Appropriated/Income Funds-\$30,000; Institutional/Revenue Bond-\$85,000

4. This was a reauthorization due to a revised fund source. The project was previously approved December 14, 2018. Security camera repairs and upgrades were required to improve and enhance the safety of the Stevenson residential complex. The project implements a security camera proof of concept design that will determine the feasibility and functionality of an end-to-end network security camera architecture for the campus. The project will reduce identified physical access vulnerabilities, provide new camera coverage, increase camera footage availability, simplify and secure access to camera footage, provide new capabilities to reduce the time to pull security camera footage related to incidents, and provide integration with existing door access systems. 130,000

Work to be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager.

5. The existing Press Box at the Soccer Field Complex is beyond its useful life and needs to be replaced. The existing prefabricated structure is over ten years old. Windows, walls and flooring are failing due to water infiltration that has gradually been increasing over time. Replacement of the structure is needed to ensure the condition of the press box is comparable with today's student, staff and visitor expectations. 129,000

Work will be completed by outside contractors under the supervision of an NIU project manager.

6. This project was previously approved as part of the September 21, 2018 Presidents Report for \$130,500. Additional funding was determined to be necessary after detailed design review determined the need for mechanical exhaust modifications to accommodate the studios art activities. The below budget increase provided the necessary additional work. 213,700*

Original project summary: The Art Department had student and faculty artist studios located in the Art Annex Building at 2211 Sycamore Road. Program Prioritization recommended that the art studios be relocated back to main campus to make the best use of underutilized space. To accommodate the relocation of the art studios to Grant Towers South, new entry door configurations, new locks and security modifications were included to allow the use of the tower space for studios while maintaining security for the residents in Grant North. Minor clean-up and repairs were made including minor maintenance to the mechanical and electrical infrastructure.

Work will be completed by outside contractors and in-house workforce under the supervision of an NIU project manager.

* Appropriated/Income Funds

**Appropriated/Income and other funds used

CAMPUS FACILITY PROJECT UPDATES

Briefing to be presented at meeting by John Heckmann, Associate Vice President, Facilities Management and Campus Services.

ETHICS AND COMPLIANCE UPDATE

Briefing to be presented at meeting by Sarah Garner, Ethics and Compliance Officer.