



Regular Meeting
of the
Board of Trustees

June 18, 2020

**Regular Meeting of the
BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**

9:00 a.m. – Thursday – June 18, 2020

This BOT meeting is being conducted through video conferencing communications and is being conducted pursuant to Section 6 of Executive Order 2020-7 (Suspending OMA requirements of in person attendance by members of a public body).

AGENDA

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2. Verification of Quorum and Appropriate Notification of Public Meeting
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4. [Review and Approval of Minutes of May 14, 2020](#) *Action*..... 1
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 - b. Finance, Audit, Compliance, Facilities and Operations Committee (FACFO)
 - c. Research and Innovation, Legal and Legislative Affairs Committee (RILLA)
 - d. Illinois Board of Higher Education
 - e. Universities Civil Service Merit Board
 - f. Northern Illinois University Alumni Association
 - g. Northern Illinois Research Foundation
 - h. Northern Illinois University Foundation
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- c. Resolution Honoring Student Trustee Madalynn Mershon for Distinguished Service to the Northern Illinois University Board of Trustees Action.....109
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10. Other Matters

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12. Closed Session

13. 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 Liz Wright, ewright1@niu.edu, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Liz Wright, ewright1@niu.edu or (815) 753-9501, as soon as possible.

Minutes of the
Board of Trustees of Northern Illinois University
Special Meeting
May 14, 2020

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 2:06 p.m. by Board Chair Dennis Barsema. Recording Secretary Karen Campbell conducted a roll call. Members present were Trustees Rita Athas, John Butler, Montel Gayles, Madalynn Mershon, Veronica Herrero, Bob Pritchard, Vice Chair Eric Wasowicz, and Board Chair Dennis Barsema.

Also present: President Lisa Freeman; General Counsel Bryan Perry; Board Liaison Matt Streb; Executive Vice President and Provost Beth Ingram; Vice President for Administration and Finance Sarah Chinniah; Vice President for Enrollment Management, Marketing and Communications Sol Jensen, and University Advisory Council (UAC) Representatives Sarah Marsh, Jeffry Royce, Cathy Doederlein, and Jason Hanna.

The meeting was called to order by Chair Dennis Barsema

Trustee Rita Athas: Absent	Trustee John Butler: Present
Trustee Montel Gayles: Present	Trustee Veronica Herrero: Present
Trustee Madalynn Mershon: Present	Trustee Bob Pritchard: Present
Vice Chair Eric Wasowicz: Present	Board Chair Dennis Barsema: Present

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

3. MEETING AGENDA APPROVAL

Chair Dennis Barsema asked for a motion to approve the meeting agenda. Trustee Bob Pritchard so moved, and Trustee Montel Gayles seconded. The motion was approved.

4. REVIEW AND APPROVAL OF MINUTES OF MARCH 5 AND MARCH 19, 2020

Chair Dennis Barsema asked for a motion to approve the minutes of March 5, 2020. Trustee Eric Wasowicz so moved, and Trustee Veronica Herrero seconded. The motion was approved.

Chair Barsema asked for a motion to approve the minutes of March 19, 2020. Trustee John Butler so moved and Trustee Madalyn Mershon Seconded. The motion was approved.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Dennis Barsema welcomed the members of the University Advisory Council who were present.

UAC Representative Jeffry Royce thanked the University for its care for the employees of the University and for President Freeman's continued good communication, but also mourned the difficult decisions that will need to be made. He noted that most staff seem to be willing to make small sacrifices in hope that no one will have to make large sacrifices

(Trustee Rita Athas joined the meeting at 2:11pm)

UAC Representative Sarah Marsh added that she liked seeing the community coming together to help each other.

UAC Representative Cathy Doederlein echoed Jeffrey Royce's statement that most of the staff seem to be willing to make small sacrifices so that no one will have to make large sacrifices.

UAC Representative Jason Hanna celebrated the successful move from in person to online learning across the university.

Chair Barsema stated that NIU must rely on its values and principles moving forward to get through this very difficult time. He expressed his support of President Freeman and her team in making good decisions during this time. He also expects that NIU will emerge from this crisis fiscally sound and in a position of strength.

Chair Barsema reminded the Board that the Election of Officers for Fiscal Year 2021 will take place at the June meeting.

6. PUBLIC COMMENT

General Counsel Bryan Perry stated that no one had registered for public comment.

7. PRESIDENT'S REPORT NO 142

President Lisa Freeman presented Agenda Item 7.a. Termination of the March 19, 2020 Resolution Temporarily Suspending Board of Trustees Policies, Regulations, and Authority Governing Campus Operations and Delegating Emergency Powers to the President to Ensure Continuity of University Operations

President Freeman reported on the two uses of her delegated emergency powers and thanked the Board for their confidence in her and her team.

8. OTHER MATTERS

There were no other matters.

9. NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Trustees will be held June 18, 2020 at 9 a.m.

10. CLOSED SESSION

Chair Dennis Barsema asked for a motion to move to closed session. Trustee Madalyn Mershon so moved, and Trustee Bob Pritchard seconded.

Roll Call Vote:

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Madalynn Mershon: Yes

Trustee Bob Pritchard: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The Board closed the public meeting at 2:30p.m.

The meeting reconvened from closed session at 3:28 p.m. Chair Barsema asked for a roll call. Trustees present were John Butler, Montel Gayles, Madalynn Mershon, Bob Pritchard, Vice Chair Eric Wasowicz, and Chair Dennis Barsema.

Roll Call:

Trustee Rita Athas: Absent

Trustee John Butler: Present

Trustee Montel Gayles: Present
Trustee Madalynn Mershon: Present
Vice Chair Eric Wasowicz: Present

Trustee Veronica Herrero: Absent
Trustee Bob Pritchard: Present
Board Chair Dennis Barsema: Present

11. ADJOURNMENT

Chair Dennis Barsema asked for a motion to adjourn. Trustee Eric Wasowicz so moved, and Trustee Madalynn Mershon seconded. The motion was approved. Meeting adjourned at 3:29 p.m.

Respectfully submitted,

Karen Campbell
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.

REPORTS OF BOARD COMMITTEES AND BOARD LIAISONS

a. Academic Affairs, Student Affairs and Personnel Committee (AASAP)

The Academic Affairs, Student Affairs and Personnel Committee met on May 14, 2020. The Committee discussed and approved four items; a new degree program in Specialist in School Psychology, the appointment of Dean within the College of Liberal Arts and Sciences and the College of Law, and recommendations for faculty tenure and/or promotion. Additionally the committee received four information items; an extension to the appointment of the acting Dean of the College of Liberal Arts and Sciences, a presentation on the Northwestern Partnership, a proposed amendment related to parental leave for non-represented faculty and the annual report on Oral English Proficiency.

b. Finance, Audit, Compliance, Facilities, and Operations Committee (FACFO)

The Finance, Audit, Compliance, Facilities and Operations Committee met on May 14, 2020. The committee was presented with five Financial Update items: FY19 Audit and Financial Results, FY19 External Audit Corrective Action Plans Update, Refinancing of Series 2010-2011 AFS Revenue Bonds, Quarterly Financial Summary – FY20 Third Quarter and FY21 University Budget – Preliminary Summary. The committee approved six FY21 action items: FY21 Cisco Hardware Maintenance Contract, FY21 Division of Information Technology Campus Printer/Copier Program Contract Renewal, FY21 NIU Foundation Professional Services Contract, FY21 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal, Naperville Out-Lease with American Institutes for Research, and Out-Lease with Illinois Department of Agriculture. The committee also received three information items. These included Quarterly Report of Transactions in Excess of \$100,000, Periodic Report on Investments for Period Ending March 31, 2020 and Semi-Annual Progress Report of Active Capital Projects with a Budget over \$100,000.

c. Research and Innovation, Legal and Legislative Affairs Committee (RILLA)

The Research and Innovation, Legal and Legislative Affairs Committee met on May 14, 2020. Dr. Gerald Blazey, Vice President for Research and Innovation Partnerships, noted that the division has been responding to the shifting compliance and regulatory environments induced by the pandemic and that there has been increased research activities in response to the COVID-19 crisis. The Committee received three information items. Jenna Mitchell, State Legislative Liaison, reported that NIU has appropriately adapted its spring 2020 legislative agenda to only include time-sensitive and priority items. Dr. Anna Quider, Assistant Vice President for Federal Relations, reported on the four Federal pandemic response bills and the upcoming federal legislative agenda. Dr. Blazey summarized sponsored program activities for the first three quarters of FY20.

d. Illinois Board of Higher Education

The IBHE met on December 10, 2019 and subsequently had a special meeting on January 8, 2020. On December 10, 2019 they approved the Fiscal Year 2021 Higher Education Budget Recommendations; New Units of Instruction at Public Community Colleges (at Kishwaukee College, McHenry County College, and Waubensee Committee College); New Units of

Instruction, Public Service, and Research at Public Universities (at Southern Illinois University Carbondale and the University of Illinois at Urbana-Champaign); Potential Board Extension of Accreditation Timeline Required for Operating and Degree Granting Authority of an Independent Institution (American Islamic College); and further approved consent agenda and other routine business items. At the January 8, 2020 meeting, the IBHE approved appointment of Ms. Ginger Ostro as Executive Director. The IBHE also met on April 30, 2020 and June 9, 2020. Updates will be provided when minutes are available and additional details regarding these items are posted on the IBHE website.

e. Universities Civil Service Merit Board

The State Universities Civil Service Merit Board met (remotely) on May 14, 2020. At that meeting, the Merit Board's focus was primarily on the review of personnel matters not related to NIU. Other than those cases, the Merit Board was provided a copy of "emergency rulemaking" submitted by the System Office (on April 10, 2020) to allow universities (employers) to extend probationary periods for civil service employees. Universities are permitted to cite this rule as of March 15, 2020, effectively permitting universities to extend probationary periods "when the employee is assigned by the employer to a temporary work location that is different from the employee's designated work location, and with less-direct supervision than experienced by the employee immediately prior to the temporary assignment, provided that more time is needed to determine the employee's ability and qualifications necessary to furnish satisfactory service; or ... if the employee has never reported to work [due to the COVID-19 crisis]." (Illinois Register, April 24, 2020, pp. 6666-6667). The rule permits a pause in the probationary period during the time the employee is not working in their designated work location (when they are working remotely from home, for example) and to resume the probationary period when the employee returns from their temporary remote work arrangements. An emergency rule of this kind may operate for a maximum of 150 days. The Merit Board also received an update on the progress of proposed rule changes to Section 250.110 of the Code (80 Ill. Adm. Code §250.110), or what are generally known as the discharge rules (the rules that govern under what circumstances a university-level decision can be brought before the Merit Board and what the Board is expected to do in response to such petitions). The proposed amendments appeared in the Illinois Register for the First Notice Period, commencing a 45-day comment period that remains open. A Second Notice Period will follow. As noted in prior Merit Board reports, the changes include several amendments that are part of a general effort to clarify and restructure the rules. Finally, the Merit Board received written reports from representatives of the Human Resource Directors Advisory Committee and Employee Advisory Committee. These reports bring to the Merit Board's attention concerns specific to operating during the COVID-19 crisis and are available upon request. The next meeting of the Merit Board is scheduled for August 13, 2020.

f. Northern Illinois University Alumni Association

NIUAA Board – At the June 6 annual board meeting, the NIUAA board of directors voted on, and welcomed five new members to the alumni association board. After multiple years of concerted effort, it pleases me to report that more than 30% of the NIUAA board identify as people of color. Having a diverse board that provides representation to all constituencies is critical as we strive to build engagement with all alumni.

NIUAA Travel Program – The COVID-19 pandemic has created an environment where the NIUAA's travel program and NIUAA events have been suspended through the end of 2020. The travel program will re-launch with the trip to Antarctica in January 2021. Three existing trips were affected directly: Spain, Portugal, and a train trip through the Canadian Rockies.

Travelers have been provided with either a collection of credits and vouchers or a fully rescheduled trip.

NIUAA Events - All events through the end of the fiscal year have been canceled, with a tentative plan to restart them in the fall. Currently we are planning for two contingencies: one where there are restrictions on gatherings and one where there isn't. When the pandemic concludes, we want to be prepared to deploy robust event-based engagement opportunities.

Communications – With events, travel, and in-person volunteer activities being slowed to a stop due to the pandemic, strong communications have become more important. Immediately after the start of lockdowns and other restrictions, the NIUAA produced a weekly COVID-19 Newsletter. Open rates jumped as high as 25% (vs. a normal open rate of approximately 19%) for some of the editions, which ran for six weeks. The newsletter was crafted to highlight NIU's relevance during the pandemic. Issues contained a mixture of University news, educational articles about pandemic-relevant topics, and information to help with self-care.

Additionally, Northern Now was changed in record time to a COVID-19 focused edition. We anticipate that landing in email inboxes by the end of June.

g. Northern Illinois Research Foundation

The Board of Directors and the Audit Committee of the Northern Illinois Research Foundation held their quarterly meetings March 4, 2020. The Audit Committee discussed the NIRF and EIGERlab quarterly financial reports; updates to the NIRF risk assessment and internal control plans; and audit firm engagement letters. The Board was introduced to faculty member Dr. Oliver Hofstetter and listened to a presentation on his Apparatus and Method for Fingerprint Lifting and Visualization research. The Board also received quarterly updates from the Audit Committee, EIGERlab staff, and the NIU Office of Innovation. The next NIRF Board of Directors meeting will be held in September 2020.

h. Northern Illinois University Foundation

Catherine Squires, Vice President for Advancement and President & CEO of the NIU Foundation, will provide an oral report.

REQUEST FOR NEW DEGREE PROGRAM IN SPECIALIST IN SCHOOL PSYCHOLOGY

Summary: All new degree programs require the approval of the Board of Trustees and the approval of the Illinois Board of Higher Education. This new program request has received all required curricular approvals at the department, college, and university levels, and the concurrence of the provost.

Description: The University seeks approval for a Specialist in School Psychology degree program to be offered on campus. This program will be housed in the Department of Psychology within the College of Liberal Arts and Sciences.

Rationale: The proposed change requests the creation of a new terminal degree in the Department of Psychology. Currently, students complete their M.A. and an additional 30 semester hours of complete courses and supervised practicum hours after the M.A. in order to be licensed. The current “M.A.+30” program results in educational licensure in school psychology for the candidates and is similar to other degrees in the state and nationally. However, it is not currently offered as a formal degree at NIU. In addition to bringing NIU in line with other universities, this change would also address several problems that emerge because the program is not a recognized degree. Specifically, when students in the current program are post-Master’s and working toward licensure (the “+30” component), they are not officially “degree seeking” which makes them ineligible for financial aid and graduate assistantships. It also leads to confusion by both prospective students and potential employers regarding the graduates’ credentials.

Funding: There is no additional funding needed to offer this degree because all of the instructional resources (e.g., courses, practicum experiences) are in place for the existing program.

Recommendation: The Academic Affairs, Students Affairs and Personnel Committee recommends Board of Trustees approval of the New Degree Program in Specialist in School Psychology.

APPOINTMENT OF DEAN, COLLEGE OF LIBERAL ARTS AND SCIENCES

Summary: Following a national search, Robert Brinkmann has accepted an offer to be the Dean of the College of Liberal Arts and Sciences. Dr. Brinkmann is recommended for appointment at the rank of professor with tenure in the department of Geology and Environmental Geosciences.

Background: Dr. Brinkmann has served at Hofstra University on Long Island since 2011, where he served as Vice Provost for Scholarship and Research and Dean of Graduate Studies. In these roles, Brinkmann worked to enhance and expand graduate programs and to increase sponsored research funding. Dr. Brinkmann arrived at Hofstra in 2011, launching a new sustainability studies program before moving into his leadership roles in 2016. Brinkmann previously served on the faculty at the University of South Florida, also holding a variety of leadership roles including Associate Dean for Faculty in the College of Arts and Sciences, department chair, and graduate program director.

Dr. Brinkmann graduated from the University of Wisconsin-Oshkosh with a Bachelor of Science degree in Geology. He subsequently earned a Master of Science in Geology and a Ph.D. in Geography from the University of Wisconsin-Milwaukee.

Recommendation: The Academic Affairs, Student Affairs and Personnel Committee recommends approval of Professor Robert Brinkmann's appointment as Dean of the College of Liberal Arts and Sciences, with the rank of professor with tenure in the department of Geology and Environmental Geosciences, effective July 1, 2020.

APPOINTMENT OF DEAN, COLLEGE OF LAW

Summary: Following a national search, Cassandra Hill has accepted an offer to be the Dean of the College of Law. Professor Hill is recommended for appointment at the rank of professor with tenure in the College of Law.

Background: Hill currently serves as a professor and the Associate Dean for Academic Affairs at the Texas Southern University Thurgood Marshall School of Law. Her role includes serving on the school's executive leadership team and oversight of curriculum, scheduling, and assessment. Professor Hill was been a faculty member at Texas Southern since 2008, also having held leadership positions as the Associate Dean for Research and Faculty Development and the Director of the Legal Writing Program. Professor Hill serves on the Board of Directors of the Legal Writing Institute and is founder of the firm Prep for Law.

Prior to working at Texas Southern University, Professor Hill served on the faculty at the UCLA School of Law and the California School of Law. Hill earned Bachelor of Arts degrees in Mathematics and Spanish from the University of Virginia, and her J.D. from Howard University.

Recommendation: The Academic Affairs, Student Affairs and Personnel Committee recommends approval of Professor Cassandra Hill's appointment as Dean of the College of Law, with the rank of professor with tenure in the College of Law, effective July 1, 2020.

**AMENDMENT – RECOMMENDATIONS FOR
FACULTY TENURE AND/OR PROMOTION**

NAME

COLLEGE/DEPARTMENT/SCHOOL

Promotion from Clinical Associate Professor to Clinical Professor
(For Informational Purposes Only)

Wendy Vaughn

Law

Promotion from Associate Professor to Professor

Valia Allori

Philosophy

Evan Anderson

Economics

Sinclair Bell

Art and Design

David Bridgett (Early)

Psychology

Cathy Carlson

Nursing

Alastair Fletcher (Early)

Mathematical Sciences

Michael Geline

Mathematical Sciences

Angela Grippo-Wu

Psychology

Jason Hanna (Early)

Philosophy

Laura Hedin

Special and Early Education

Stacy Kelly (Early)

Special and Early Education

JeongSoo Kim

Music

Cheng-Hou Lee

Music

Melissa Lenczewski

Geology and Environmental Geosciences

Blaise Magniere

Music

Maya Mincheva

Mathematical Sciences

Jessica Reyman

English

Victor Ryzhov

Chemistry and Biochemistry

Mark Schuller (Early)

Anthropology

Barton Sharp

Management

Jui-Ching Wang

Music

Marie Wang

Music

Shaokun Yu

Accountancy

Donald Zinger

Electrical Engineering

Tenure and Promotion from Assistant Professor to Associate Professor

Mary Burns

University Libraries

Kyu Taek Cho

Mechanical Engineering

Peter Chomentowski

Kinesiology and Physical Education

Daryl Dugas

Leadership, Educational Psychology and
Foundations

Larissa Garcia

University Libraries

Vittorio Gensini (Short-Track)

Geographic and Atmospheric Sciences

Richard Grund

Theatre and Dance

Lindsay Harris

Leadership, Educational Psychology and
Foundations

Kathryn Jaekel (Early)	Counseling and Higher Education
Jessica Labatte	Art and Design
<u>Tenure and Promotion from Assistant Professor to Associate Professor (cont.)</u>	
Jodi Lampi	Curriculum and Instruction
Xiaohui Li	Family and Consumer Sciences
Mary Katherine Martinovich	Theatre and Dance
Brian McCormick	Management
Christine Nguyen	Industrial and Systems Engineering
Zachary Wahl-Alexander (Early)	Kinesiology and Physical Education

Tenure Only at the Rank of Associate Professor

Heidi Kuehl	Law
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Promotion to Associate Professor without Tenure

Sarah Fox	Law
Maybell Romero	Law

Hired at the Rank of Professor with Tenure

Robert Brinkmann	Geology and Environmental Geosciences
Cassandra Hill	Law

Hired at the Rank of Associate Professor with Tenure

DeAnna Harris-McKoy	Family and Consumer Sciences
David Paige	Curriculum and Instruction

Recommendation: The Academic Affairs, Student Affairs and Personnel Committee recommends Board of Trustees approval of the Recommendations for Faculty Tenure and/or Promotion.

FY21 CISCO HARDWARE MAINTENANCE CONTRACT

Summary: The Division of Information Technology (DoIT) requests permission to purchase Cisco network and security maintenance for hardware, software, and 24 hour/7 days a week technical support for the University's campus-wide, Cisco-based enterprise network for FY21.

Background: To provide a robust, dependable, and stable network, the University's enterprise network infrastructure requires Cisco vendor maintenance support. This maintenance agreement, procured annually, via a one-year term, through an Illinois Public Higher Education Cooperative (IPHEC) approved vendor, supports the entire campus-based network equipment infrastructure to assist DoIT in troubleshooting, break-fix repairs, and replacement of hardware in case of failure.

Funding: Institutional – Local Funds **\$350,000**

CDW Government, LLC, Vernon Hills, IL.....\$ 350,000

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the FY21 Cisco Hardware Maintenance Contract.

Amount Approved for FY20: \$400,000

**FY21 DIVISION OF INFORMATION TECHNOLOGY CAMPUS
PRINTER/COPIER PROGRAM CONTRACT RENEWAL**

Summary: The Division of Information Technology (DoIT) - Integrated Media Technologies program requests permission to issue an order for renewal of the campus copier/printer program consisting of approximately 400 Canon multi-function devices (MFD) of various configurations and 3 Canon high-speed production devices. Last year’s quantity of campus-wide printed pages was approximately 13,000,000.

This program is provided under a rental agreement based on a flat rate per copy charge, which includes all equipment, toner, and maintenance. Devices are operated with a campus printer card controller system. Peripheral devices, such as fax boards and networking cards, are included in the contract. This is the final year of nine, one-year renewal options based on a bid opened December 2, 2011 under RFP # WLC127824. The renewal award will be advertised in the *Illinois Procurement Bulletin*.

Background: Considering the reduction in print volume due to the Covid-19 pandemic, the total anticipated spend with the Gordon Flesch Co in FY20 is \$700,000 and is comprised of the following two components:

- 1. Campus Fleet Printing:** FY20 spending for Campus Fleet Printing is approximately 80% of the total spend. The negotiated rates with Gordon Flesch Co are between 9% and 37% lower for monochrome printing, and 50% lower for color printing. This puts NIU on track for a cumulative savings in print of \$3.1M since May of 2016, despite seeing some increase year-over-year in print volume.
- 2. Campus Production Printing:** FY20 spending for Campus Production Printing is approximately 20% of the total spend. Spending for FY21 is unpredictable due to uncertainty around when staff will return to Campus, thus driving high-volume prints through DoIT’s Document Service production operation. For now, we are assuming fixed year-over-year spending performance.

Funding: Institutional/Local Funds

Gordon Flesch Co. – Geneva, IL..... \$700,000

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the FY21 Division of Information Technology Campus Printer/Copier Program Contract Renewal.

Actuals

FY20 anticipated: \$700k

FY19: \$806k

FY18: \$795k

FY21 NIU FOUNDATION PROFESSIONAL SERVICES CONTRACT

Summary: The Northern Illinois University Foundation, an independent organization, operates to support the mission of Northern Illinois University through fundraising, asset management, and related support activities. Among such activities, the Foundation coordinates and manages cultivation, solicitation, acknowledgment, and receipting of all gifts; administers, invests, and disburses funds; maintains all constituent records; manages and coordinates communications with constituents; and performs alumni relations activities. The FY21 contract amount assessed is \$743,600, which covers full salaries and other expenses for designated employees as well as a portion of programmatic services in accordance with contract obligations.

Background: The University and the Foundation annually enter into a contract which serves to outline the fundraising services and activities to be provided by the Foundation on behalf of the University each year. This contractual agreement is in accordance with the Legislative Audit Commission Guidelines. The amount represents no change over FY20.

Funding: Appropriated/Income Funds

Northern Illinois University Foundation – DeKalb, IL \$743,600

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the FY21 NIU Foundation Professional Services Contract.

Amount Approved for FY20: \$743,600

**FY21 INTERCOLLEGIATE ATHLETICS
SECONDARY STUDENT HEALTH INSURANCE CONTRACT RENEWAL**

Summary: NIU Intercollegiate Athletics requires annual secondary health insurance to meet the needs for insurance coverage for accident claims for student athletes for athletically related illnesses and injuries. The secondary insurance is required in addition to coverage that the student athletes may have through their own primary insurance. The secondary insurance product being purchased has been designed uniquely and specifically for NCAA members with the Master Policy form negotiated on behalf of the schools in accordance with NCAA regulations; additionally, the medical maximum to meet the NCAA policy deductible is \$75,000 per accident (other marketplace insurance products must meet \$90,000 per accident before NCAA catastrophic policy is in effect). Effective date of policy will be August 1, 2020.

Background: This FY21 approval amount is for the NCAA Group Basic Accident Medical Program Insurance Plan, administrative fees (approximately 15%), and aggregate deductible claims coverage for a two-year benefit period per student athlete accident, available through Relation Insurance Services (formerly Ascension Benefits & Insurance Solutions)/Mutual of Omaha as agent and third party claims administration. This renewal is year seven of nine, one-year renewal options to be determined annually based on a Request for Proposal opened on July 16, 2013. The renewal award will be advertised in the *Illinois Procurement Bulletin*.

Funding: Local funding. 41-TD56477

Relation Insurance Services/Mutual of Omaha – Salt Lake City, UT.....\$325,000
(Formerly Ascension Benefits & Insurance Solutions)

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the FY21 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal.

Amount Approved for FY20: \$325,000

**NAPERVILLE OUT-LEASE WITH AMERICAN INSTITUTES FOR
RESEARCH
(NIU as LESSOR)**

Summary: The current lease with American Institutes for Research at the Naperville satellite campus ends June 30, 2020. The University would like to continue the long-standing relationship with this tenant by executing a 6-month extension of the existing lease terms, followed by a new longer-term agreement incorporating a tenant-funded renovation of the space to better accommodate their requirements.

Background: The American Institutes for Research (AIR) is a not-for-profit organization that conducts and applies behavioral and social science research and evaluation towards improving people's lives, with a special emphasis on the disadvantaged. They and their predecessor organizations (North Central Regional Education Laboratory and Learning Points Associates) have been a consistent tenant at the Naperville satellite campus since its opening in 2000.

AIR currently occupies approximately 12,500 square feet of office space on the second floor of the Naperville building and desires to renovate about 10,000 square feet to accommodate their longer-term staffing requirements. The AIR organization is willing to fund the necessary renovation work.

Funding:

This is a revenue-generating agreement where the 6-month extension is estimated at \$125K and the longer-term lease is anticipated to provide a total net revenue of approximately \$0.8M to \$1.8M to the University, depending on the final negotiated terms including lease length (5 to 10 years), rental rate, broker costs, market-based concessions, and other related factors.

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the Naperville Out-Lease with American Institutes for Research (NIU as Lessor).

**OUT-LEASE WITH ILLINOIS DEPARTMENT OF AGRICULTURE
(NIU as LESSOR)**

Summary: The current lease with IL Dept of Agriculture ends June 30, 2020. The University would like to continue the support of this tenant by executing a new 5-year lease. The leased office space is in the DeKalb Ag Original Building at the intersection of Route 23 and Bethany Road.

Background: The Department of Agriculture is headquartered in Springfield and maintains the 2280 Bethany Road, DeKalb location as its Environmental Programs Regional Office. The organization occupies approximately 3,015 square feet of office space.

Funding:

This is a revenue-generating agreement anticipated to be approximately \$375,000 in value to the University.

Recommendation: The Finance, Audit, Compliance, Facilities and Operations Committee recommends Board of Trustees approval of the Out-Lease with Illinois Department of Agriculture (NIU as Lessor).

**EXTENSION TO APPOINTMENT OF ACTING DEAN OF THE COLLEGE OF
LIBERAL ARTS AND SCIENCES**

The University is extending the appointment of Dr. Judy Ledgerwood as Acting Dean for the College of Liberal Arts and Sciences from May 16, 2020 until the appointment of Dr. Robert Brinkmann goes into effect on July 1, 2020. NIU Bylaws Article 19.5.2.2. requires that a waiver be obtained from appropriate shared governance bodies and the University Council for a temporary or acting administrative appointment that is extended beyond one year in length. The waiver was approved by the College of Liberal Arts and Sciences College Council on April 6, 2020, the College Senate on April 9, 2020 and the University Council on April 29, 2020.

NORTHWESTERN MEDICINE PARTNERSHIP UPDATE

Staff from Student Affairs, in collaboration with Intercollegiate Athletics, will provide an overview of NIU's partnership with Northwestern Medicine.

ORAL ENGLISH PROFICIENCY ANNUAL REPORT 2018-2019

The governing boards of Illinois public institutions are required by Public Act 84-1434 (110 ILCS 685/30-70) to take appropriate steps to ensure the oral English language proficiency of all individuals who provide classroom instruction. In order to comply with this statute, universities are expected to implement policies and practices that verify oral English language proficiency in the delivery of classroom instruction. It is further required by NIU Board of Trustees Regulations, Section I., F., that the university maintain a record of this compliance on behalf of the Board of Trustees.

Northern Illinois University has taken a series of steps to make certain that classroom instruction is not affected by lack of English proficiency. Graduate teaching assistants whose native language is not English, and who are engaged in oral instruction in the classroom, must have achieved a score of at least 50 on the Speaking Proficiency English Assessment Kit (SPEAK), or its equivalent (unless the language of instruction is not English). The university offers assistance for instructors and faculty to improve their oral English proficiency beyond the minimum requirement. This is done through clinics in two departments: 1) the English as a Second Language (ESL) Clinic in the Department of English; and 2) the Speech, Language and Hearing Clinic in the Department of Allied Health and Communicative Disorders. These efforts have resulted in a decline in the number of student complaints related to oral English proficiency.

The oral English proficiency requirement of the State of Illinois is clearly communicated in several university publications, including the Student Handbook, the Undergraduate Catalog, and the Graduate Catalog. The university also takes advantage of its orientation programs and its university-wide orientation course (UNIV 101) to inform students about NIU's policy on oral English proficiency. Included in these announcements of the policy is the procedure by which students can communicate any complaints.

Each college was asked to document student complaints regarding English proficiency and the corrective actions that were taken to remedy the problem. All student complaints are investigated, and prompt action is taken as appropriate. Of the 7 colleges that were requested to provide information on ESL, no complaints were received.

The reports are kept on file in the Office of the Provost.

**COMPLAINTS REGARDING ORAL ENGLISH COMMUNICATION
OF INSTRUCTIONAL PERSONNEL**

Academic Year 2018-2019

No complaints were reported

Complaint Number	Departmental Unit	Professional Status of Instructional Person	Resolution

FY19 AUDIT AND FINANCIAL RESULTS

Financial Audit Results for the Year Ended June 30, 2019

The University's financial statement audit for the year ended June 30, 2019 was completed and released by the Office of the Auditor General on Tuesday January 28, 2020. The University received an unmodified opinion on its financial statements. This is the highest opinion that can be received and states the audited financial statements present fairly, in all material respects, the financial position of Northern Illinois University. Additionally, there were no audit findings noted in auditor's report on internal control over financial reporting and on compliance and other matters performed in accordance with Government Auditing Standards for the fiscal year ended June 30, 2019.

Financial Results for the Year Ended June 30, 2019

The University's net position decreased from \$192.3M in FY18 to \$167.8M in FY19, a decrease of \$24.4M. This decrease in net position differs by \$2.0M from the decrease of \$26.4M disclosed in November 2019 at the Finance, Audit, Compliance, Facilities, and Operations Committee as part of the FY19 update. This difference is due to final adjustments as a result of year-end closing entries.

The University's working capital, a measure of the University's ability to meet its short-term obligations, decreased from \$43.0M in FY18 to \$24.1M in FY19. The resulting working capital ratio decreased from 1.68 in FY18 to 1.35 in FY19. The decrease in working capital and the working capital ratio is primarily due to timing of the receipt of state appropriations in FY18. The University's FY19 working capital ratio of 1.35 fell within in the target working capital ratio range of 1.20 to 2.00

It is important to note that the impact of the two-year State budget impasse continues to add complexity to reporting useful comparative data between FY18 and FY19. The appropriations shown in FY18 includes funds released in 2018 that partially restored FY17 appropriation. Management anticipates the impact of Covid-19 will further complicate reporting useful comparative data for FY20 and beyond.

The University's long-term debt payable decreased from \$351.8M in FY18 to \$341.1M in FY19, a decrease of \$10.7M. The decrease of \$10.7M is due to repayment of principal in FY19. There was no new debt issued during FY19.

Compliance Examination Results for the Year Ended June 30, 2019

The University's compliance examination for the year ended June 30, 2019 was completed and released by the Office of the Auditor General on Wednesday April 8, 2020. The University received an unmodified opinion on its report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes. Additionally, the University received an unmodified opinion on its report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

The Summary of Findings reported a total of twelve findings for the year ended June 30, 2019 compared to thirteen findings for the year ended June 30, 2018. Audit findings are reported and classified into two categories as either a material weakness or significant deficiency. A material weakness is the most severe type of audit finding. A significant deficiency is less severe than a material weakness, yet still considered important enough to merit attention in the report.

The twelve findings in the current year were all classified as significant deficiencies and consisted of three new findings and nine repeat findings. Four of the prior year findings, consisting of one material weakness and three significant deficiencies, were implemented and not repeated in the current year report. Summary information in support of the twelve findings, including the finding description, audit recommendation, and associated risk as defined by the auditors are included in the following item, Fiscal Year 2019 External Audit Corrective Action Plans Update, Agenda Item 7.b.

Summary Income Statement

	2019 (\$000's)	2018 (\$000's)	\$ change	% change
<u>Operating Activities:</u>				
Tuition and fees, net	\$117,278	\$104,152	\$13,126	12.60%
Net revenues	149,390	147,271	2,119	1.44%
Net expenses	<u>(494,989)</u>	<u>(582,957)</u>	87,968	-15.09%
Operating loss	<u>(\$228,321)</u>	<u>(\$331,534)</u>	\$103,213	-31.13%
<u>Nonoperating & Other Activities:</u>				
State appropriation – general	\$83,647	\$124,806	(\$41,159)	-32.98%
State appropriation - on behalf payments	85,415	183,539	-98,124	-53.46%
Net other revenues (expenses)	33,192	52,605	-19,413	-36.90%
Other revenues	<u>1,660</u>	<u>9,297</u>	<u>-7,637</u>	<u>-82.14%</u>
Nonoperating & Other Revenues	<u>\$203,914</u>	<u>\$370,247</u>	<u>(\$166,333)</u>	<u>-44.92%</u>
Increase (Decrease) in net position	(\$24,407)	\$38,713	(\$63,120)	- 163.05%
Net Position, Beginning of Year	\$192,252	\$194,837	(\$2,585)	-1.33%
Change in accounting principle (OPEB)	0	-44,390	44,390	
Restatement for gift agreements	<u>0</u>	<u>3,092</u>	<u>-3,092</u>	
Net Position, Beginning of Year, as restated	<u>\$192,252</u>	<u>\$153,539</u>	<u>\$38,713</u>	<u>25.21%</u>
Net Position, End of Year	<u><u>\$167,845</u></u>	<u><u>\$192,252</u></u>	<u><u>(\$24,407)</u></u>	<u><u>-12.70%</u></u>

Summary Balance Sheet

A high-level summary comparison of the University's assets, liabilities and net position at June 30, 2019 and June 30, 2018:

	2019 <u>(\$000's)</u>	2018 <u>(\$000's)</u>	<u>\$ change</u>	<u>% change</u>
Current Assets:				
Cash and investments	\$ 66,491	\$ 75,802	\$ (9,311)	-12.28%
Restricted cash and investments	43,537	45,402	(1,865)	-4.11%
Other current assets	27,355	30,555	(3,200)	-10.47%
Noncurrent Assets:				
Restricted cash and investments	63,000	63,880	(880)	-1.38%
Other assets	434,684	449,857	(15,173)	-3.37%
Total Assets	<u>\$635,067</u>	<u>\$665,496</u>	<u>\$(30,429)</u>	<u>-4.57%</u>
Deferred Outflows of Resources	\$ 7,056	\$ 8,564	\$ (1,508)	-17.61%
Current liabilities	69,699	63,376	6,323	9.98%
Noncurrent liabilities	394,270	413,700	(19,430)	-4.70%
Total Liabilities	<u>\$463,969</u>	<u>\$477,076</u>	<u>\$(13,107)</u>	<u>-2.75%</u>
Deferred Inflows of Resources	\$ 10,309	\$ 4,732	\$ 5,577	117.86%
Net Position	<u>\$167,845</u>	<u>\$192,252</u>	<u>\$(24,407)</u>	<u>-12.70%</u>

Following is a table from the FY18 State Higher Education Finance Report issued by the State Higher Education Executive Officers Association (SHEEO) regarding finance data for higher education in Illinois.

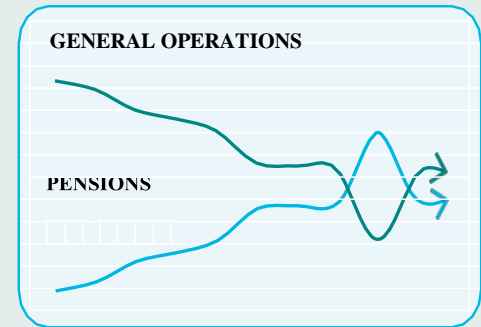
STATE SPOTLIGHT: ILLINOIS



Higher education finance data for Illinois continue to be outliers in the 2018 SHEF report, with educational appropriations nearly twice the U.S. average on a per student basis in 2018 and 30 percent above 2008 levels.

The significant increase in SHEF educational appropriations over the last decade is driven **entirely** by the state's efforts to address its historically underfunded state retirement pension system. The proportion of total funding spent on the state pension system has increased from 13.6 percent in 2008 to 46.4 percent in 2018.

Adding further complexity to Illinois's SHEF data in 2016 and 2017, the state did not pass a budget and therefore had no funding for higher education. The SHEF appropriations shown in these years are actually funds released in 2018 that partially restored 2016 and 2017 funds.



State Higher Education Executive Officers Association (SHEEOA) FY18 Annual Report: State Higher Education Finance, p.28.

**FISCAL YEAR 2019 EXTERNAL AUDIT CORRECTIVE ACTION PLANS
UPDATE**

As a result of FY19 audit, the University received twelve total audit findings of which nine were repeated from the prior year. The total number of findings decreased by one compared to the prior year and the level of severity in finding type has improved. The University has developed formal corrective action plans intended to strengthen internal controls and address each audit recommendation as described in the FY19 Examination. The average number of findings received for the eight Illinois public institutions whose FY19 reports were publicly available as of this update, was twelve.

Management has engaged Internal Audit to test the status of corrective action plans for FY19 material audit findings, which will play a critical role in tracking progress to date. Responsible officers have provided status updates on corrective action steps taken during the 2019 fiscal year to address the audit findings. Enclosed is a summary on the corrective action plans that includes the finding description, audit recommendation, and associated risk as defined by the auditors. As noted in the chart below, corrective action plans have been fully implemented or significant progress made towards full implementation. This status update on corrective actions is current as of March 2020.

Finding Number	Description of Finding	Status
Finding 2019-001	Enrollment Status Reporting (repeated)	Implemented
Finding 2019-002	Failure to Notify Student of Loan Disbursement	Implemented
Finding 2019-003	Inadequate Internal Controls over Contracts (repeated)	Partially Implemented
Finding 2019-004	Failure to Submit Proper Time Reporting (repeated)	Partially Implemented
Finding 2019-005	Noncompliance with Campus Security Enhancement Act of 2008 (repeated)	Partially Implemented
Finding 2019-006	Lack of Annual Performance Reviews (repeated)	Partially Implemented
Finding 2019-007	Inadequate Controls Over I-9 Forms (repeated)	Partially Implemented
Finding 2019-008	Inadequate Controls Over Employee Terminations	Partially Implemented
Finding 2019-009	Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act	Partially Implemented
Finding 2019-010	Subsidies between Accounting Entities (repeated)	Partially Implemented
Finding 2019-011	Inadequate Controls over Property and Equipment (repeated)	Partially Implemented
Finding 2019-012	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems (repeated)	Implemented

Barriers that limit full implementation include limited financial and staff resources, staff turnover, increased workloads, limited information technology functionality, and competing priorities. In addition, the FY19 compliance examination report was not final until March 6, 2020 which reduces the amount of lead time available to implement all corrective actions by June 30, 2020.

The University is committed to instituting corrective actions and continuous improvement that will affect positive change, increase accountability and foster good stewardship over University resources. The Ethics and Compliance Office assists the University campus in a proactive manner to ensure its activities comply with the laws, regulations, and policies that govern the University and adheres to the highest legal, professional, and ethical standards.

FY19 FINDINGS AND CORRECTIVE ACTIONS

The summary update below includes the finding description, audit recommendation, and associated risk as defined by the auditors. University comments on implementation status follows. This information is current as of March 2020.

Finding 2019-001: Enrollment Status Reporting

Definition: University did not complete enrollment status reporting to the U.S. Department of Education accurately and in a timely manner. Auditor recommended the University establish and maintain internal controls to ensure enrollment status reporting is complete, accurate, and performed in a timely manner.

Risk: Students do not properly enter the loan repayment period.

Recommendation Status: Implemented

Comments: The Office of Registration and Records has revised its operating procedures to include a process for reviewing error reports from the servicer to ensure degrees awarded are reflected within the timeline established by federal regulations. Additionally, graduated lists are generated from National Student Loan Data System (NSLDS) reports and compared to internal reports from the student information system to ensure validity of the data

Finding 2019-002: Failure to Notify Student of Loan Disbursement

Definition: University did not notify a student of their direct loan disbursement. Auditor recommended that the University establish and maintain internal controls to ensure student direct loan disbursement notification is completed as required by the Code of Federal Regulations.

Risk: Lack of notification results in the student (or parent) not being properly informed of the loan details which compromises their rights to cancel all or a portion of the loan and have the proceeds returned to the U.S. Department of Education.

Recommendation Status: Implemented

Comments: Financial Aid Office has revised the Risk Management Plan to include a process that will identify any disbursements not attached to a notification. This will ensure complete reporting to National Student Loan Data System (NSLDS) in accordance with U.S. Department of Education regulations.

Finding 2019-003: Inadequate Internal Controls over Contracts

Definition: University has not established adequate internal controls over contracts to ensure they are approved prior to performance and comply with all applicable State requirements. Auditor recommended the University establish and maintain internal control procedures to ensure contracts are complete and properly approved prior to performance. Auditors also recommended that the University adhere to State laws, regulations, and University policies and procedures.

Risk: Noncompliance with State statutes and regulations leaves the University vulnerable to unnecessary liabilities and potential legal problems and procuring goods or services at a higher rate than would have been otherwise paid.

Recommendation Status: Partially Implemented

Comments: Procurement Services and Contract Management has constructed multiple pathways to remediate the audit finding that includes retooling existing operating activities, introducing new operating practices, employee training, and increased cross campus collaboration. The department

will continue to educate campus departments through direct communications, training, reminders, and through its website. In addition, the department is creating vendor awareness and reminders through the workflow process to mitigate performance prior to purchase order. These activities will be fully implemented as information technology and staff resources are available.

Finding 2018-004: Failure to Submit Proper Time Reporting

Definition: University did not require all employees to submit time sheets as required by the State Officials and Employees Ethics Act. Auditor recommended the University continue its efforts to develop and implement a program to require all employees to submit time sheets in accordance with the Act.

Risk: Lack of complete documentation of time spent by faculty and graduate assistants on official state business as contemplated by the Act.

Recommendation Status: Partially Implemented

Comments: The legislative team is collaborating with other Illinois state universities to review the requirements of the act related to proper time reporting.

Finding 2019-005: Noncompliance with Campus Security Enhancement Act of 2008

Definition: University did not have adequate controls to ensure that required criminal background investigations were conducted prior to employment for employees hired for security sensitive positions. Auditors recommended the University comply with the requirements of the Act and existing University policies and procedures.

Risk: Noncompliance with the Act and University policy may result in University allowing access to security sensitive information to individuals who otherwise should not be trusted.

Recommendation Status: Partially Implemented

Comments: Human Resource Services will place additional resources on reminding departments of the policy requirements as well as review the policy and employment offer letters when necessary.

Finding 2019-006: Lack of Annual Performance Reviews

Definition: University did not conduct annual performance reviews for all its employees. Auditors recommended the University take appropriate measures to ensure employee performance reviews are conducted annually.

Risk: Lack of development of employees and communication of performance expectations to employees. No basis for salary adjustments, promotion, demotion, discharge, recall, and reinstatement decisions.

Recommendation Status: Partially Implemented

Comments: Human Resource Services will place additional resources on reminding supervisors to conduct and submit performance evaluations timely.

Finding 2019-007: Inadequate Controls Over I-9 Forms

Definition: University has not established adequate controls over the completion of I-9 forms for employees hired by the University. Auditors recommend the University enhance their controls over the process for preparing and reviewing the I-9 forms to ensure compliance with U.S. Citizenship and Immigration Services (USCIS) requirements.

Risk: A violation of USCIS requirements could expose the University to penalties.

Recommendation Status: **Partially Implemented**

Comments: Human Resource Services has initiated corrective action to educate and establish training sessions for hiring departments on how to complete the I-9 form.

Finding 2019-008: Inadequate Controls over Employee Terminations

Definition: University failed to ensure necessary personnel actions occur timely for terminated employees. Auditors recommend the University enhance control procedures to ensure timely removal of terminated employees from the University payroll.

Risk: Failure to properly remove terminated employees from payroll in a timely manner can result in improper payments.

Recommendation Status: **Partially Implemented**

Comments: Human Resources Services will update the employee departures webpage information to clarify employee and department responsibilities. Additionally, Human Resource Services will enforce existing policies and guidelines to responsible departments.

Finding 2019-009: Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act

Definition: The University did not comply with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (Act). Auditors recommend the University adopt written procedures and establish internal controls to ensure compliance with applicable statutory and regulatory requirements.

Risk: Failure to implement policies and procedures results in noncompliance with the Act.

Recommendation Status: **Partially Implemented**

Comments: University has made substantive steps to implement the various requirements of the Act and associated Administrative requirements. University will continue to make steps towards full implementation of controls and procedures to ensure initiation of renewals six months in advance to ensure compliance with the Act.

Finding 2019-010: Subsidies between Accounting Entities

Definition: University had subsidies between accounting entities during the current fiscal year. Auditors recommended the University review the activities of the accounting entities and ensure fees charged for services are sufficient to cover expenditures and ensure subsidies between accounting entities do not occur.

Risk: Violation of the University Guidelines.

Recommendation Status: **Partially Implemented**

Comments: The Division of Administration and Finance has implemented new multi-year budgeting initiatives that will help improve this issue in the future.

Finding 2019-011: Inadequate Controls over Property and Equipment

Definition: University did not fully comply with requirements applicable to its property and equipment. Auditors recommended the University continue to strengthen its internal controls over the accountability of University property and equipment.

Risk: Noncompliance with state regulations may result in theft and misuse of assets, resulting in a loss to the University, as well as additional spending to replace assets.

Recommendation Status: **Partially Implemented**

Comments: Property Control has worked to strengthen its property control protocols, which has significantly reduced the amount of property and equipment unaccounted for over the past year. The department has implemented a new electronic process which will further strengthen the communication and controls over this process.

Finding 2019-012: Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems

Definition: University did not adequately plan for the recovery of its applications and data. Auditor recommended the University review and update its disaster recovery plan (DRP) at least annually or when significant changes occur. The University should also perform and document test of its disaster recovery plan at least once a year.

Risk: Exposure to possible major disruptions of services.

Recommendation Status: **Implemented**

Comments: The Division of Information Technology in FY19 reviewed and updated its disaster recovery (DR) plan. The division has established a quarterly process to periodically test disaster recovery scenarios in accordance with the plan.

PRIOR FINDINGS NOT REPEATED

Finding 2018-001: Financial Reporting Process

Auditor Comments:

During the current year audit, we noted the University strengthened their internal controls over reporting capital assets, inter-entity transactions, and revenue recognition in order to ensure adherence to accounting principles generally accepted in the United States of America.

Finding 2018-002: Untimely Cash Reconciliations

Auditor Comments:

During the current year audit, we noted the University strengthened their internal controls over cash reconciliations and the expectations noted during our sample testing were less severe than in the prior year

Finding 2018-009: Noncompliance with Tuition and Fee Waiver Requirements

Auditor Comments:

In the current year examination, similar exceptions were not noted in our testing of tuition and fee waiver requirements.

Finding 2018-010: Noncompliance with Reporting Requirements Over Capital Projects

Auditor Comments:

In the current year examination, there were no exceptions noted during our review of construction or capital projects.

DIVISION OF ADMINISTRATION AND FINANCE REFINANCING OF SERIES 2010 AND 2011 AFS REVENUE BONDS

Overview and Summary: Northern Illinois University has \$175.5M in outstanding Series 2010, 2011 Auxiliary Facilities System (AFS) bonds. The average rate on that current debt outstanding is approximately 5.25%. Both issues are eligible to be re-financed with tax-exempt bonds effective January 1, 2020. Over the past several months, the Division of Administration and Finance has been exploring the feasibility of refinancing its Series 2010 and Series 2011 AFS Bonds. As discussed during previous meetings with the Finance, Audit, Compliance, Facilities, and Operations (FACFO) Committee and Board of Trustees (BOT) meetings, the refinancing would be broken into fixed rate publicly offered bonds and variable rate bank placement bond tranches. The bond issue will not include any monies for new projects and the new debt payments will not extend beyond the April 1, 2041 maturity date of the Series 2010 bonds. The goals of the refinancing are to:

- **Provide cash flow savings to the University**, with a significant portion of these savings (\$14M) directed toward fiscal years 2020 – 2023 to help mitigate the budgetary impact of closing the structural budget gap in those years.
- **Modernize NIU’s Bond Resolution**, which governs the operation of the AFS, for the first time since 1996. Planned changes to the Resolution would better accommodate the use of variable rate debt, allow for changes to the AFS if a Public-Private Partnership (P3) transaction were contemplated, liberalize the AFS’s financial covenants to match those of other Illinois, 4-year publics, and allow for transfers of AFS assets if the System were to be overfunded.

December 5, 2019 Board Action:

In the time leading up to the December 5, 2019 BOT meeting the Division and its financial advisor completed a Request for Proposal (RFP) process to create a pool of underwriters / placement agents to work on the refinancing. On December 5th, the Board:

- Approved a pool of five Bond Underwriting / Placement Agent firms, along with their Business Enterprise Program (BEP) partners, as eligible to work on the refinancing and other financings for the coming five years. At the time of the Board meeting, the selection of the final subset of firms to work on the refinancing was still pending the evaluation of the results of a follow-up “Pricing RFP.”
- Approved a 7th Supplemental AFS Revenue Bond Resolution, and other bond documents, subject to final approval of Authorized Officers, including the General Counsel; and
- Authorized refinancing the Series 2010 and 2011 AFS Bonds, subject to meeting certain parameters of size (not to exceed \$185M); initial rate or true interest cost (4.75%); final maturity (4/1/2041) and price (bond price no less than 97% of par amount of the issues).

Closing Update Since March 5, 2020

At the March 5, 2020 meeting of the Board of Trustees, university leadership reported the completion of the refinancing of the \$126.435M fixed rate Series 2020 Auxiliary Facilities System (AFS) bonds. At the same time, Northern Illinois University had come to terms on the \$30M variable rate bank placement portion of the overall financing. Both were scheduled for closing on April 1, 2020. The Coronavirus crisis did not interfere with the closing of the Series 2020A and 2020B Bonds; thanks to diligent work of NIU staff and the financing team, both series closed without incident. A summary of closing results for both issuances follows.

Summary of Series 2020 A&B Financing – Final Pricing Results

Sources and Uses

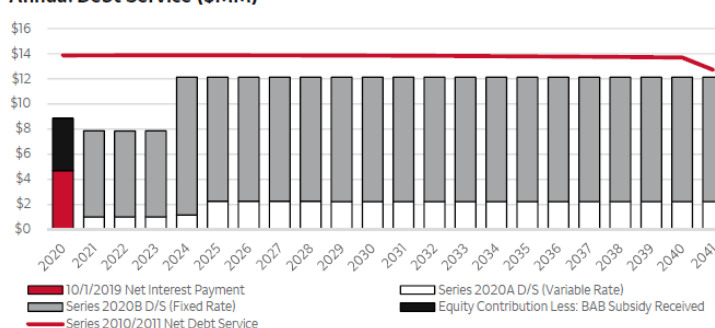
Sources of Funds

Series 2020A Par Amount (Direct Placement)	\$30,000,000
Series 2020B Par Amount (Bonds)	\$126,435,000
Original Issue Premium	\$23,011,382
Equity Contribution	\$5,835,000
Total Sources of Funds	\$185,281,382

Uses of Funds

Series 2010/2011 Escrow Deposit	\$181,906,307
Cost of Issuance (Series 2020A&B)	\$407,372
Placement Agent Fee (Series 2020A)	\$148,400
Underwriter's Discount (Series 2020B)	\$648,612
Bond Insurance Premium (Series 2020A)	\$332,681
Bond Insurance Premium (Series 2020B)	\$1,838,011
Total Uses of Funds	\$185,281,382

Annual Debt Service (\$MM)

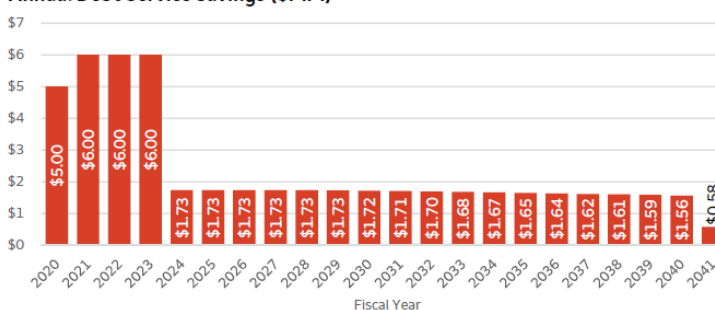


Summary of Refunding Results

Bond Statistics

Par Amount	\$156,435,000
Par Amount Refunded	\$175,550,000
Arbitrage Yield	2.59%
All-in TIC	2.95%
Average Life (Years)	13.3
PV of 1 basis point change	\$158,538
Gross Savings (\$)	\$52,130,545
NPV Savings (\$)	\$43,101,463
NPV Savings (%)	24.55%

Annual Debt Service Savings (\$MM)



Notes for Series 2020B Bonds: Ba2 underlying rating by Moody's; BAA insured rating of AA by S&P; Pricing occurred on 3/4/2020; Interpolated MMD rates as of 3/3/2020; Dated/Delivery date of 4/1/2020; Principal payment dates of 4/1; First interest payment on 10/1/2020; 10-year par call on 4/1/2030; No Debt Service Reserve Fund

Looking back on the refinancing process, NIU was fortunate to enter the market with almost perfect timing. At the March 4th fixed rate pricing date, the early days of the Coronavirus crisis had driven tax-exempt rates down by one-third of one percent in the prior week, leading to overall refinancing savings of \$52.1M, or close to twice the earlier estimates. However, in the two weeks *after* the pricing, the deepening Covid-19 Pandemic drove tax-exempt rates up by 1.5%, as investors fled the municipal market for the safety of US Treasuries. Ultimately, in the middle of March, the municipal market shut down completely and it is only just now beginning to recover.

There is one more positive piece of news to report. For planning purposes, the financing assumed that the \$30M tranche of variable rate debt would carry a rate of 3.0%. However, upon the closing of the floating rate bonds the actual rate for April was much lower, at 1.97%. This decrease in rates will save NIU at least \$25,000 in April, with more potential savings to come, if variable rates remain low.

**QUARTERLY FINANCIAL SUMMARY
FISCAL YEAR 2020 - THIRD QUARTER
AS OF MARCH 31, 2020**

Background: The University has prepared a third quarter financial summary.

At the conclusion of the third quarter of FY20, the University recorded a net revenue of approximately \$39.9M. This is \$29.8M less than the prior year due to factors including the immediate operational impacts of the COVID-19 pandemic.

University tuition and student fee revenues decreased by approximately \$1.1M from the prior year through the third quarter, reflecting pre-pandemic activities. Fee refunds processed in April will reduce tuition and fee revenues by year-end. A larger variance from prior year is reported for Rental & Room Income (\$4.0M) and Sales (\$2.2M), reflecting, in part, refunds resulting from the pandemic response that were recorded by the close of the fiscal quarter. In total, other revenue categories, including State of Illinois appropriation, are ahead of prior year by \$5.5M.

Overall, expenses through the third quarter exceed both prior year and budget by \$27.9M (9.4%) and \$13.9M (4.5%), respectively. Approximately \$14.5M of the variance to prior year is caused by the timing of debt service payments, which will end the fiscal year below budget due to \$6.0M in current year savings from the recent refinancing of the Series 2010 and 2011 Auxiliary Facility System bonds. Personnel Service expenses exceed prior year and budget, caused in part by stipend payments made to student employees in response to the COVID-19 pandemic. Contractual Service expenses through the third quarter exceeds prior years, driven partially by pre-pandemic investments in enrollment efforts. This Contractual Service trend may moderate by year-end as campus reprioritizes spending in all areas as the pandemic response continues.

To minimize the overall financial impact of responding to the COVID-19 pandemic, management has implemented new protocols and reviews of budgeted spending to minimize the FY20 deficit and protect University cash reserves. Longer-term efforts, including restrictions on in-year expense budget increases, implemented earlier this fiscal year, contribute to the University's ability to navigate this difficult, pandemic-driven fiscal environment. Current projections suggest a final FY20 budget deficit that is \$31.3M worse than previously expected. Unprecedented uncertainty in the fiscal environment may improve or weaken this expected final fiscal year performance.

Revenues

- 1. Tuition and Fees:** All tuition, including differential tuition, course and materials fees, athletics fees, bus fees, and health service fees.
- 2. Gifts, Grants, & Contracts:** Includes on-campus scholarships, research grants and associated indirect cost pools, Pell grants, and sub-contract fees for research.
- 3. Other Fees and Fines:** Includes parking, residential living-learning community fees, parking fines, and transcript and commencement fees.
- 4. Sales:** Includes board plan and retail food sales, concessions sales, advertising/sponsorship, sales of services to off-campus entities (including, but not limited to catering, childcare, and conference services).

5. **Rental & Room Income:** Includes room fees for residential students, rental of on-campus and off-campus meeting and conference space, hotel revenues, and Northern View apartment revenues.
6. **Gate Receipts & Commissions:** Includes athletic ticket sales, performing arts ticket sales, commissions, and concert/event revenues from the Convocation Center.
7. **Miscellaneous & Investment Income:** Includes athletics' game guarantees, NIU share of conference tournament revenues, rental of facilities, and interest income from investments, gains and losses on disposals of fixed assets, and year-end transfers to mandated reserves in the auxiliary facilities system.
8. **State of Illinois:** Represents the annual state appropriation to public universities.

Expenses

1. **Cost of Sales:** Includes the cost of all items purchased for resale on campus such as food for dining units, parts and supplies to be charged out through the campus work order system, as well as paper for pay-to-print copiers and printers.
2. **Personnel Services:** Includes all salaries paid to faculty, supportive professional staff, civil service, graduate assistants, extra help, and student employees. Also includes required payments for Medicare and employee health insurance.
3. **Contractual Services:** Includes annual software support, subscriptions, conference registrations, non-employee travel reimbursements, service contracts, repairs & maintenance, grounds, building service work charges, speaking fees, and other arrangements with outside contractors to perform services for the University.
4. **Travel:** Includes airfare, hotel rooms, mileage, meals (all up to limits set by the state and the University), and ancillary expenses for employees to travel to-and-from campus on official University business.
5. **Automotive:** Includes the cost to rent cars, vans, and busses from the University transportation department.
6. **Scholarships:** Includes scholarships awarded, including Pell Grant funds disbursed (which, when netted against Pell Grant funds received, results in zero effect on the University's cash position).
7. **Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.
8. **Equipment & Library Materials:** Includes the cost of all items over \$100 with an estimated useful life of two years or more, as well as library books, journal subscriptions, manuscripts, films, music, and video materials
9. **Capital Repairs:** Includes the cost of centralized capital repair activities.

10. Debt Service: Includes debt service payment on bonds, certificates of participation, and performance contracts.

11. Other: Includes refunds issued for on-campus external programming and other expenses not classified elsewhere.

Following is a financial summary of the University's operations as of the end of March FY20 and a comparison perspective to March FY19.

Northern Illinois University
as of March 31, 2020
(\$ in thousands)

	Current Year FY20			Prior Year FY19		Current Year FY20		
	Third Quarter			Third Quarter		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
Revenue								
Tuition & Student Fees	\$ 166,232	\$ 164,971	\$ 1,261	\$ 167,375	\$ (1,143)	\$ 162,496	\$ 176,085	\$ (13,589)
Gifts, Grants, & Contracts	49,293	49,004	289	47,558	1,735	54,090	59,331	(5,241)
Other Fees and Fines	5,652	5,609	43	6,263	(611)	7,004	7,172	(168)
Sales	24,837	27,394	(2,557)	27,068	(2,231)	26,721	32,606	(5,885)
Rental & Room Income	25,411	31,855	(6,444)	29,459	(4,048)	26,810	33,735	(6,925)
Gate Receipts & Commissions	3,046	4,466	(1,420)	4,079	(1,033)	4,294	4,809	(515)
Miscellaneous & Investment Income	4,288	1,821	2,468	3,067	1,221	17,240	11,479	5,761
State of Illinois	86,907	86,828	79	82,717	4,190	87,804	87,804	0
Total Revenue	\$ 365,666	\$ 371,947	\$ (6,281)	\$ 367,586	\$ (1,920)	\$ 386,458	\$ 413,021	\$ (26,563)
Expenses								
Cost of Sales	\$ 4,229	\$ 2,961	\$ 1,269	\$ 2,650	\$ 1,579	\$ 5,659	\$ 5,599	\$ 60
Personnel Services	175,298	161,195	14,103	165,981	9,317	227,191	210,829	16,362
Contractual Services	59,192	57,133	2,059	55,827	3,365	85,397	85,079	318
Commodities	4,339	4,383	(44)	4,366	(27)	6,120	6,276	(156)
Travel	3,459	4,193	(735)	3,504	(45)	4,562	5,531	(969)
Automotive	943	880	63	931	12	1,212	1,153	59
Scholarships	51,915	57,052	(5,137)	49,207	2,708	52,907	59,338	(6,431)
Telecommunications	152	211	(59)	407	(255)	561	323	238
Equipment & Library Materials	5,598	7,554	(1,956)	6,523	(925)	7,821	9,374	(1,553)
Capital Repairs	1,521	801	719	4,258	(2,738)	1,602	2,650	(1,048)
Debt Service	15,961	15,373	587	1,450	14,511	25,201	31,921	(6,720)
Miscellaneous Expense	3,129	64	3,065	2,757	371	4,761	105	4,656
Total Expenses	\$ 325,735	\$ 311,801	\$ 13,934	\$ 297,861	\$ 27,874	\$ 422,994	\$ 418,179	\$ 4,815
Net Revenue	\$ 39,931	\$ 60,146	\$ (20,216)	\$ 69,725	\$ (29,794)	\$ (36,536)	\$ (5,158)	\$ (31,378)

To ensure the amounts reported per the budget are in line with the University’s anticipated financial statement results, a reconciliation between Budget (Fund Accounting) and GAAP (Generally Accepted Accounting Principles) has been prepared.

An explanation of Generally Accepted Accounting Principles (GAAP) versus Fund Accounting (Budget):

- GAAP - a common set of accounting principles, standards, and procedures that companies must follow when compiling financial statements.
- Budget - based on fund accounting which is a method of accounting that emphasizes accountability rather than profitability. The focus is on “fund balances” that are set aside to achieve a specific goal with the organization.

The change in annual net position is a projection for FY20 and was calculated using the FY19 annual GAAP figures. Following is the reconciliation from the University’s Budget to GAAP financial statements based on year-to-date projections.

Budget to GAAP Reconciliation	
Year-End Projection	
(\$000's)	
Net Revenue, per Budget	(\$36,536)
Depreciation Expense	(28,232)
Debt Principal	6,793
Total Decrease in Net Position	<u><u>(\$57,975)</u></u>

*Unaudited

As of March 31, 2020, the projected year-end decrease to net position is \$57.975 million. Based on forecasted year-to-date Net Revenue of (\$36.536) million, estimated annual depreciation of \$28.232 million, and annual debt principal of \$6.793 million. Annual debt principal decreased from Q2 projected amount due to the refinancing of Series 2010/2011 revenue bonds on April 1, 2020. The first principal payment for the new Series 2020A/B is October 1, 2020. The projected ending net position for fiscal year 2020 is as follows:

FY20 Change in Net Position	
For the Year-Ended June 30, 2020	
(\$000's)	
Net Position, June 30, 2019	\$167,845
Decrease in net position	<u>(57,975)</u>
Net Position, June 30, 2020, projected	<u><u>\$109,870</u></u>

*Unaudited

FY21 UNIVERSITY BUDGET – PRELIMINARY SUMMARY

In planning for the FY20 internal budget, a multi-year strategy took shape with the goal of producing a balanced University budget in FY23 and by FY24, a structurally balanced budget in which ongoing revenues support ongoing expenses. Using a series of levers including the controlled spend-down of cash reserves, incentivizing sound financial strategies, and investing in mission-aligned efforts with an expected positive return-on-investment, senior University leaders sought to create an opportunity for the careful planning, at a divisional level, of multi-year strategies to meet the overarching goal of financial stability.

In support of this effort, the Budget Office prepared a new approach to internal budget development for FY21 and beyond, that would emphasize target-setting and planning while de-emphasizing the technical processes associated with the internal budget. The revised approach was communicated to University leaders in February 2020, including presentations at the President's Leadership Team meetings and at a regular convening of university budget and financial leaders. With an expected launch on April 1, the process anticipated a full, three months of formal budget development work—at least twice the time that was provided in prior years. This intentional emphasis on planning over technical matters meant the Board of Trustees could review high-level FY21 budget information at its May meeting of the Finance, Audit, Compliance, Facilities and Operations (FACFO) Committee and, consistent with tradition and past practice, adopt a final spending plan in June.

The March pronouncement of the COVID-19 pandemic and subsequent emphasis of University leadership on student, faculty, and staff safety preempted budget development rollout efforts. Specifically, COVID-19 continues to present us with mounting uncertainties and has adversely impacted NIU's financial position. While we work to assess the full financial impact to date, we know that revenue reductions and real costs are already in the range of \$40 million to \$50 million for FY20. Future projected revenue losses and delays related to state funding, enrollment, housing, dining, cancelled summer programming and events, as well as philanthropy, are anticipated to be significant.

While NIU will soon receive approximately \$14.8 million from the federal Coronavirus Aid, and Economic Security (CARES) Act, half will rightfully go directly to supporting student needs. The other half will be applied to COVID-related expenses, but it will not account for the full financial impact. Further compounding matters is that we have yet to receive \$31.8 million in state appropriations for our current fiscal year that ends June 30, 2020. There is no guarantee when it will come or how much it will be, nor is there a guarantee about how much of an appropriation we'll receive next fiscal year beginning July 1. The need to establish an FY21 internal budget, however, persists.

As many universities across the nation are experiencing similar financial impacts, we all recognize that there is no one single action that we can take to get us to where we need to be, and everything cannot happen at one time. Measures will have to be taken over the months ahead and will require constant evaluation.

A revised FY21 budget development process was announced the week of May 4 and includes revised budget allocation targets adjusted to reflect the post-pandemic fiscal environment. Unlike prior years, the technical aspects of recording the spending plans of individual campus units will not be complete prior to the July 1 start of the new fiscal year; however, an overall University spending plan will be available for Board consideration at its June 18, 2020 meeting and include information on major strategic investments and university-wide policy decisions included in the

budget. Should the FY21 internal budget be adopted at that time, the overall revenues and expenditures represented in June Board materials will be honored, however, the distribution of resources across revenue and expense categories may evolve as unit-level budgets are written and recorded in July. Extending the technical budget process beyond June will allow local units additional time to understand and plan in this uncertain environment.

Many FY21 budget parameters driven by environmental factors are not yet clear. These factors include Academic Year 2020-21 enrollment, State operating support to the University, and the ability to conduct on-campus classes. The status of intercollegiate sports seasons, scheduled academic and professional conferences, and contracts for some services also remain uncertain at this time. These factors suggest flexibility is necessary as we embark on FY21 budget development and are likely to force a revision of the University's multi-year budget framework.

Later in calendar year 2020, the University will embark on planning for future fiscal years, including a revision of the multi-year framework. Worksheets will be created and distributed to local University units to capture preliminary plans for FY22. This information, combined with greater certainty about the post-pandemic fiscal environment, will be critical to setting multi-year University budget goals.

PERIODIC REPORT ON INVESTMENTS FOR PERIOD ENDING MARCH 31, 2020

In accordance with the approved University Investment and Cash Management policy, this report on cash and 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:

- Cash and Investment Holdings Summary as of March 31, 2020
- Investment Earnings for the quarter ended March 31, 2020

The *Cash and Investment Holdings Summary* at March 31, 2020 shows NIU's total holdings at \$154.3 million, which includes \$14.1 million in restricted funds, \$40.5 million in investments, and \$99.7 million in operating cash. The total holdings balance is nearly \$31 million lower than the balance at March 31, 2019. A portion of the decrease is a result of NIU's planned spending of Build America Bond proceeds on the Holmes Student Center renovation project. The remaining difference is a result of lower cash receipts and higher cash disbursements over the same time period of the previous fiscal year. Most operating funds were invested in money markets and investment savings accounts because cash and cash equivalents were earning higher yields than long term investment instruments during the third quarter of Fiscal Year 2020.

The *Investment Earnings* report shows the interest earnings of \$662,150 and an overall annualized rate of return of 1.59% for the 3rd quarter. The lower return this quarter over prior quarter resulted from a decrease in interest rates and lower cash balances.

Due to the COVID-19 global pandemic, the US economic outlook for the remainder of this calendar year has drastically changed since the second quarter report on investments. Economists had predicted the Federal Open Market Committee would raise interest rates in 2020. Instead, the Federal Reserve issued an emergency rate cut of .5% on March 3, 2020. They followed up with an additional 1% cut on March 15, 2020, leaving the federal reserve funds rate near zero. As a result, current cash balances and new investments for the university will provide a lower yield than previously expected.

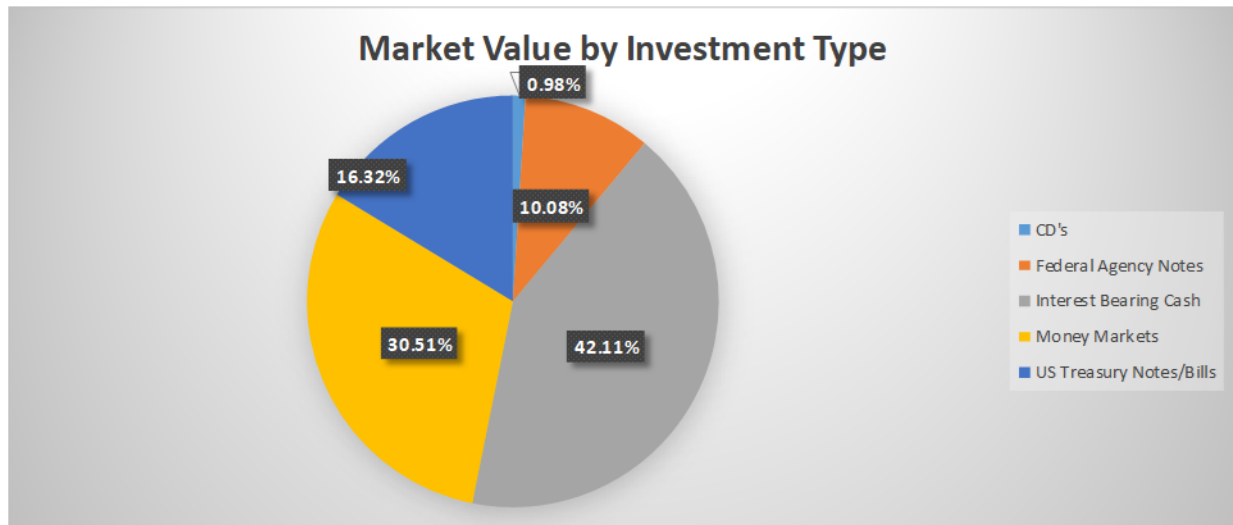
Government stimulus programs will provide some relief of this economic crisis for NIU and its students. The Coronavirus Aid, Relief, and Economic Security Act will provide NIU with approximately \$14 million, half of which must be disbursed directly to students. Given the unknown timeline for virus containment, it is difficult to predict the timing of a financial turnaround. Management is monitoring the financial impacts of COVID-19 and continues to provide senior leadership with information to aid in aligning fiscal policy with operating capacity.

CASH and INVESTMENT HOLDINGS SUMMARY

March 31, 2020

For Fiscal Year 2020

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
CD's:			
Local Funds	\$ 1,513,349	\$ 1,513,349	\$ 1,513,349
Federal Agency Notes:			
Local Funds	\$ 15,386,884	\$ 15,516,926	\$ 15,555,471
Interest Bearing Cash Accounts:			
Local Funds	\$ 64,963,825	\$ 64,963,825	\$ 64,963,825
Money Markets:			
Contributory Trust	\$ 9,834,900	\$ 9,834,900	\$ 9,834,900
Local Funds	34,651,440	34,651,440	34,651,440
Project Funds	2,599,662	2,599,662	2,599,662
	<u>\$ 47,086,002</u>	<u>\$ 47,086,002</u>	<u>\$ 47,086,002</u>
US Treasury Notes/Bills:			
Local Funds	\$ 25,116,947	\$ 25,078,833	\$ 25,187,360
TOTAL INVESTMENT HOLDINGS	\$ 154,067,007	\$ 154,158,935	\$ 154,306,007
Non-interest Bearing Cash	\$ 294,253	\$ 294,253	\$ 294,253
TOTAL CASH & INVESTMENT HOLDINGS	\$ 154,361,260	\$ 154,453,188	\$ 154,600,260
TOTAL REPORTED FOR 03/31/2019	\$ 185,907,019	\$ 186,201,857	\$ 186,126,563



* 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 2020
July 1, 2019 - March 31, 2020**

	March 31 Ending Balance	Qtr 3 Average Daily Balance	Percent of Portfolio	Qtr 3 Income Earned	Annualized Rates of Return			
					FY 2020		FY 2019	
					3rd Qtr	2nd Qtr	1st Qtr	4th Qtr
Short-Term Investment Accounts								
Illinois Funds	\$ 34,651,440	\$ 53,323,546	32.04%	\$ 202,194	1.521%	1.818%	2.239%	2.435%
Investment Accounts - Financial Institutions	\$ 64,963,825	\$ 66,469,113	39.94%	\$ 257,713	1.555%	1.865%	2.342%	2.477%
Contributory Trust	\$ 9,834,900	\$ 9,840,581	5.91%	\$ 33,870	1.180%	1.540%	-	-
Investment Accounts - Project Funds	\$ 2,599,662	\$ 3,049,284	1.83%	\$ 12,048	1.585%	1.776%	2.178%	2.245%
CD's	\$ 1,513,349	\$ 1,509,977	0.91%	\$ 4,037	1.072%	1.347%	1.639%	1.710%
ST Investment Accounts Total	\$ 113,563,176	\$ 134,192,501	80.63%	\$ 509,862	1.524%	1.695%	2.275%	2.414%
Fixed Income Securities								
Local Funds	\$ 40,503,831	\$ 32,234,610	19.37%	\$ 152,288	1.890%	1.915%	2.029%	1.883%
Fixed Income Securities Total	\$ 40,503,831	\$ 32,234,610	19.37%	\$ 152,288	1.890%	1.915%	2.029%	1.883%
Non-interest Bearing Cash	\$ 294,253	\$ -	-	-	-	-	-	-
COMBINED TOTAL	\$ 154,361,260	\$ 166,427,111	100.00%	\$ 662,150	1.59%	1.73%	2.23%	2.27%

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

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF \$100,000
FOR THE PERIOD JANUARY 1, 2020 TO MARCH 31, 2020**

Purchase Amount	No. of Transactions	Appropriated*	Non-Appropriated	Total
Over \$100,000	8	0	\$1,222,037	\$1,222,037

TRANSACTIONS DETAIL:

Purchases:

1. Finance and Treasury requested permission to issue payment for audit costs allocated to the University Income Fund for the period ending June 30, 2019. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. (Office of the Auditor General, Springfield, IL) 225,000
2. Northern Public Radio requests permission to purchase radio equipment to repair the NPR radio transmitter. The NPR cannot broadcast without these repairs. This is an FCC violation. This is the main transmitter that feeds the LaSalle, Sterling, Freeport, and Rockford repeaters. This affects 60,000 listeners including donors and advertisers. This order is considered an emergency and is exempt from being advertised on the Illinois Procurement Bulletin. (Broadcasters General Store, Ocala, FL) 118,727

Capital Improvement Projects:

1. The Holmes Student Center Ground floor and portions of the basement level have recently undergone major space renovations which had not included the bowling center lanes. The scoring system for the 16-lane bowling area was last updated in the early 1990's and is beyond its useful life. This scoring system was planned to be restored after the major space renovations for the upper and lower Huskie Den areas were completed. However, when the system was restarted, it was found to be non-functional and determined to be unrepairable. Replacement of the scoring system and associated seating area is considered the most economical solution and in keeping with the recently renovated décor of the surrounding Den area. Work will be completed by outside contractors and in-house workforce under the coordination of a NIU project manager. 248,600

2. Annual maintenance and repair are required at the West Plant each winter to ensure that the aging steam boilers and associated steam distribution equipment at the West Plant will have the ability and capacity to operate and generate steam needed for the entire campus during the summer season. Many of the repairs are related to worn, broken or non-functioning steam valves, nozzles, gauges, vents, expansion joints, control calibration, inspection/repair of fireboxes and other failed equipment that can cause serious operational and safety hazards or problems. To ensure that the reliable and safe steam production capacity is available for the next summer season, the maintenance and repairs must be completed during the winter shutdown of the West Plant. Work will be completed by outside contractors and in-house workforce under the coordination of a NIU project manager. 114,950

3. The West Plant cooling towers and chillers require periodic maintenance to ensure the campus will have chilled water for the upcoming cooling season. These repairs include replacing cooling tower fill valves, cleaning 4,000 chiller tubes, painting and addressing safety issues. To ensure that the reliable and safe cooling capacity is available for the next cooling season, the maintenance and repair must be completed during the winter heating season. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU Project Manager. 114,750

4. This project will replace the elevator controls for the Convocation Center passenger elevator which is the only option for ADA access to seating in the suite level, as well as public ADA access to the floor level. Work will consist of upgrading controls, door and cab operators, cab wiring, machine room wiring, oil tank unit with battery lowering unit and car/hallway fixtures. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU Project Manager. 172,400

5. This project will replace the existing Convocation Center Cooling Tower fan belt drive system with a more durable and reliable fan gearbox drive system. This will include removing the motor, bearing, belts and fan assembly and installing a new gearbox, fan assembly and high efficiency motors. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager. 122,850

6. This project involves repairs and upgrades to three existing restrooms at the Holmes Student Center. The restrooms are within a high student traffic area adjacent to the recently renovated space on the ground floor and have not received any major improvements since original construction in the 1960's. Scope of work in the old south entrance men's and women's restrooms will include new ceilings, light fixtures, lavatories and countertops, partitions, floor tile refresh and painting. Scope of work in the single user restroom includes inversion to all gender, installing a new water closet, lavatory, mirror, lighting and upgrading finishes. Work will be completed by in-house workforce under the coordination of a NIU project manager. 104,760

*Appropriated/Income Funds

SEMI-ANNUAL PROGRESS REPORT OF ACTIVE CAPITAL PROJECTS WITH A BUDGET OVER \$100,000

All projects listed herein were previously approved by the Board of Trustees or the President and are currently in process. The Authorization Date is identified for all NIU-funded projects; the fiscal year is identified for all Capital Development Board (CDB)-funded projects. Status reports are provided on any project, regardless of initiation date, until all work has been completed and all payments have been made.

A. CAPITAL DEVELOPMENT BOARD PROJECTS

I. Projects in the Planning Phase

1. Health Informatics and Technology Center Building

Total Project Budget: \$80,000,000

Funding Sources: State Appropriation

Authorization Date: January 2020 (for \$7.7M)

Status: The University was notified by CDB in January 2020 that funds were pending from the Comptroller's office for this project. NIU will be working with CDB to define the scope of work to be used by CDB for advertising to solicit proposals for design firms to work on this project. CDB will be contracting with a firm to develop the building program, design and construction documents. Schedule for solicitation is to be determined at this time.

2. Northern Illinois Center for Community Sustainability

Total Project Budget: \$20,000,000

Funding Sources: Grant Funding & NIU Local Funds

Authorization Date: December 2018

Status: The University was notified by CDB in February 2020 that this project will be run by CDB. Funds have not yet been released. Following release, NIU will be working with CDB to define the scope of work to be used by CDB for advertising to solicit proposals for design firms to work on this project. Schedule for solicitation is to be determined at this time.

II. Projects in the Design Phase

1. DeKalb Campus – Repair Steam Tunnel Distribution

Total Project Budget: \$5,024,000

Funding Sources: FY2019 - CDB State Appropriated

Authorization Date: September 2018

Status: The University was notified by CDB in May 2019 that funds were pending release from the Comptrollers' office for this project. CDB will be contracting with a firm to develop design and construction documents for the project. Selection was made in December 2019, with contract negotiations following that in early 2020. Per CDB this project is currently on hold due to COVID-19 crisis. Consultant should be able to begin work once CDB hold is lifted.

2. DeKalb Campus – West Heating Plant and Boiler Replacement Phase I

Total Project Budget: \$16,000,000
Funding Sources: Institutional - Auxiliary Reserves &
FY2019 – CDB State Appropriated
Authorization Date: August 2017

Status: The University entered into an inter-governmental agreement with the Capital Development Board to manage the project using a “design/build” project delivery method. CDB contracted with a firm to develop bridging documents to be used to select a Design/Build contractor team. Design/Build team proposal solicitations were in process when CDB placed this project on hold in March due to COVID-19 crisis. The design/build contract was anticipated, prior to the hold, to be awarded summer 2020, award timing to be determined at this time.

III. Projects in the Construction Phase

1. Critical Steam Isolation Valve and Expansion Joint Replacement

Total Project Budget: \$501,000 (\$476,000 CDB + \$25,000 NIU)
Funding Source: FY2019 - CDB State Appropriated & NIU local funds
Authorization Date: December 2018

Status: The University entered into an Inter-Governmental Agreement with the Capital Development Board whereby NIU would execute the work and be reimbursed once work has been completed. Work is 98% complete and is anticipated to be completed by June 2020. This will be the last report on this project.

2. Stevens Building – Addition & Renovation

Total Project Budget: \$37,300,135
Funding Source: FY2010 – CDB Amended FY2017 &
FY2017 – NIU Appropriated Funds

Status: Construction work was completed in May 2018 and building commissioning was completed during the summer 2018. School of Theatre and Dance and Department of Anthropology moved back into the facility in mid-May 2018 and the building was back in use for fall semester 2018 academic classes. Remaining punch list and other work items are being reviewed and addressed. Final completion of project is anticipated Summer 2020 depending on possible COVID-19 delays.

B. NORTHERN ILLINOIS UNIVERSITY PROJECTS

I. Projects in the Planning Phase

None at this time.

II. Projects in the Design Phase

1. College of Business – Creativity and Empathy Lab

Total Project Budget: \$400,000
Funding Source: Donor Funds
Authorization Date: March 2020

Status: In collaboration with NIU, NIU Foundation hired a design firm to work with the College of Business to develop the design and prepare construction documents. Contractor bids have been received, evaluated and final selections made. Construction to begin as soon as contracts are in place. Construction schedule may be impacted by COVID-19 crisis but is planned to be completed prior to the Fall semester.

2. Recreation Center – Changing Room remodel

Total Project Budget: \$1,100,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: September 2019

Status: Following board approval a consultant architecture and engineering firm will provide design services to proceed with design. Design development was completed by March of 2020. Request for approval to proceed with construction is on hold due to the COVID-19 crisis.

3. Stevenson and Grant Residence Halls - Building Envelope Repairs

Total Project Budget: \$525,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: December 2016

Status: Progress was previously limited by resource availability and other priorities. Selection of a design firm to prepare an assessment of the existing exterior building envelope (walls) is in process. Depending on COVID-19 impacts, assessment may be able to be completed by Summer 2020 with design and bidding to follow. Construction work will be planned and scheduled to take advantage of semester breaks and summer schedules.

4. Holmes Student Center Hotel Tower - Building Envelope Repairs

Total Project Budget: \$250,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: December 2016

Status: Progress was previously limited by resource availability and other priorities. Selection of a design firm to prepare an assessment of the existing exterior building envelope (walls) is in process. Depending on COVID impacts, assessment may be able to be completed by Summer 2020 with design and bidding to follow. Construction work will be planned and scheduled to take advantage of semester breaks and summer schedules.

III. Projects in the Construction Phase

1. Holmes Student Center – Restroom Upgrades

Total Project Budget: \$104,760

Funding Source: Bond Series 2010 Project

Authorization Date: March 2020

Status: Materials orders are in process. Work will be performed in coordination with building operations and is intended to be completed by June 2020 depending on COVID-19 delays.

2. Convocation Center – Passenger Elevator Controls Upgrade

Total Project Budget: \$172,400

Funding Source: Bond Series 2010 Project

Authorization Date: March 2020

Status: Materials are on order for this project. Work will be performed in coordination with building operations and is intended to be completed by June 2020 depending on COVID-19 delays.

3. Convocation Center – Cooling Tower Fans – Drive Upgrades

Total Project Budget: \$122,850
Funding Source: Bond Series 2010 Project
Authorization Date: March 2020

Status: Materials are on order for this project. Work will be performed in coordination with building operations and is intended to be completed by June 2020 depending on COVID-19 delays.

4. West Plant – 2019/2020 Winter repairs

Total Project Budget: \$114,950
Funding Source: Institutional Auxiliary Reserve Funds
& Appropriated income funds
Authorization Date: January 2020

Status: Project in process and is approximately 70% complete.

5. West Plant - FY20 Chiller & Cooling Tower Maintenance & Repairs

Total Project Budget: \$114,750
Funding Source: Institutional Auxiliary Reserve Funds
& Appropriated income funds
Authorization Date: January 2020

Status: Project in process and is approximately 80% complete.

6. Holmes Student Center – Huskie Den Bowling Center Upgrades

Total Project Budget: \$248,600
Funding Source: Bond Series 2010 Project
Authorization Date: December 2019

Status: Preparations for the new equipment are in process while the equipment order is in process. Work is being coordinated with building operations and is anticipated to be completed by summer 2020 depending on COVID-19 delays.

7. Founders Memorial Library – B30 Burma Art Compact Storage Install

Total Project Budget: \$350,000
Funding Source: Grant Funding & Institutional Local Funds
Authorization Date: December 2019

Status: Renovation of the space has been in process while equipment order was in process. Equipment installation will be coordinated with building operations. Work is anticipated to be completed by summer 2020 depending on COVID-19 delays.

8. Holmes Student Center Tower Elevator - Controls Upgrade

Total Project Budget: \$1,500,000
Funding Source: Institutional Auxiliary Reserve Funds
Authorization Date: December 2019

Status: Equipment orders are in process. Work will be scheduled in coordination with facility operations in order to minimize impact on events and normal operations. Work is anticipated to be completed by August 2020.

9. Campus Life Building – Ground and First Floors – Remodel and move in

Total Project Budget: \$133,000
Funding Source: Appropriated Income Funds
Authorization Date: December 2019

Status: Work occurred largely over winter break to minimize interrupts to normal operations through to March. Remaining punch list items re being addressed and final work items are being reviewed. Final payments are in process. This will be the last report for this project.

10. Broadcast Center - Roof replacement

Total Project Budget: \$164,950
Funding Source: Appropriated Income Funds
Authorization Date: August 2019

Status: Roofing replacement work is complete. Remaining punch list items are being addressed and final work items are being reviewed for execution. Final payments are in process. This will be the last report for this project.

11. Stevenson Towers A, B, C & D – Roof Replacement

Total Project Budget: \$1,400,000
Funding Source: Institutional Auxiliary Reserve Funds
Authorization Dates: Revised March 2020

Status: Bidding documents are complete, and bids were received in November 2019. Contracts are in process. Construction work is planned for the summer 2020 semester break. Schedule of work to be coordinated with housing operations.

12. Holmes Student Center South Entrance Elevator – Controls Upgrade

Total Project Budget: \$198,950
Funding Source: Bond Series 2010 Project
Authorization Date: August 2019, revised February 2020

Status: Work is in process and being coordinated with building operations and is intended to be completed by June 2020 depending on COVID-19 delays.

13. Soccer Field Complex - Press Box Replacement

Total Project Budget: \$129,000
Funding Source: Institutional Local Funds
Authorization Date: June 2019

Status: Site preparations are complete and prefabricated, and the Press Box is ready to be shipped. Box will be installed as weather allows and in coordination with Athletics operations. Work is anticipated to be complete by June 2020 depending on COVID-19 delays.

14. Parking Lot A – Extension

Total Project Budget: \$217,850
Funding Source: Institutional Local Funds
Authorization Date: May 2019

Status: Work has been completed and final payments are in process. This will be the last report for this project.

15. East Heating Plant - Summer Repairs

Total Project Budget: \$127,650
Funding Source: Appropriated Income & Institutional Aux. Reserve Funds
Authorization Date: May 2019

Status: Annual maintenance and repairs work was performed during the summer shutdown of the plant. Work is complete and final payments are in process. This will be the last report on this project.

16. Convocation Center – Cooling Towers Repairs

Total Project Budget: \$239,250

Funding Source: Bond Series 2010 Project

Authorization Date: March 2019, revised January 2020

Status: Work was completed by September 2019. Final payments are in process, this will be the last report on this project.

17. Holmes Student Center - Phase I Redevelopment

Total Project Budget: \$20,900,000

Funding Source: Bond Series 2010 Project & Auxiliary Reserve Funds

Authorization Date: February 2019 Amended

Status: Construction work began in October 2018. The renovated space opened for Homecoming weekend October 2019 with the exception of the Qdoba food venue. Qdoba construction was completed by March 2020. The project complete. Contractors are completing remaining punch list items and final work items are being reviewed for execution. Final payments are in process. This will be the last report for this project.

18. Stevenson Complex - Security Camera Upgrade

Total Project Budget: \$130,000

Funding Source: Bond Series 2010 Project

Authorization Date: December 2018

Status: Work is approximately 90% complete with completion anticipated in Spring 2020. Final work items are being reviewed and final payments are in process. This will be the last report on this project.

19. Neptune Complex Upgrade

Total Project Budget: \$5,400,000

Funding Source: Bond Series 2010 Project

Authorization Date: March 2017

Status: Additional work in Neptune West was completed during the summer break of 2018. Work to renovate Neptune East was completed during the summer break of 2019 and completed by the fall semester 2019. Final work items to provide A/C in Neptune East student lounges is being reviewed for execution. Project completion is anticipated in Spring 2020 depending on COVID-19 delays.

20. DeKalb Campus - Electrical Infrastructure Replacement Phase III

Total Project Budget: \$2,550,000

Funding Source: Appropriated Funds, Bond Series 2010 Project & Institutional Auxiliary Reserve Funds

Authorization Date: March 2014

Status: Construction work began in late 2014 and is approximately 75% complete, the project had been delayed due to previous funding concerns. Due to the projects' overall age and other competing priorities, this project will be closed once current work items are completed. Future electrical infrastructure replacement work will be addressed under separate projects as necessary.

STATE LEGISLATIVE UPDATE

COVID-19 Impact on Spring 2020 Legislative Session

As a result of COVID-19 and the subsequent “stay at home” order put into place by Governor Pritzker, the General Assembly has not held session in Springfield since the first week of March.

At the time of this report, it remains unclear when the General Assembly will return for necessary work prior to the end of the fiscal year. Emergency items to address include FY20 supplemental appropriations, FY21 appropriations, FY21 capital re-appropriations, FY21 budget implementation bill, and a small variety of other time-sensitive items—such as emergency response policies to help institutions, businesses, and state agencies adapt and efficiently operate during the current state of emergency.

Various bipartisan working groups have been established in both the House and Senate to begin negotiating and addressing the time-sensitive work that needs to be completed this Session/fiscal year. NIU is most closely tracking the work of the two budget groups, as well as the House higher education and Senate education working groups.

Illinois’ Revised Revenue Outlook for FY20 and FY21

On February 19, 2020 the Governor’s Office of Management and Budget (GOMB) released FY20 and FY21 general funds revenue forecast with the Governor’s budget proposal. These forecasts were based on the economic conditions and fiscal year-to-date revenue available as of early February. However, due to the impact of COVID-19 pandemic, the economic outlook for the State of Illinois for FY21 has shifted significantly, meriting a revised revenue projection for the remainder of FY20 and FY21.

On April 15, 2020, GOMB released its revised revenue outlook for the State of Illinois based on preliminary COVID-19 impact projections. While the length and potential impact of the unprecedented emergency response remains unclear, economists have begun to project that the likely impact on the economy, and in turn, the revenue collections that support the operations of state governments. According to GOMB, utilizing recent data forecasts available from IHS Markit, GOMB, and the Department of Revenue currently estimate that FY20 general funds state source base revenues will be approximately \$2.7 billion below the February estimate of \$36.9 billion, partially offset by expected additional federal revenues and additional inter-fund borrowing processed by the Office of the Comptroller.

FY21 general funds state source revenue estimates are being revised \$4.6 billion down from an estimated state source base revenue estimate of \$38.5 billion. This revenue shortfall, combined with additional FY20 borrowing, has created a budgetary gap when compared to the FY21 spending plan outlined by the Governor in February.

As a result of the budget for FY21 being impacted by whether the graduated income tax structure in Public Act (P.A.) 101-0008 takes effect, there are two scenarios for the budget gap in fiscal year 2021. If P.A. 101-0008 takes effect, the budget gap is approximately \$6.2 billion. If the graduated income tax structure in P.A. 101-0008 does not go into effect, the estimated budget gap is approximately \$7.4 billion.

The revision of revenues and the subsequent shortfalls will assuredly impact the General Assembly’s ability to hold all sectors harmless in FY21 beginning July 1, 2020.

Adapted Legislative Agenda Containing Emergency Requests

Considering the circumstances of COVID-19, NIU has appropriately adapted its spring 2020 legislative agenda to include the following time-sensitive items:

- **Prioritize Outstanding FY20 Payments to NIU** – At the time of this report, NIU has a total of \$31.6 million GF vouchered and not yet paid by the Illinois Comptroller’s Office for its FY20 operations. While we recognize the state is also facing cashflow issues and is having to prioritize/delay payments, we respectfully ask to be a priority.
- **FY20 Supplemental Fix for AIM HIGH** – In the FY20 budget, appropriations for the AIM HIGH Program were split into two-line items and designated for expenditure on certain cohorts. This provision has significantly restricted the program’s legislatively intended flexibility. For this reason, we are supportive of the Student Assistance Commission’s advocacy to remove the cohort restrictions and merge the \$25 million and \$10 million lump sums into one \$35 million-line item. This would provide NIU with the necessary flexibility to administer the Huskie Pledge program and renewal grants for current year AIM HIGH awards.
- **Adequate/Stable Funding for FY21 passed by June 30** – Support the Governor’s introduced budget for higher education. Prior to the unforeseen impacts of COVID-19 (on both the state and NIU’s revenues), NIU had requested a state appropriation of \$93.6 million General Funds, an increase of \$5.8 million, or 6.6% over FY20. While this increase is needed now more than ever, we understand the state’s financial situation and how tight next year’s budget will be. NIU respectfully requests that at a minimum, the General Assembly and Governor’s Office enact the Governor’s introduced budget for higher education. This would hold NIU’s funding flat until the voters decide on the graduated income tax referendum. If voters pass the referendum, the Governor’s introduced budget then recommends a 5% increase for NIU in FY21.
- **Reinstatement of the State University Certificates of Participation Act (COPS)** - Under the State University Certificates of Participation Act, public universities had the ability to fund capital improvements by selling certificates of participation. The Act expired in 2014, eliminating this useful method for financing capital improvements, adversely impacting state universities’ ability to maintain and expand their facilities and increasing their reliance on state capital appropriations. Reinstatement of this Act will restore more flexible and robust capital financing capacity to state universities. Considering the financial impact caused by COVID-19, immediate reinstatement of COPS would significantly increase the University’s financial mitigation options.
- **Temporary Suspension of the Grant Accountability and Transparency Act** - The Grant Accountability and Transparency Act (GATA) applies federal uniform guidance (UG) grant making principles to state and federal flow-through awards issued from Illinois’ state agencies to public universities. GATA is more restrictive than the federal government requirements, however, and in times of normal operations, it produces significant barriers and adversely impacts Illinois’ public universities. Prior to COVID-19, the public universities sought to have the General Assembly take action on **SB 3845 (McGuire)**, which seeks to permanently reform GATA for Illinois’ public universities by improving the application of uniform guidance (UG) to state grant making processes. However, given COVID-19 and the adjustments made to this legislative session and immediate priorities, we ask that the General Assembly instead consider temporary suspension of GATA for the public universities, which would immediately help with administrative obstacles as we work remotely and navigate changes/delays in existing grant contracts. This temporary action would provide necessary flexibility in the immediate while allowing universities,

legislators and additional stakeholders to take more time to negotiate permanent changes to the Act.

Illinois' CARES Act Funding for Education

Under the CARES Act, Illinois has been allocated \$109 million by the U.S. Department of Education to distribute among its elementary, secondary and higher education institutions, as well as to early childhood education providers deemed eligible. This encompasses both public and private institutions and is in addition to the direct relief funding each institution has received.

At the time of this report, it is unclear how the Governor's Office will determine to allocate the lump sum of funding among the various education sectors and within each sector. However, any distribution methodology should consider "institutions most significantly impacted."

NIU has provided the following allocation suggestions to the Illinois Board of Higher Education for consideration:

- In terms of measuring "institutions most significantly impacted," this measurement should not only look at added costs due to COVID-19, but also factor in some type of weighted revenue loss. Public and private universities are not only dealing with all normal costs and added COVID-19 costs, but the sector is also uniquely taking a significant hit to revenues to pay for it all (refunds to students, cancelled revenue-generating conventions and events, including those that generate philanthropy revenues).
- In terms of allocating funds among institutions of higher education, the U.S. Department of Education's approach/calculation of direct grant dollars to institutions is a worthy model to consider, which considered a combination of enrollment and number of PELL eligible students.

FEDERAL RELATIONS REPORT

This report covers the period of February through April 2020.

Appropriations

Fiscal Year 2021 Appropriations

President Trump released his Fiscal Year (FY) 2021 President's Budget Request (PBR) in February 2020. As with the past few years, the PBR proposed cuts to many NIU priorities. Work on the FY2021 appropriations bills has slowed due to the temporary closure of Congress. A stopgap continuing resolution (CR) that funds the federal government at least into mid-November 2020 is very likely given the delay in FY2021 appropriations work as well as the upcoming presidential and congressional elections on November 3, 2020.

Appropriations Outlook for FY2022 and Beyond

The significant federal spending on COVID-19 response (outlined below) will almost certainly impact annual appropriations for years to come. A recent analog to the current economic crisis is the Great Recession of the late 2000s. Federal spending during the Great Recession led, in part, to ten years of austere budget caps for discretionary spending that are finally ending in FY2021. While it is premature to speculate on the precise impact that COVID-19 related spending will have on the long-term appropriations outlook, we should anticipate some consequential impact that could include continued budget caps and austerity.

The Administration

On March 13th, President Trump issued *Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak*. Soon thereafter, Congress and many federal agencies converted non-essential workers to full-time telework. The White House granted federal research agencies the flexibility to adjust their policies for federal awards in response to the COVID-19 pandemic, and many have adopted temporary changes that affect federally funded programs at NIU. The Office of Sponsored Programs Administration is closely tracking these changes and keeping campus informed [here](#).

President Trump issued an Executive Order (EO) effective on April 23rd relating to immigration. The EO only impacts pending immigrant visa applications (applications for permanent residency) for persons who: were outside the U.S. on the effective date of the proclamation; and who do not have an approved immigrant visa or some other already issued official travel document (such as an advance parole document). Current and future international students and H-1B visa holders are not impacted by this order. However, in response to the COVID-19 pandemic, US consulates are closed which prevents visa applicants from completing their required visa interviews and delays the processing of their visa application.

Congress

Congress is working remotely since mid-March and it is scheduled to reconvene on May 4th. In that time, Congress has focused much of its time and attention on negotiating and passing legislation to address the COVID-19 pandemic. As of this writing, Congress has spent over \$3 trillion across four COVID-19 response bills. For context, the federal government typically spends about \$1.5 trillion on all discretionary programs annually and has an overall annual budget of about \$4.5 trillion. Two recent bills are particularly impactful for NIU: The Coronavirus Aid, Relief, and

Economic Security (CARES) Act, signed into law on March 27th, and the Families First Coronavirus Response Act (FFCRA), signed into law on March 18th.

The CARES Act provides \$30.75 billion to the Department of Education (ED) for an “Education Stabilization Fund” that is divided into three pools. It provides \$13 billion for K-12 education, nearly \$3 billion in discretionary education funds for states, and nearly \$14 billion for higher education institutions. Governors have discretion over how they divide their allocation among K-12 and public higher education in their state. The higher education fund supports institutional costs associated with campus disruption and online learning, and for grants to students for food, housing, technology, and other purposes. At least 50 percent of the funds that institutions receive must be used for direct emergency aid to students. The higher education fund also reserves 7.5 percent (slightly over \$1 billion) for minority serving institutions, and 2.5 percent (\$349 million) for grants to institutions particularly impacted by the pandemic. **NIU is allocated \$14,825,179 of the higher education fund and Illinois is allocated \$108,497,757 of the funding for the states.**

The FFCRA created new requirements for COVID-19 related to paid sick leave and paid family leave, as well as tax credits to offset the cost of implementing these new requirements. Unfortunately, public entities including public universities are excluded from eligibility for the tax credits. Congressman Brad Schneider from Illinois is leading legislation that would extend the tax credits to public entities.

Congress is working on additional COVID-19 response and recovery bills. NIU is working in conjunction with our sister institutions across Illinois and the nation and our professional associations to make the case to Congress and the Administration that our students and institutions are in need of additional financial and policy relief from COVID-19 related impacts to operations, education, and research in subsequent legislation.

The Courts

In November 2019, oral argument began in the US Supreme Court over the lawfulness of the DACA program. The Court just accepted a brief on the role of DACA recipients in addressing the COVID-19 pandemic. A decision is expected by June 2020.

Federal Engagement with NIU

Recent federal engagements with NIU include:

- **March 5-6: Student Trip to DC.** Undergraduate Meghan Trentz, 2019-2020 Federal Relations Intern, visited Washington, DC to attend the Council on Governmental Affairs quarterly meeting for the Association of Public and Land-grant Universities.
- **March 8-12: NIU Spring Break Trip to DC.** Fourteen NIU undergraduate students and Prof. Scot Schraufnagel visited Washington, DC to learn about the federal government through touring federal buildings and meeting with federal officials from the legislative and executive branches.
- **March 10-12: Canceled Engagements in DC.** Due to COVID-19, the following annual DC engagements were canceled: NIU’s congressional reception, President Freeman’s meetings with Members of Congress, and meetings on Capitol Hill and at federal agencies for five faculty members.

SPONSORED PROGRAMS ADMINISTRATION REPORT

At the close of quarter 3 for this fiscal year, total sponsored funding for NIU was \$24 million (Figure 1). This represents an additional \$6.5 million in funding since SPA's February 2020 report to the Board.

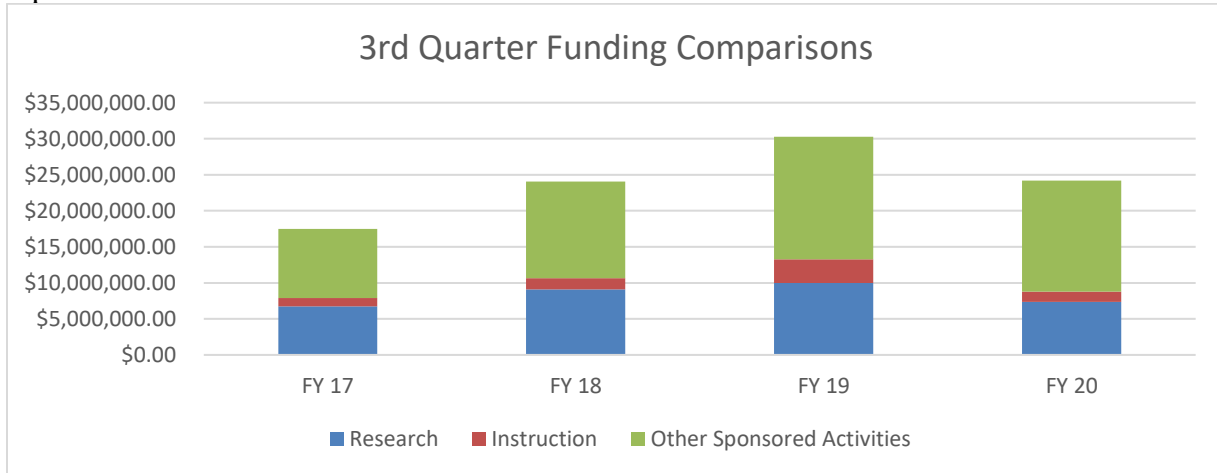


Figure 1

The transition to remote work has not impacted SPA's processing of proposals and awards. At this point, we are not aware of any COVID-19 disruptions at our collaborating institutions or funding agencies that would impact award decisions or delay processing times. However, it is unclear if recently awarded projects will start as planned due to the stay-at-home order. SPA is assessing these situations as needed.

The COVID-19 crisis has resulted in new federal funding opportunities that NIU faculty are taking advantage of. For research, the Rapid Response Research (RAPID) mechanism allows agencies to receive and review proposals having a severe urgency to respond to natural or anthropogenic disasters and other anticipated events. NIU has already received one RAPID award and a handful of others are in development. Dr. Sachit Butail, Mechanical Engineering, received the first RAPID award which will be used to analyze the effectiveness of different testing strategies for COVID-19.

As previously noted, NIU’s funding increased \$6.5 million in the third quarter. Research funding increased \$1.4 million while funding for other sponsored activities (OSA) increased \$5.1 million. Funding from state of Illinois agencies and the U.S. Department of Education largely contributed to the third quarter increase. Increases from these agencies is to be expected as they consistently account for most of NIU’s OSA funding. Figure 2 shows the current top five OSA funding agencies for FY 2020.

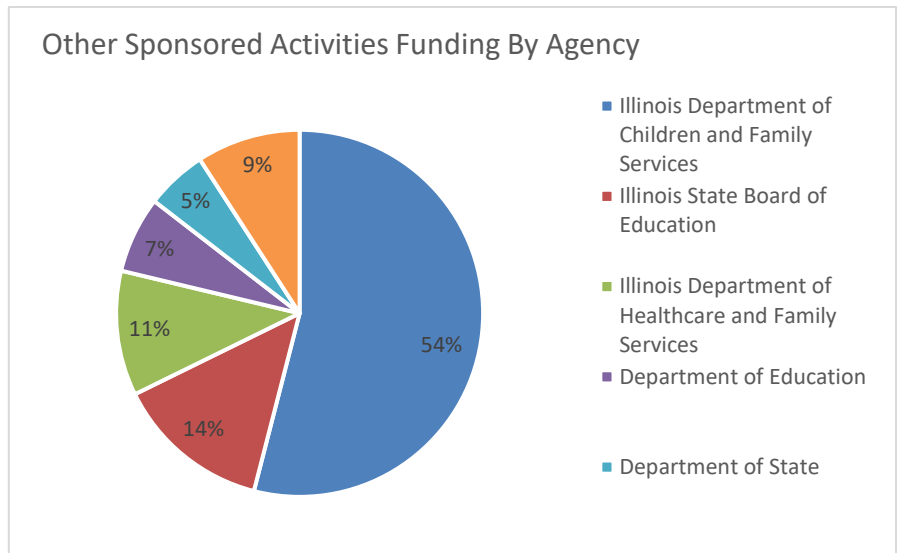


Figure 2

Projects classified as Other Sponsored Activities vary greatly and include support for NIU’s art museum, public radio programming and for this year, U.S. census participation. As previously reported to the Board, the funding from state of Illinois agencies is primarily for social service programs and K-12 data support (e.g. Illinois Report Card).

The \$1.4 million increase in research funding in the third quarter is largely due to awards from area national laboratories and direct funding from the U.S. Department of Energy. As with OSA, funding from these agencies is consistent with NIU’s overall research funding portfolio. See Figure 3 for the current top five research funding agencies FY 2020.

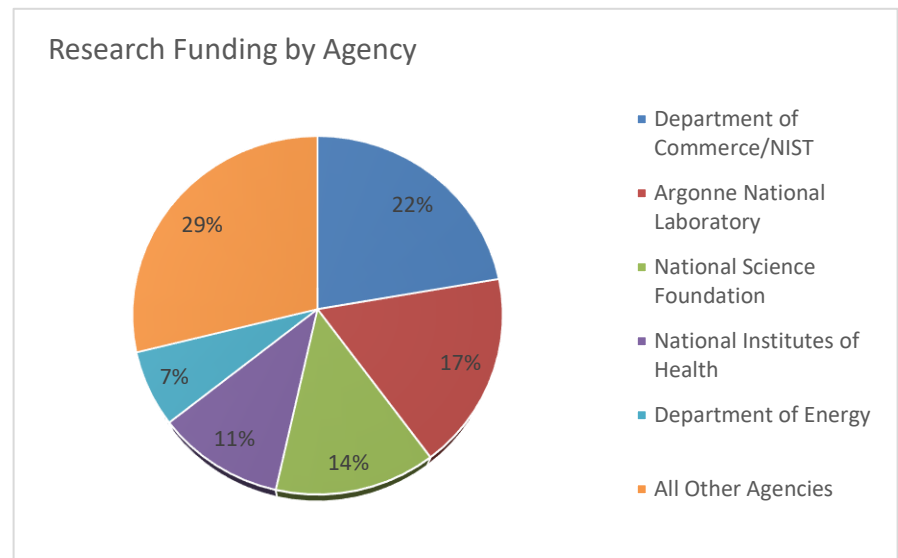


Figure 3

Also worth noting, NIU’s partnerships with Argonne National Laboratory and Fermilab enables research that is also funded through other agencies or collaborating institutions. Almost 80% of direct funding received from the U.S. Department of Energy and 30% of funding from the National Science Foundation is linked to collaborations or our access to facilities at these laboratories. For example, Dr. Tao Li, a recent joint faculty hire between NIU and Argonne secured a \$186k National Science Foundation award this year to look at new models for testing a catalyst that will enhance conversation efficiency.

Funding across colleges and university units continues to track past patterns both for level and type of funding (Table 1). A detailed listing of awards is provided at the end of this report beginning on page 4.

Table 1

	Research	Instruction	Other	Total
College of Business	\$ -	\$ -	\$ -	\$ -
College of Education	\$ 24,951.90	\$650,000.55	\$ -	\$674,952.45
College of Engineering and Engineering Technology	\$295,619.85	\$ -	\$ -	\$295,619.85
College of Health and Human Sciences	\$587,781.95	\$355,430.00	\$484,394.00	\$1,427,605.95
College of Law	\$ -	\$ -	\$ -	\$ -
College of Liberal Arts and Sciences	\$4,502,525.33	\$214,053.00	\$8,915,094.80	\$13,631,673.13
College of Visual and Performing Arts	\$ 60,500.00	\$	\$7,900.00	\$68,400.00
Outreach, Engagement and Regional Development	\$195,736.00	\$35,000.00	\$5,408,407.28	\$5,639,143.28
Other Academic Units	\$46,000.00	\$178,170.00	\$356,276.27	\$580,446.27
Other University Units	\$1,638,422.97	\$	\$ 250,000.00	\$1,888,422.97
Total	\$7,351,538.00	\$1,432,653.55	\$15,422,072.35	\$24,206,263.90

ANTHROPOLOGY

University of Central Florida for "SocialSim Modeling / Repast HPC Programming Support."
John Murphy. Award: \$37,569.00. (Cumulative \$116,499.00).

December 11, 2019 – May 31, 2020. (Organized Research) Applied Research.

This project seeks to develop technologies for high-fidelity simulation of on-line social behavior (the spread and evolution of online information) while rigorously testing and measuring simulation accuracy.

CENTER FOR SOUTHEAST ASIAN STUDIES

Bureau of Educational and Cultural Affairs/Department of State for "Southeast Asia Youth Leadership Program." Eric A. Jones. Award: \$499,546.00.

February 20, 2020 – February 19, 2021. (Other Sponsored Activities) Public Service.

This project will fund 60 students from ASEAN nations visiting the US and learning about civic engagement and good governance.

Office of Postsecondary Education/Department of Education for "National Resource Center and Foreign Language and Areas Studies Fellowships." Eric A. Jones. Award: \$621,000.00. (Cumulative \$1,242,000.00).

August 15, 2019 – August 14, 2020. (Other Sponsored Activities) Other.

Funds will continue to be used to support the Center for Southeast Asian Studies.

CENTER FOR THE STUDY OF FAMILY VIOLENCE AND SEXUAL ASSAULT

Illinois Department of Children and Family Services for "Domestic Violence Intervention Program FY2020." Julie L. Crouch. Award: \$545,641.00.

July 1, 2019 – June 30, 2020. (Other Sponsored Activities) Public Service.

NIU will coordinate and administer the Domestic Violence Intervention Program in conjunction with the DCFS Administrator of the program.

Futures Without Violence for "Illinois Domestic Violence Co-Location Program – Program Assistant Contract." Julie L. Crouch. Award: \$40,000.00. (Cumulative \$57,505.00).

October 1, 2019 – September 30, 2020. (Other Sponsored Activities) Public Service.

This contract is to add a Program Assistant to the Illinois Domestic Violence Co-Location Program (DVCLP). The purpose of the DVCLP is to improve child welfare interventions provided to families experiencing domestic violence.

CHEMISTRY AND BIOCHEMISTRY

Argonne National Laboratory for "Graduate Student Support in Lead Battery Science Research."
Yingwen Cheng. Award: \$34,332.02. (Cumulative \$71,284.00).

February 4, 2020 - February 3, 2021. (Organized Research) Applied Research.

This graduate research position is primarily defined within the Lead Battery Science Research program, where the project is intended to understand at atomic levels the fundamental limits of lead-acid battery technology and its electrochemical processes.

Argonne National Laboratory for "Investigating the electrolyte solvation behavior for battery materials." Tao Li. Award: \$60,480.00.

December 1, 2019 - November 30, 2020. (Organized Research) Applied Research.

To study the effect of ionic size, charge, and composition on how solvation phenomena and the resulting clustering behavior regulate solubility limits across a range of electrolyte classes, including those containing divalent cations and redoxmer species.

Office of Energy Efficiency and Renewable Energy/Department of Energy for "On-device Lead Detention for Perovskite Solar Cells." Tao Xu. Award: \$109,194.00.

March 1, 2020 - May 31, 2021. (Organized Research) Applied Research.

To develop materials containing strong Pb-absorbing chemical groups and/or chelating agents as sealants on both sides of PSCs for effective capture of leaked Pb upon severe device destruction.

Argonne National Laboratory for "Material Development for Energy Efficiency and Renewable Energy Applications." Tao Xu. Award: \$16,655.64. (Cumulative \$33,199.00).

January 1, 2020 - June 30, 2020. (Organized Research) Applied Research.

The purpose of this project is to prepare, characterize, and improve new materials for energy efficiency and environmental applications.

COMPUTER SCIENCE

Northwestern University for "Education and Outreach for SAGE." Michael Papka/Joseph Insley. Award: \$34,723.00.

October 1, 2019 - September 30, 2020. (Organized Research) Applied Research.

Funds are to design and build citizen science components for SAGE, reusable software components and cyberinfrastructure services to enable deployment of intelligent environmental sensors, including tutorials and documentation on use of components.

National Science Foundation/NSF for "Visualizing Data Relationships Across Multiple Views." Maoyuan Sun. Award: \$175,000.00.

August 31, 2019 - March 31, 2021. (Organized Research) Basic Research.

Funds are requested to investigate how to visualize data relationships across multiple visualizations for supporting data analytics. It will bring an in-depth understanding of the usage of multiple visualizations for sensemaking of data.

CENTER CHILD WELFARE & EDUCATION

Illinois Department of Children and Family Services for "Permanency Enhancement Project FY2020." Angela Baron-Jeffrey. Award: \$50,000.00.

July 1, 2019 - June 30, 2020. (Other Sponsored Activities) Public Service.

This project is looking to ensure the rights of youth in care around issues of representation, with the PEP Program focused on permanency and disproportionality of African American youth.

Illinois Department of Children and Family Services for "Educational Access Project FY 20." Angela Baron-Jeffrey. Award: \$1,044,595.00.

July 1, 2019 - June 30, 2020. (Other Sponsored Activities) Public Service.

Educational Access Project for DCFS FY 2020.

EDUCATION SYSTEM CENTER

Illinois Community College Board for "Perkins Leadership Grant." Jonathan Furr. Award: \$99,750.00).

November 15, 2019 - June 30, 2021. (Other Sponsored Activities) Other.

This grant will fund State Model Programs of Study to perform data analysis.

ENGINEERING TECHNOLOGY

Edward-Elmhurst Healthcare for "New title: Patient Discharge Transportation Process Improvements @ Edward-Elmhurst Healthcare. Former title: Patient Discharge and Post Discharge Process Improvements." Shanthi Muthuswamy/Purushothaman Damodaran. Award: \$52,016.58.

February 1, 2020 - June 30, 2020. (Organized Research) Applied Research.

Two engineers in residence will assist Edward-Elmhurst Healthcare to develop policies and procedures surrounding the patient discharge process.

FAMILY AND CONSUMER SCIENCES

Illinois State Board of Education for "NIU Preschool for All Expansion." Thomas Pavkov. Award: \$5,760.00. (Cumulative \$705,100.00).

July 1, 2018 - June 30, 2019. (Instructional Programs) Instructional Programs.

This project will enhance cohesive and comprehensive early learning opportunities for preschoolers in the DeKalb community.

Office of Postsecondary Education/Department of Education for "CCAMPIS 2018." Thomas Pavkov. Award: \$150,167.00. (Cumulative \$683,621.00).

October 1, 2020 - September 30, 2021. (Other Sponsored Activities) Public Service.

This project allows the Child Development and Family Center to provide low-income student families with high-quality, campus-based childcare to allow the parents to seek higher education.

INDUSTRIAL AND SYSTEMS ENGINEERING

Nobelus LLC for "Optimizing the Slitting Process." Purushothaman Damodaran. Award: \$21,999.60.

January 13, 2020 - May 15, 2020. (Organized Research) Applied Research.

This project aims to create a mathematical model and solution approach to minimize scrap material left over during the process of slitting large rolls of thermal laminating film, implement and test the approach, and train appropriate personnel.

Sterling Medical Products for "Development of Equipment Validation and Verification Procedures." Purushothaman Damodaran. Award: \$21,067.20. (Cumulative \$41,756.00).

February 1, 2020 - May 15, 2020. (Organized Research) Applied Research.

Development of Equipment Validation and Verification Procedures for small manufacturer.

NORTHERN PUBLIC RADIO

Illinois Arts Council for "Public Radio Basic Grant FY20-WNIU." Staci Hoste. Award: \$9,420.00.

October 1, 2019 - August 31, 2020. (Other Sponsored Activities) Public Service.

Funds are used to support high quality public radio programming.

Illinois Arts Council for "Public Radio Basic Grant FY20-WNIJ." Staci Hoste. Award: \$9,420.00.

October 1, 2019 - August 31, 2020. (Other Sponsored Activities) Public Service.

Funds are used to support high quality public radio programming.

P-20 CENTER

Illinois State Board of Education for "ISBE High School to College Success Project." Jason Klein/Benjamin Creed/Kelly Hodgson. Award: \$249,810.00.

January 29, 2020 - September 30, 2020. (Other Sponsored Activities) Public Service.

The purpose of the project is to analyze the relationship between funding and improved college and career readiness, post-secondary enrollment and persistence.

PHYSICS

Argonne National Laboratory for "Piot Joint Appointment NIU-ANL FY20." Phillippe R. Piot. Award: \$78,516.89.

August 16, 2019 - August 15, 2020. (Organized Research) IPA or Joint Appointment.

Funds are being used for a joint appointment between NIU and Argonne in support of Dr. Philippe Piot.

Fermi National Accelerator Laboratory for "High Luminosity (HL) LHC CMS Detector Upgrade Project Endcap Calorimeter." Vishnu V. Zutshi/Alexandre S. Dychkant/Nicholas Pohlman/Iman Salehinia. Award: \$73,902.00.

April 1, 2019 - March 31, 2020. (Organized Research) Applied Research.

NIU will provide test beam support especially in the area of data acquisition software on the High Luminosity LHC CMS Detector Upgrade Project Endcap Calorimeter

Department of Energy for "Phase-space tailoring and cooling of charged-particle beams for energy- and intensity-frontier applications." Phillippe R. Piot. Award: \$105,000.00. (Cumulative \$340,000.00).

April 1, 2020 - March 31, 2021. (Organized Research) Basic Research.

The purpose of the project is to develop techniques to tailor the phase-space distribution of charged-particle beams and investigate cooling technique based on self-field.

Fermi National Accelerator Laboratory for "Development of innovative high-energy magnetized electron cooling for an electron-ion collider." Phillippe R. Piot. Award: \$55,999.00. (Cumulative \$97,999.00).

August 16, 2019 - August 15, 2020. (Organized Research) Basic Research.

Funds are requested to develop innovative, high-energy, magnetized electron cooling system for an EIC.

Cornell University for "Optical Transport and Beam Manipulation for Optical Stochastic Cooling." Piot, Phillippe R. Award: \$54,432.00. (Cumulative \$63,602.00).

October 1, 2019 - September 30, 2020. (Organized Research) Basic Research.

Funds are requested to develop subsystems (laser amplifier and electron-beam dypass beamlines) associated with the Optical Stochastic Cooling technique.

Argonne National Laboratory for "X-ray Photon Correlation Spectroscopy (XPCS) and Grazing Incidence x-ray scattering (GIXS)." Laurence B. Lurio. Award: \$77,485.96.

January 1, 2020 - May 15, 2020. (Organized Research) Applied Research.

Work projects that will be carried out by Prof. Lurio in collaboration with the staff members of XSD-DYS group (Argonne).

Argonne National Laboratory for "Research on Ion Transport in Nanostructured Liquids Observed by X-ray Photon Correlation Spectroscopy." Jyotsana Lal. Award: \$57,782.21.

December 1, 2019 - March 31, 2020. (Organized Research) Applied Research.

This project will use and develop new coherent x-ray methods, such as X-ray Photon Correlation Spectroscopy (XPCS), to observe the high-speed dynamics of complex fluids.

Fermi National Accelerator Laboratory for "Development of the MU2E Preliminary Design." David R. Hedin. Award: \$141,824.14.

January 1, 2020 - December 31, 2020. (Organized Research) Applied Research.

The purpose of this project is to support NIU's role in developing the Muon Beamstop, SiPM Characterization, and design of the Upstream Extinction Monitor.

Argonne National Laboratory for "Synthesis and characterization of superconducting pnictide materials." Omar H. Chmaissem. Award: \$64,754.05.

January 1, 2020 - December 31, 2020. (Organized Research) Applied Research.

Diffuse scattering studies will be performed at the Advanced Photon Source at Argonne National Laboratory and utilizing the novel diffuse scattering instrument Corelli at the Spallation Neutron Source at Oak Ridge National Laboratory.

Universities Research Association, Inc. for "Dark Energy 2020 Project." Prudhvi Raj Varma Chintalapati. Award: \$15,000.00.

January 1, 2020 - December 31, 2020. (Organized Research) Basic Research.

The goal is to understand the nature of cosmic expansion and the nature of Dark Energy by utilizing the data from the Dark Energy Survey experiment.

State University of New York at Stony Brook for "ATLAS Detector Upgrade R&D for High-Luminosity LHC." Dhiman Chakraborty. Award: \$20,166.00. (Cumulative \$117,578.00).

October 1, 2019 - March 31, 2020. (Organized Research) Basic Research.

Funds are requested for assembly and testing of Low-Voltage Power Supply units for on-detector electronics of the ATLAS Tile Hadronic Calorimeter.

State University of New York at Stony Brook for "US ATLAS Operations." Dhiman Chakraborty. Award: \$78,234.00. (Cumulative \$713,612.00).

October 1, 2019 - September 30, 2020. (Organized Research) Applied Research.

Funds are requested to develop and maintain the ATLAS calibration database and related software.

Argonne National Laboratory for "Nuclear Resonance Time-domain Interferometry." Dennis E. Brown. Award: \$14,084.28. (Cumulative \$27,758.00).

November 1, 2019 - October 31, 2020. (Organized Research) Applied Research.

Will perform quasielastic scattering experiments to extract relaxation times of the vibrational

diffusive motion of atomic systems, measure very soft phonon lattice modes and spin dynamics, and measure extremely small energy shifts on the order of 1 neV.

Cornell University for "Optical Transport and Beam Manipulation for Optical Stochastic Cooling." Phillippe R. Piot. Award: \$9,170.00. (Cumulative \$63,602.00).

October 1, 2019 - September 30, 2020. (Organized Research) Basic Research.

Funds are requested to develop subsystems (laser amplifier and electron-beam dypass beamlines) associated with the Optical Stochastic Cooling technique.

POLITICAL SCIENCE

Jack Miller Center for "Tocqueville Forum at Northern Illinois University." Andrea Radasanu. Award: \$10,000.00.

November 1, 2019 - June 30, 2020. (Other Sponsored Activities) Other.

This project will strengthen the capacity of NIU's publication Compass: An Undergraduate Journal on American Political Ideas as a unique vehicle for fostering intellectual reflection on American founding ideas among undergraduates all over America.

PSYCHOLOGY

University of Michigan for "Teacher Learning to Facilitate Communication and Reasoning Through Inquiry with History and Social Science Sources." Anne Britt/Amanda M. Durik. Award: \$17,491.00. (Cumulative \$145,817.00).

January 1, 2020 - December 31, 2020. (Organized Research) Basic Research.

This project will develop measures and devise scoring procedures to assess teachers' beliefs, conduct case studies, analyze, summarize, and interpret data relevant to teachers' beliefs.

REPORT CARDS

Illinois State Board of Education for "Illinois Interactive Report Card FY20." Alan Clemens. Award: \$1,750,000.00.

July 1, 2019 - June 30, 2020. (Other Sponsored Activities) Public Service.

Innovation and improvement for FY20 in the MyllRC (Illinois Interactive Report Card) data portal with respect to continuous Improvement planning, information-rich student-level PARCC assessment reports, and 21st Century CLC benchmarking tools.

SCHOOL OF ART AND DESIGN

National Art Education Foundation for "An Investigation of Student Learning Through the Creation of Sociopolitical Art." Kerry J. Freedman. Award: \$10,500.00.

July 1, 2019 - June 30, 2020. (Organized Research) Applied Research.

This project focuses on the art and interdisciplinary learning that accrues when high school

students create art with social and political content.

SCHOOL OF HEALTH STUDIES

Illinois Department of Public Health for "A Comprehensive Public Health Approach to Asthma Control Through Evidence-Based Interventions." Sarah Dee Geiger/Arlene Keddie. Award: \$65,000.00.

September 1, 2019 - August 31, 2020. (Other Sponsored Activities) Testing/Evaluation.

This project will support evaluation for the Illinois Department of Public Health (IDPH), Office of Health Promotion's project "A Comprehensive Public Health Approach to Asthma Control Through Evidence-Based Interventions."

STUDENT AFFAIRS

Region 1 Planning Council for "Census 2020 Hard to Count." Kelly Wesener-Michael. Award: \$82,577.00.

November 1, 2019 - June 30, 2020. (Other Sponsored Activities) Public Service.

Northern Illinois University's Complete Count Committee (CCC) has prepared a multifaceted approach to reach hard-to-count students within DeKalb County and to provide education and programming to support census completion.

PROPOSED AMENDMENTS TO BOARD REGULATIONS RELATED TO RETURN FROM PARENTAL LEAVE FOR NON-REPRESENTED FACULTY

Background Information:

Under the current Board of Trustees Regulations articulated in Section II (Faculty and Administrative Employees), Subsection D (Benefits), 8 (Leave of Absence), the Board of Trustees approved a parental leave benefit in 2019, as recommended through the Presidential Commission on the Status of Women (PCSW) in 2018 and supported by President Freeman. The 2018-2022 United Faculty Alliance collective bargaining agreement provides faculty members in that bargaining unit with the additional benefit of returning from paid parental leave with a period of modified duties without a reduction in salary. This amendment serves to extend the same benefit to other non-represented faculty with regular appointments.

8. Leave of Absence

a. Military Service

Leave of absence for military service will be granted in accordance with the law and the provision that after completing the first period of military service, one year shall be given to make adjustments provided that a discharge is not characterized as RE-4 or dishonorable and that the faculty or administrative employee files with the president an intention to return within three months after receiving the discharge. The employee shall be returned to the staff with at least the same rank or classification and status as upon entry to military service.

b. Temporary Military Duty

A leave of absence shall be granted for temporary military duty to any faculty or administrative employee who is a member of the Illinois National Guard, the Illinois Naval Militia, or the reserve components of the Armed Forces called for Limited Training and/or Emergency Call-Up.

(1) Limited Training

Leave with full pay for Limited Training will not exceed standards established by federal or state regulations for training activities required to maintain standing in the above military units. In the event the Limited Training is requested by the employee but not required by military authorities, the employee may be granted leave without pay by special permission of the president or designee.

(2) Emergency Call-Up

Leave with pay for Emergency Call-Up will continue for the duration of the call-up, but is not to exceed thirty calendar days. Temporary active duty shall not be deducted from the time allowed for regular military training periods.

(3) Leave Without Pay

In the event the required annual Limited Training is extended beyond fifteen days or the Emergency Call-Up beyond thirty days, the employee will be granted leave without pay for such additional days.

(4) Special Military Leaves of Absence Authorized by Statute or Executive Order

Military leaves of absence will be granted in accordance with applicable Illinois statutes and executive orders issued by the State of Illinois in response to emergency situations and military operations.

c. Bereavement Leave

Upon request, a faculty or administrative employee shall be granted, without loss of salary, bereavement leave of up to three work days due to the death of a member of his or her immediate family or household and one work day due to the death of a relative outside the immediate family or household. Such coverage shall include party to a civil union and the dependents of party to a civil union. Leaves beyond these amounts may be approved under special circumstances. However, such additional leave will normally be charged to applicable paid leave benefits. Substantiation of the reason for bereavement leave may be required.

d. Jury Duty

Upon request, a leave of absence without loss of pay shall be granted for jury duty service. An eligible employee may be granted a leave of absence without loss of pay for witness service.

e. Educational Leave

Faculty or administrative employees may be granted an educational leave with pay for advanced study upon recommendation by the president and approval by the Board. Educational leave without pay may be authorized by the president. The president or designee may establish reasonable rules for the granting of educational leave.

f. Other Leaves Without Pay

Faculty and administrative employees are not entitled to leaves of absence as a matter of right. The president or designee should weigh carefully the benefits and the disadvantages of each individual request for leave of absence without salary for personal cause and shall authorize only those requests that meet the following conditions:

- (1) There is assurance that the vacated position can either be absorbed or that a suitable replacement can be secured.*
- (2) The university will benefit by the experience gained by the person on leave.*

g. Disaster Relief - Volunteer Services

Leaves of absence will be granted for volunteer services related to disaster relief in accordance with applicable Illinois statutes or executive orders issued by the State of Illinois in response to emergency situations.

h. Parental Leave

Subject to the approval of Human Resource Services, twenty-five (25) paid work days are provided for continuous parental leave for the birth or adoption of a child or assuming the responsibility for a foster child, when the employee is the primary or coequal caregiver for the child. Whenever possible, advance notice of the need for the leave shall be provided. Parental leave shall be utilized within 12 months of the date of birth or adoption of the child and will run concurrent with Family Medical Leave (FMLA). This is intended to replace the existing twenty (20) working days of nonaccumulative leave in 6b. above

Proposed Action: The University recommends the Board of Trustees approve this addition to the Board of Trustees Regulations Section II.D.8.h:

During the period following the birth or adoption of a child, upon request of the faculty member with regular appointment not represented in a collective bargaining agreement who is the primary or coequal caregiver for the child, the university shall grant a period of modified duties without a reduction in salary. Faculty members with regular appointment not represented in a collective bargaining agreement completing any continuous paid parental leave of absence before a semester concludes will be granted modified duties status for the remainder of that semester and will be granted modified duties status in the subsequent semester. A grant of modified duties is in addition to, and does not affect, any FMLA or other leave to which the faculty member is entitled. Faculty members represented in a collective bargaining agreement are subject to terms of that collective bargaining agreement.

Recommendation: The University recommends that the Board of Trustees approve the request to amend the Board of Trustees Regulations Section II.D.8.h. as presented above.

APPOINTMENT OF VICE PRESIDENT FOR DIVERSITY, EQUITY AND INCLUSION

Summary: In 2015, Dr. Vernese Edghill-Walden was named as Northern Illinois University's first senior associate vice president for Academic Diversity and chief diversity officer (CDO). In this role, she was expected to collaborate with stakeholders across the institution and community to support NIU's ambitious goals of diversifying our faculty and staff, promoting culturally responsive pedagogy and practice, and supporting inclusive excellence. She has exceeded these expectations.

Dr. Edghill-Walden has had a transformative effect on the climate and culture of NIU. In her first year as a member of the university leadership, she used the recommendations of the 2014 Diversity and Inclusion Task Force to develop a three-year plan centered on access, academic equity, inclusion, professional development and training. In 2018, when that plan's objectives were accomplished, Edghill-Walden sustained positive momentum by framing NIU's diversity and inclusion agenda under three overarching priorities: cultivating equity; building an inclusive community; and promoting education, awareness and action. Over the past two years, substantial progress has been made in these strategic areas as the result of well-conceived initiatives and programs focused on academic equity, student empowerment, social justice education and advocacy, as well as through customized training for students, faculty and staff. Diversity, equity and inclusion have been embraced as foundational to NIU's vision, mission, values and strategic enrollment management plan, with key progress indicators featured in the institutional goals established annually by the NIU president and Board of Trustees.

Dr. Edghill-Walden is successful at driving change because she inspires collaboration and synergy. Accordingly, the roles and responsibilities of NIU's CDO have expanded significantly. Under Dr. Edghill-Walden's visionary leadership, the Office of Academic Diversity, Equity and Inclusion (ADEI) was established by merging existing offices focused on diversity initiatives, equal opportunity and outreach, thoughtfully uniting the cultural resource centers that have a long tradition of student support and advocacy, creating a new office for undocumented student support and developing a comprehensive social justice framework. Most recently, ADEI aligned with the former Affirmative Action, Equity and Compliance area to promote effective practices for equal opportunity in recruitment and hiring. Working together, ADEI and university partners are making NIU a more inclusive and welcoming community.

Background: Dr. Edghill-Walden's prior academic and professional experience prepared her well for success at NIU. From 2007 to 2015, she served the City Colleges of Chicago in positions of increasing responsibility, advancing from associate director of Research and Evaluation to executive director of Academic Development to associate vice chancellor for General Education and Academic Affairs to provost and chief academic officer. She earned a bachelor's degree in sociology from Bucknell University in 1987, a master's degree in higher education administration from the University of Delaware in 1992, and a Ph.D. in sociology from Howard University in 2007.

Recommendation: In recognition of her expanded responsibilities as NIU's chief diversity officer, as well as her impact and success, the University recommends reappointment of Dr. Edghill-Walden with a new title of vice president for Diversity, Equity and Inclusion and chief diversity officer, effective July 1, 2020.

MEDIA BUYING SERVICES

Summary: The Division of Enrollment Management, Marketing & Communications (EMMC) is requesting approval of expenditure authority for a new contract with a vendor for media buying services. EMMC is responsible for developing and deploying strategies to attract a diverse mix of undergraduate students to attend NIU. The division's marketing and communications activities ensure that institutional and brand-building work is aligned with recruitment. The staff develops strategic, highly-targeted advertising campaigns to have the greatest impact on prospective students in order to meet enrollment goals.

Primarily, media vendors serve as an intermediary for most media purchases, eliminating the need for many individual purchase orders and associated contracts. The contract with our current partner for media buying services is concluding and NIU put forward an RFP for a new contract, advertised on the *Illinois Procurement Bulletin* in January 2020. After a thorough and successful committee review process, NIU is in the final stages of completing a new contract set to begin July 1, 2020. The initial term will be a 2-year term, through June 30, 2022, with the option to renew for three (3) one-year terms based on satisfactory performance, continuing need and availability of funds.

The initial term of 2 years (FY21, FY22) will not exceed \$6,000,000, and each renewal year (FY23, FY24, FY25) will not exceed \$3,000,000, per the terms of the agreement.

Background: In the [June 13, 2019 Board of Trustees meeting \(Agenda Item 10.c.7\)](#), the Board received a presentation from Sol Jensen, vice president of EMMC about NIU's media buying history, the importance of investing in advertising during this competitive environment and an overview of the division's media strategy. The Board subsequently approved expenditure authority for media buying services for FY20 not to exceed \$3,000,000.

Contracting with a single vendor for media purchases has enabled the University to achieve cost savings through a lower purchase price on a cohesive media-purchasing plan, as well as benefiting from the cost savings achieved through the vendor's larger-scale purchasing ability. Additionally, the use of a single vendor for media buying amplifies cost savings through a significant reduction in administrative time and effort and bonus exposure through negotiations with its vendors, as well as enables the department to respond more rapidly to changing requirements.

As outlined in the Strategic Enrollment Management Plan, NIU will "increase the financial investment in university marketing and advertising...to stand out in the competitive market" and "increase funds in advertising to increase our reach and impact" ([SEM Accountability Plan](#), pg. 3). The greater Chicago area continues to be one of the most competitive recruitment landscapes and expensive media markets in the country, so it is even more important to invest in additional marketing and advertising during this time of declining student demographics and large percentage of students leaving the state of Illinois. In addition, more advertising will be spent expanding NIU's presence in target markets specific to achieving SEM Plan enrollment goals. NIU plans to focus its annual advertising spend on three primary campaigns: generating student interest based on specific demographics, encouraging students and families to visit campus (or virtually-hosted recruitment events) and an overarching thematic/brand awareness campaign. This level of investment will allow NIU to be in the market consistently throughout the year, rather than being in the market for just a few months at a time and going silent for other months.

As noted in the summary, the RFP was successful in identifying an awardee. We are unable to disclose the name of the vendor at this point in the RFP process, but we can provide some additional details about the organization.

About Vendor: The vendor is a nationally recognized, data-driven strategic communications firm who delivers customized solutions that draw on their extensive experience across a wide range of industries.

They utilize powerful media targeting tools and data sets that reach highly refined audiences through paid media tactics, including the use of a proprietary approach to elevating brand in higher education through multi-channel advertising. They will combine NIU's existing research with their own in-house analytics tools and audience datasets to create customized, targetable personas based on the individualized attributes, interests, and advertising touchpoints — both digital and out-of-home — of each segment.

This partnership, which includes two subcontractors/partners who are minority-owned and disable veteran-owned, qualifies under the state's Business Enterprise Program (BEP). All three organizations are also location-based in Chicago, Illinois.

Funding: Appropriated/Income (02) Funds

Recommendation: The University recommends Board of Trustees approval of expenditure authority for media buying services for a 2-year initial term from July 1, 2020 – June 30, 2022, not to exceed \$6,000,000 total (\$3,000,000 annually), with the University's option to renew for three (3) one-year terms at NTE \$3,000,000 per year based on satisfactory performance, continuing need and availability of funds.

Amount Approved for FY20: NTE \$3,000,000

FISCAL YEAR 2021 ROOM AND BOARD FEE RECOMMENDATION UPDATES

Summary: The following item presents a pricing recommendation update that addresses Northern Illinois University's room and board fees for Fiscal Year 2021. Specifically, to prioritize our students' health and ease concerns related to physical distancing for COVID-19 mitigation, the university is changing accommodation configurations for FY21. All residential students will be afforded a single bedroom accommodation irrespective of residence hall selection, and the single occupancy rates will remain at the applicable double room rates approved by the Board of Trustees in December 2019. In addition, the university will offer single occupancy rooms in the Holmes Student Center. These recommendations were developed to address the goal of student affordability in conjunction with enhanced safety precautions as a result of COVID-19.

Background:

The collection of room and board from students living in university residence halls supports Housing and Residential Services as well as Campus Dining Services operations and related Revenue Bond obligations.

To prioritize our students' health and ease concerns related to physical distancing for COVID-19 mitigation, the university is changing accommodation configurations for FY21. All residential students will be afforded a single bedroom accommodation in all residence halls, but rates will remain at the applicable double room rate in all university residence halls as approved by the Board of Trustees in December 2019. These decisions result in a Fall semester housing operating loss of \$3.4M.

Additionally, the university will offer 70 rooms as single student accommodations in the Holmes Student Center Tower (floors 2, 8-12, 14) as residential space for the FY21 academic year. Rooms will be available to upper division students with one student per room. Pricing for these spaces will be at the Gilbert Hall and Grant Towers approved price for FY21.

NOTE: Rates for New Hall and Northern View, the Collegiate Housing Foundation II Project, are considered separately and are not included in this recommendation. They are provided for informational purposes only. For FY21, neither the rates nor room occupancy in these facilities will change from the rates and housing plans disclosed at the December meeting of the Board of Trustees, because by their nature these accommodation options are configured for single occupancy or family living situations,

The Dining strategy for the beginning of the new academic year will include reduced seating in all dining facilities and operational changes that are consistent with state guidelines as provided through the Governor's Office and the Illinois Department of Public Health (IDPH). To better serve and protect students the Huskie Classic plan, which featured an all-you-can-eat option, will be eliminated for this academic year consistent with IDPH safety guidelines. To provide more flexibility to the three Block Plans, there will be expanded meal conversion opportunities in the fully renovated Holmes Student Center and other retail dining operations, and Block Plans will include to-go options. The Board of Trustee approved rates for these block meal plans will not change for FY21. Hours of operation will also be updated to provide for more opportunity to clean surfaces, manage patron activity and adhere to physical distancing guidelines.

These recommendations will position Northern Illinois University to manage a safe and supportive housing and dining program for our students.

FY21 - Original BOT Approved Rates			FY21 - Revised Rate Request	
LOCATION	RATE	VARIANCE FROM FY20	LOCATION	RATE
NEPTUNE HALL			NEPTUNE HALL WEST	
Double-Occupancy	\$ 4,954	1.3%	Single-Occupancy	\$ 4,954
GILBERT HALL			GILBERT HALL	
Single-Occupancy	\$ 6,323	0.0%	Single-Occupancy	\$ 5,440
Double-Occupancy	\$ 5,440	0.0%		
GRANT TOWERS			GRANT TOWERS	
Single-Occupancy	\$ 6,323	0.0%	Single-Occupancy	\$ 5,440
Double-Occupancy	\$ 5,440	0.0%		
STEVENSON TOWERS			STEVENSON TOWERS	
Single-Occupancy	\$ 6,278	-1.0%	Single-Occupancy	\$ 5,404
Double-Occupancy	\$ 5,404	-1.0%		
Suite, with bathroom	\$ 5,440	0.0%		
NEW HALL			NEW HALL	
Single-Occupancy	\$ 6,969	2.0%	Single-Occupancy	\$ 6,969
			HOLMES STUDENT CENTER	
			Single-Occupancy	\$ 5,440
NORTHERN VIEW			NORTHERN VIEW	
2 Bedroom unit	\$ 3,860	2.6%	2 Bedroom unit	\$ 3,860
3 Bedroom unit	\$ 3,724	2.0%	3 Bedroom unit	\$ 3,724
Single unit	\$ 4,500	3.6%	Single unit	\$ 4,500
2 Bedroom buyout	\$ 7,780	3.4%	2 Bedroom buyout	\$ 7,780
Other Mandatory Residential Fees				
ResNet Access/Support Charge		\$92/semester		
Residence Hall Surcharge		\$50/Semester		
Proposed Residential Meal Plan Upgrades - Dining dollars			All prices are in addition to the students applicable base Room and Board Fee	
			Rate	
Block 12 per week with \$100 dining dollars per term			Included with room and board	
Block 15 per week with \$100 dining dollars per term			\$175	
Block 19 per week with \$100 dining dollars per term			\$275	

Recommendation: The University recommends that the Board of Trustees approve the Fiscal Year 2021 Room and Board Fee Recommendation Updates.

FISCAL YEAR 2021 TRANSACT CAMPUS, INC. SOFTWARE AND HARDWARE RENEWAL

Summary: The Division of Administration and Finance requests permission to renew the purchase and maintenance of the Transact System Enterprise and eAccounts software and hardware from Transact Campus, Inc. for a one-year term (7/1/2020 – 6/30/2021), with nine optional one-year renewal terms, and additional opportunities to procure added services and equipment to enhance NIU operations. The total amount is not to exceed \$1,834,281 over the course of 10 years, should NIU execute the full 10 years and use all offered enhancement services included in the RFP. The requirement was published on the Illinois Procurement Bulletin in October 2019 and NIU received one response to the RFP, Transact Campus.

Transact System Enterprise and related hardware provide NIU with a suite of campus ID and point of sale (POS) devices which are used across campus by departments such as Dining, Housing, Information Technology, Academics, Recreation Center, Athletics, Public Safety, Registration and Records and the Library. Departments use the system for services such as meal sales, printing, laundry, library access, attendance tracking and validation.

Background: Transact Campus is the industry leader in one-card transaction solutions and in use at nearly 500 institutions.

NIU utilizes the services of Transact Campus for students and faculty/staff today in a host of ways both on and off campus including point of sale for dining operations, event management, laundry services and integrations with the bookstore, library, housing, vending, and print management solutions.

Transact Campus also provides optional services which will allow NIU to move to newer card technology and mobile credential and ordering solutions in the future and will enhance the student experience on campus.

Should the relationship result in a full 10-year award and use of other service offerings in the future, the total aggregate spend would be \$1,834,281, of which \$225,880 represents the cost for the inaugural year of FY21.

Funding: Appropriated/Income Funds

Recommendation: The University recommends that the Board of Trustees approve the request to renew the purchase and maintenance of the Transact System Enterprise and eAccounts software and hardware from Transact Campus Inc. for the not to exceed figure of \$1,834,281, inclusive of the initial contract year, 9 additional one-year renewal options, and optional services and equipment.

FISCAL YEAR 2021 PRELIMINARY INTERNAL BUDGET

Summary: Annually, the university seeks the board's approval of the internal budget for the next fiscal year. The FY21 internal budget recommended to the Board of Trustees for consideration includes \$361.4M in revenue against \$400.3M in anticipated expenses, including a state appropriation of \$87.8M.

This preliminary internal budget uses revenue and cost assumptions based on limited available data and in anticipation of a shortfall of approximately \$38.8M. In September 2020, a revised FY21 internal budget will be presented to the board that will reflect more revenue and expense projections, based on clarification of fall enrollment, residence hall occupancy and commitments of additional federal aid to universities.

Background: A multiyear strategy was used in planning for the FY20 internal budget, with the goal of producing a structurally balanced university budget by FY24, where ongoing revenues support ongoing expenses. To accomplish this goal and assure long-term financial stability for the university, senior leaders were provided with flexibility to support multiyear planning at the divisional level. Specifically, leaders were empowered to use a series of levers, such as controlling spend-down of cash reserves, incentivizing sound financial strategies and investing in mission-aligned efforts with an expected positive return-on-investment.

In March 2020, the COVID-19 pandemic and the resultant disruption of normal university operations preempted FY21 budget development, because of the immediate need to address overriding concerns related to the health and well-being of our students, faculty and staff. Since that time, COVID-19 has continued to present university leadership with mounting uncertainties, while adversely impacting NIU's financial position. In this context, leadership is presenting a FY21 preliminary budget for approval that will provide authority and allow the university to operate at the start of the new fiscal year, beginning July 1, 2020. Leadership will return to the board September 17, 2020 to present a FY21 revised budget that updates and solidifies our revenue assumptions regarding student credit hours, tuition and student fees; receipt of state appropriations and additional federal assistance; and anticipated auxiliary revenue associated with housing, dining, sales and conferences. At this time, the university will also confirm plans to reduce expenses.

Today, university leadership is seeking approval for preliminary revenue and expenditure levels in FY21. The information presented indicates our best, current understanding of all assumptions and impacts. Many FY21 budget parameters driven by environmental factors are not yet clear. These factors include Fall 2020 enrollment, residence hall occupancy, and availability of federal aid and state operating support to the university. The status of intercollegiate sports seasons, scheduled academic and professional conferences, and contracts for some services also remain uncertain at this time. Until university leadership returns to the board in September with a revised budget, leadership will preserve financial flexibility in short- and long-term planning for a variety of situations, including fluctuations in enrollment and a possible resurgence of COVID-19.

The guiding principles and planning assumptions used to create the FY21 preliminary budget are based on the best information available as of May 31, 2020. Three guiding principles informed the assumptions used in support of the budget:

- The health and safety of students and employees come first.

- The university will follow all applicable local, state and federal public health guidelines and orders.
- University operations will continue in a manner consistent with expert public health guidance and principles.

Leadership utilized a conservative approach to projecting revenues for the following assumptions:

- The university is holding housing prices despite the occupancy change for students.
- The university is maintaining its commitment to hold tuition flat. Therefore, undergraduate and graduate tuition is 92% of the FY20 year-end projected actuals. The 8% reduction allows for fluctuation in enrollment.
- Fee revenues are based on 244,800 student credit hours (80% of 306,000, the original planning target confirmed in December 2019). The 20% reduction in credit hours allows for fluctuations in enrollment and the ability to refund student fees if services or facilities are not available for use in Academic Year 2021.
- State appropriations are listed at \$87.8M, the full FY20 appropriation.
- Auxiliary revenue is reported from divisions based on current information about the state's plans to reopen and university housing plans.

For expense projections, a most-likely approach was utilized. In this most-likely scenario, NIU neither assumed up-side nor down-side performance. Rather, best available information was utilized.

- Central fund expenses assume expense reductions already committed.
- Auxiliary expenses include a fall semester housing operating loss of \$3.432M.
- Personnel adjustments include the anticipated savings from actions already made including voluntary pay cuts for senior leaders, voluntary retirement program for staff, reduction of extra help, the hiring chill and personnel actions such as layoffs, position eliminations and non-renewals.
- Debt service per known schedules, including the savings from the bond refinancing.
- Planned increase in commitments for financial aid and scholarships for students, including AIM High.

When the financial impacts of COVID-19 are considered in the larger context, the budget must also respond to a previously identified structural budget deficit. The deficit is a result of the past decade's long-term declines in revenue, resulting from reduced state appropriations and declining enrollment, as well as previously approved investments in enrollment management, research and engagement initiatives; financial aid and scholarships for students, including AIM High; and faculty and staff salary increments and graduate assistantship stipend increases. Responding to recurring shortfalls with a multiyear approach provides the university the necessary time to thoughtfully and deliberately align revenues and expenses to ensure that our actions continue to advance our mission, vision and values, as well as our long-term fiscal sustainability. The university will resume planning efforts for future fiscal years, including a revision of the multiyear framework mid-FY21. Worksheets will be created and distributed to local university units to capture preliminary plans for FY22 and beyond. This information, combined with greater certainty about the post-pandemic fiscal environment, will be critical to re-establishing multiyear university budget goals.

Detailed Information on the FY21 Proposed University Budget

Revenues

1. **Tuition and Fees:** All tuition, including differential tuition, course and materials fees, athletics fees, bus fees and health service fees.
2. **Gifts, Grants and Contracts:** Includes on-campus scholarships, research grants and associated indirect cost pools, Pell Grants and sub-contract fees for research.
3. **Other Fees and Fines:** Includes parking, residential living-learning community fees, parking fines, transcript and commencement fees.
4. **Sales:** Includes dining plan and retail food sales, concessions sales, advertising/sponsorship, sales of services to off-campus entities (including, but not limited to catering, child care and conference services).
5. **Rental and Room Income:** Includes room fees for residential students, rental of on-campus and off-campus meeting and conference space and Northern View apartment revenues.
6. **Gate Receipts and Commissions:** Includes athletic ticket sales, performing arts ticket sales, commissions and concert/event revenues from the Convocation Center.
7. **Miscellaneous and Investment Income:** Includes athletics' game guarantees, NIU share of conference tournament revenues, rental of facilities, interest income from investments, gains and losses on disposals of fixed assets and year-end transfers to mandated reserves in the auxiliary facilities system.
8. **State of Illinois:** Represents the annual state appropriation to public universities.

Expenses

9. **Cost of Sales:** Includes the cost of all items purchased for resale on campus such as food for dining units, parts and supplies to be charged out through the campus work order system, as well as paper for pay-to-print copiers and printers.
10. **Personnel Services:** Includes all salaries paid to faculty, supportive professional staff, civil service, graduate assistants, extra help and student employees. Also includes required payments for Medicare and employee health insurance.
11. **Contractual Services:** Includes annual software support, subscriptions, conference registrations, non-employee travel reimbursements, service contracts, repairs and maintenance, grounds, building service work charges, speaking fees and other arrangements with outside contractors to perform services for the university.
12. **Travel:** Includes airfare, hotel rooms, mileage, meals (all up to limits set by the state and the university) and ancillary expenses for employees to travel to-and-from campus on official university business.
13. **Automotive:** Includes the cost to rent cars, vans and buses from the university transportation department. Increase due to planned purchase for new vehicles.
14. **Scholarships:** Includes scholarships awarded, including Pell Grant funds disbursed (which, when netted against Pell Grant funds received, results in zero effect on the university's cash position).
15. **Telecommunications:** Includes the cost of providing phone, internet and other digital services to the university.

16. Equipment and Library Materials: Includes the cost of all items over \$100 with an estimated useful life of two years or more, as well as library books, journal subscriptions, manuscripts, films, music and video materials.

17. Capital Improvements: Includes the cost of centralized capital repair funds.

18. Debt Service: Includes the cost debt service payments on revenue bonds, certificates of participation, capital leases, and performance contracts.

19. Other: Includes costs that cannot be otherwise categorized.

	FY18 Actuals	FY19 Actuals	FY20 Projected Actuals	FY21 Preliminary Proposed Budget	Variance FY21-FY20
SOURCES OF OPERATING REVENUE					
Tuition & Student Fees	\$ 181,592	\$ 172,481	\$ 162,496	\$ 138,234	\$ (24,262)
Gifts, Grants, & Contracts	53,529	57,580	54,090	66,386	12,296
Other Fees and Fines	7,864	8,009	7,004	6,786	(218)
Sales	36,755	32,218	26,721	26,215	(506)
Rental & Room Income	31,048	31,198	26,810	23,253	(3,557)
Gate Receipts & Commissions	3,378	4,392	4,294	2,911	(1,383)
Miscellaneous & Investment Income	11,922	19,337	17,240	9,857	(7,383)
State of Illinois	124,806	83,647	87,804	87,804	0
TOTAL, OPERATING REVENUES	\$ 450,893	\$ 408,862	\$ 386,458	\$ 361,444	\$ (25,014)
OPERATING EXPENSES BY LINE ITEM					
Cost of Sales	\$ 9,579	\$ 5,012	\$ 5,659	\$ 2,020	\$ (3,639)
Personnel Services	217,059	217,088	227,191	215,823	(11,368)
Contractual Services	78,855	83,134	85,397	78,516	(6,881)
Commodities	6,030	6,251	6,120	6,006	(114)
Travel	4,409	4,622	4,562	4,327	(235)
Automotive	1,309	1,220	1,212	1,214	2
Scholarships	48,728	51,179	52,907	55,175	2,268
Telecommunications	950	623	561	578	17
Equipment & Library Books	7,634	8,095	7,821	7,180	(641)
Capital Repairs	1,101	1,347	1,602	1,015	(587)
Debt Service	30,739	25,788	25,201	24,024	(1,177)
Miscellaneous Expenses	4,723	3,861	4,761	4,385	(376)
TOTAL, OPERATING EXPENSES	\$ 411,117	\$ 408,218	\$ 422,994	\$ 400,263	\$ (22,731)
NET INCOME/(LOSS)	\$ 39,776	\$ 644	\$ (36,536)	\$ (38,819)	\$ (2,283)

Note: FY20 projected actuals updated through March 31, 2020

Note: Pre-FY20 Debt Service variance due to classification of some debt service payments.

FY20 Adopted Budget	FY21 Preliminary Proposed Budget	Variance FY21-FY20
\$ 176,085	\$ 138,234	\$ (37,851)
59,331	66,386	7,055
7,172	6,786	(386)
32,606	26,215	(6,391)
33,735	23,253	(10,482)
4,809	2,911	(1,898)
11,479	9,857	(1,622)
87,804	87,804	0
\$ 413,021	\$ 361,444	\$ (51,576)
\$ 5,599	\$ 2,020	\$ (3,579)
210,829	215,823	4,994
85,079	78,516	(6,563)
6,276	6,006	(270)
5,531	4,327	(1,204)
1,153	1,214	61
59,338	55,175	(4,163)
323	578	255
9,374	7,180	(2,194)
2,650	1,015	(1,636)
31,921	24,024	(7,897)
105	4,385	4,280
\$ 418,179	\$ 400,263	\$ (17,916)
\$ (5,158)	\$ (38,819)	\$ (33,661)

Recommendation: The University recommends that the Board of Trustees approve the Fiscal Year 2021 preliminary internal budget at its meeting June 18, 2020.

APPOINTMENT OF THE ASSISTANT SECRETARY/ASSISTANT TREASURER

Summary: Article V, Section 2 of the Board of Trustees' bylaws requires the appointment of an assistant secretary/assistant treasurer. After 46 years of service to NIU, the current Assistant Secretary/Assistant Treasurer, Dr. Anne Kaplan, is retiring and her replacement needs to be appointed.

Background Information: According to Article V, Section 2, Part E outlines the responsibilities of the Assistant Secretary/Assistant Treasurer. According to the bylaws:

“When the Board Chair, Secretary or Treasurer are not practically available to perform one of their ministerial duties, the Assistant Secretary-Assistant Treasurer may provide an authorized signature on necessary certificates or contracts and other documents approved by the Board on behalf of the Board Chair, the Secretary, or the Treasurer, and shall provide such other assistance to the Secretary or Treasurer as either may request and shall carry out such other functions as the Board may assign.”

The appointed officers of the Board, including the Assistant Secretary/Assistant Treasurer, “shall be University staff members appointed by the Board on the recommendation of the President to serve as ex-officio corporate officers and not as Members of the Board....Once appointed, these officers shall hold office until removal, resignation or termination of employment with the University.”

The current Assistant Secretary/Assistant Treasurer, Dr. Anne Kaplan, is retiring and her replacement needs to be appointed. President Freeman recommends that the Board appoint Dr. Vernese Edghill-Walden to the position. Dr. Edghill-Walden is currently Senior Associate Vice President for Academic Diversity/Chief Diversity Officer, and it is anticipated that she will assume the title of VP for DEI/CDO and interim CHRO on July 1, 2020. She also serves as a member of the President's Senior Roundtable.

Recommendation: The University recommends that the Board of Trustees appoint Dr. Vernese Edghill-Walden as Assistant Secretary/Assistant Treasurer to the Board of Trustees.

PROPOSED AMENDMENTS TO THE UNIVERSITY CONSTITUTION – REIMAGINED SHARED GOVERNANCE

Background Information: The proposed amendments to the NIU Constitution, as endorsed by the Faculty Senate and approved by the University Council, provide for the Faculty Senate to be the primary body authorized to make policy determinations regarding academic matters, and recognize the authority of the University Council to make policy determinations in non-academic matters, as outlined in the University Constitution and other applicable Board Governance Documents, including but not limited to Board Bylaws, Board Regulations, and Board Policies. The proposed amendments are not intended to, and do not, change the nature of the other Related Councils listed in Article 7 of the University Council (paragraphs 7.1, 7.2, and 7.4) Those other Related Councils are considered bodies of their constituencies and are not created by or subsidiary to the Board of Trustees. A copy of the proposed amendments to the University Constitution is attached to this item.

Article 10 (Amendment Procedures) of the University Constitution provides:

Amendment of the constitution shall be accomplished by the following sequence of procedures:

10.1 Written notice of a proposed amendment may be presented at any regular meeting of the University Council by any voting or nonvoting member, but no final action shall be taken on a proposed amendment until at least the next regular meeting of the University Council.

10.2 Approval of the proposed amendment by a two-thirds vote of the University Council members voting.

10.3 Approval of the proposed amendment in a faculty referendum in which a majority of those voting concur. For voting eligibility, see Article 6, Section 6.1.1.

10.4 Approval of the proposed amendment by the Board of Trustees pursuant to the Board of Trustees Governance Documents.

Proposed Action: At its April 29, 2020 meeting, the University Council approved the below proposed constitutional amendment. Subsequently, this proposed amendment was approved by a majority of those voting in a faculty referendum. The University recommends the Board of Trustees approve the proposed amendments.

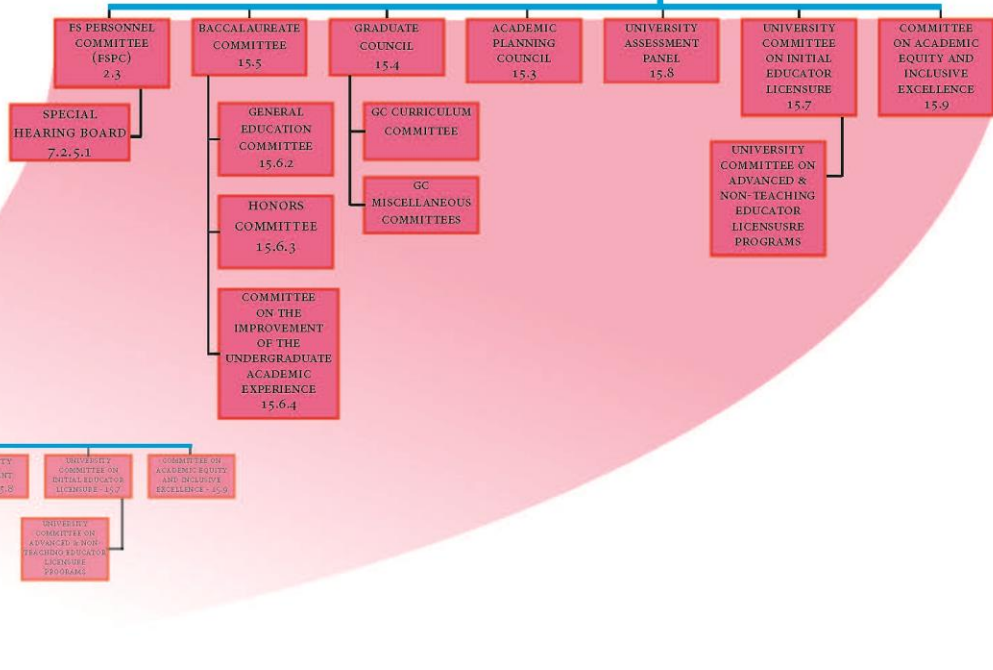
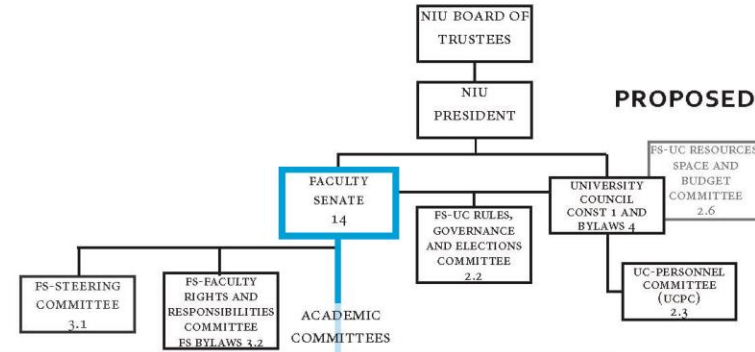
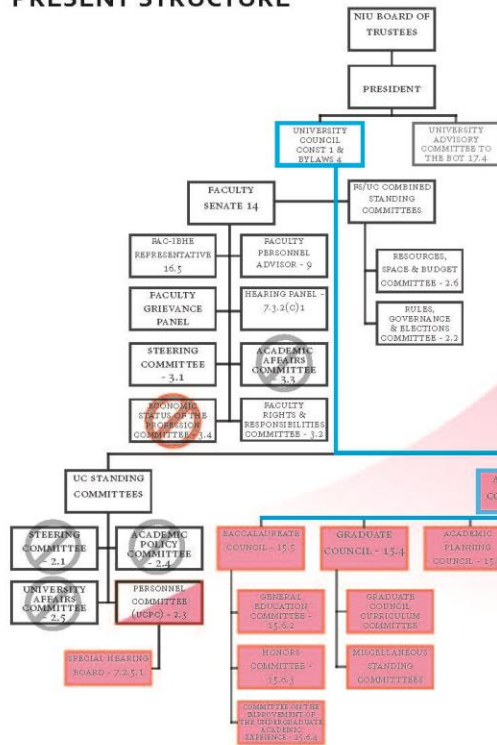
The University requests Board of Trustees approval of the proposed amendments to the University Constitution, as generally described in this item and as specifically identified in the attachments to this item. Board approval of the proposed amendments to the University Constitution will provide the Faculty Senate with policy-making authority for academic matters, as outlined in Board Governance Documents, but does not change the nature of the other Related Councils in Article 7 of the University Constitution, which are bodies of their constituencies and not subsidiary bodies of the Board of Trustees.

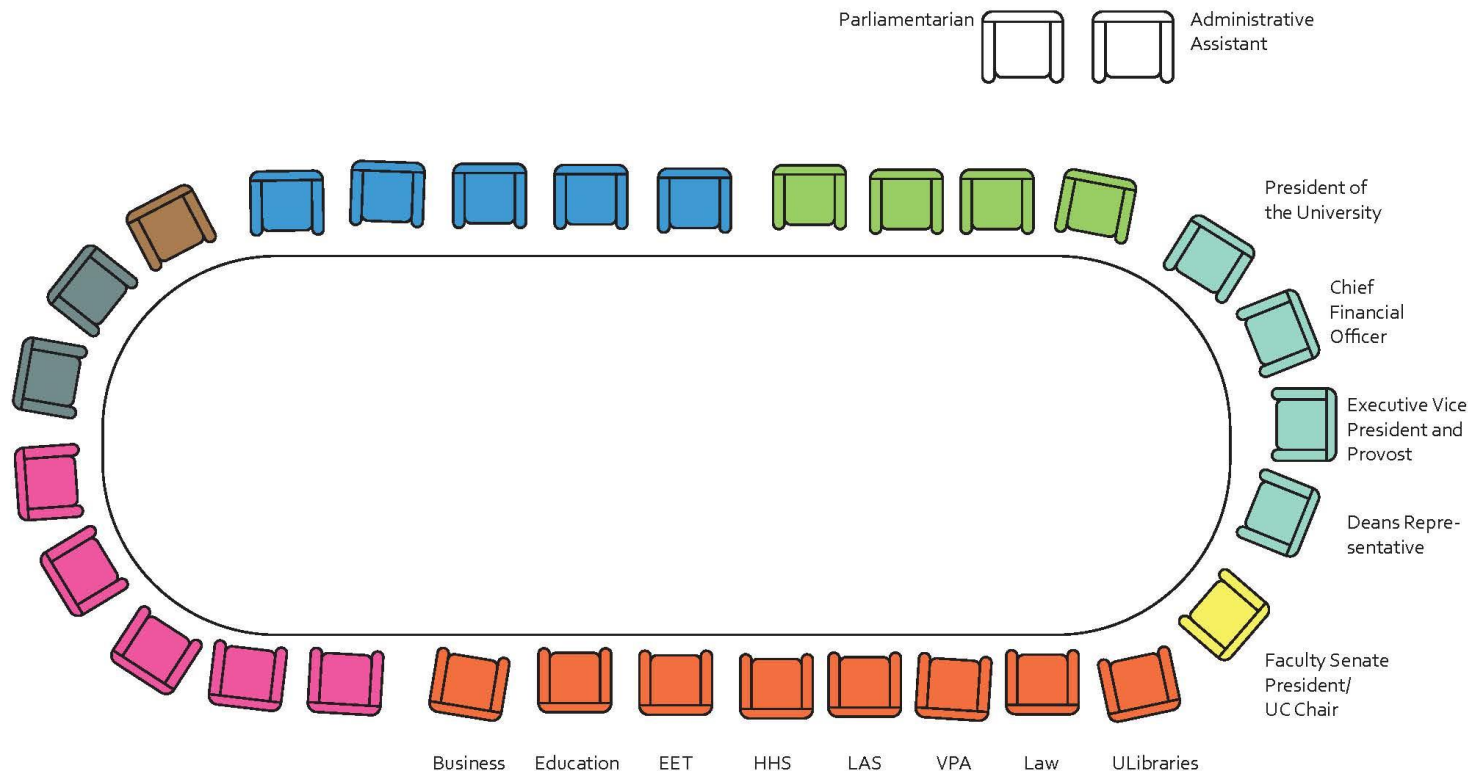
REIMAGINING SHARED GOVERNANCE 5.1

FEBRUARY 20, 2020

PROPOSED REVISION

PRESENT STRUCTURE



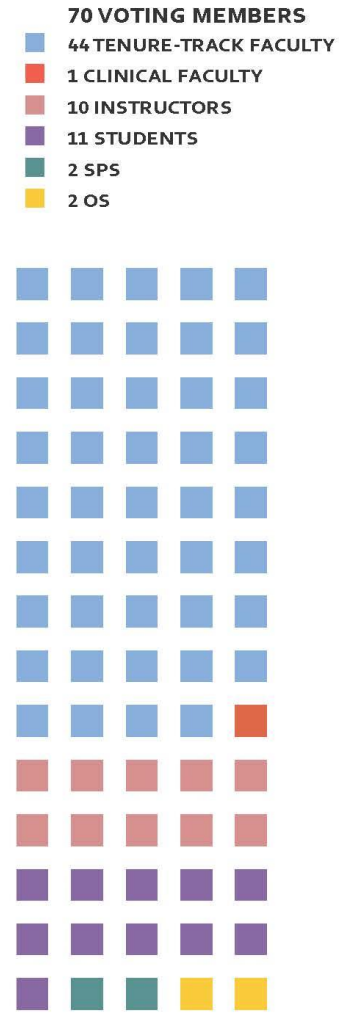
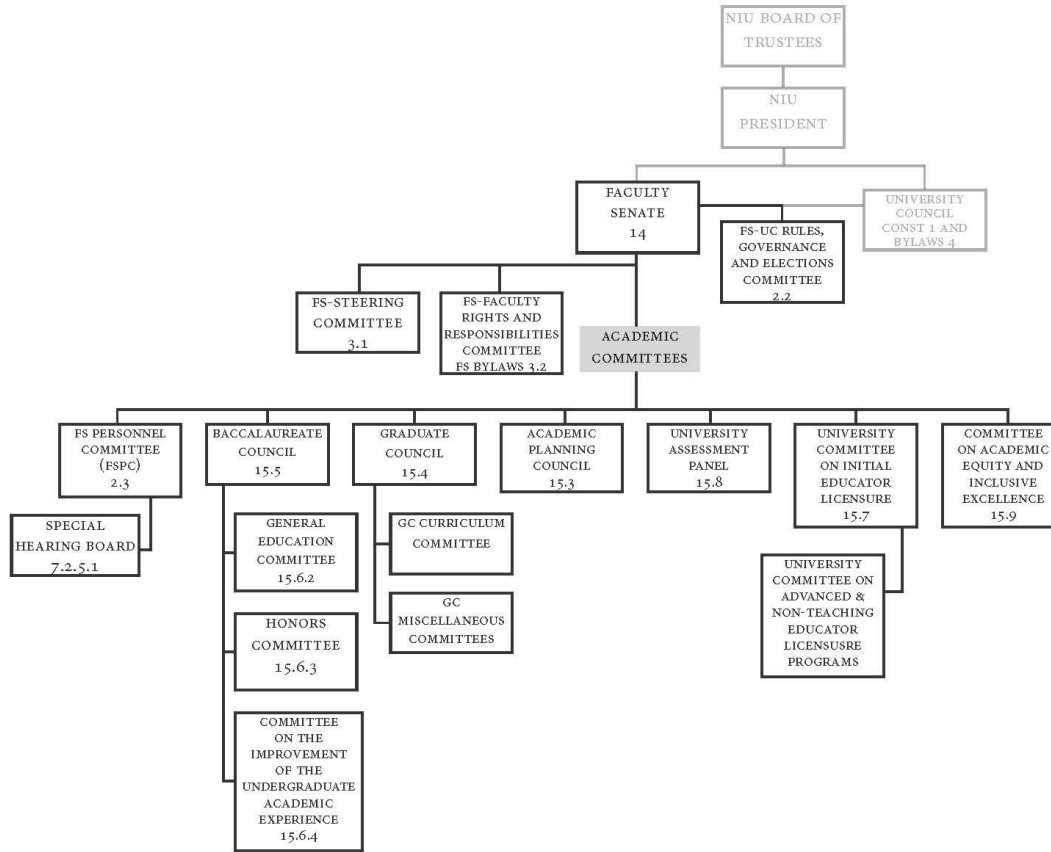


Proposed Revision of University Council 2.1
 MARCH 1, 2020

- Tenure Track Faculty
 - Students
 - Instructors
 - Clinical Faculty
- Operating Staff
 - Supportive Professional Staff
 - Administration
 - Non-voting members

REVISED FACULTY SENATE 1.0

MARCH 2020



CONSTITUTION OF NORTHERN ILLINOIS UNIVERSITY

1 PREAMBLE

The basic purposes of Northern Illinois University are to preserve, augment, criticize, and transmit knowledge and to foster creative capacities. These purposes are achieved by a community of scholars free to exercise independent judgment in the planning and execution of their educational responsibilities in an environment designed to allow maximum effectiveness within a framework of university government. Such a governmental framework should be rooted in the following principles:

1. Respect for the intrinsic dignity of each member of the university community, both by the university itself and by each member of that community, is the basic cornerstone governing all community activities. Each member of the community must be recognized as a person of equal and limitless individual human value, possessing significant intellectual potential, and entitled to all the rights and privileges guaranteed to them under the laws of the United States and the State of Illinois.
2. University governance shall be a shared process involving the faculty, students, administrative officers, supportive professional staff, and operating staff, each performing a role appropriate to the affected governance activities.
3. Faculty shall predominate in all policy decisions relating to the faculty personnel system, to the university curriculum, and to policy decisions concerning admissions and academic standards.
4. Students shall predominate in all policy decisions for which the Student Association has initial jurisdiction.
5. Administrative officers shall facilitate, support, and provide leadership in the development and implementation of policy in the academic and non-academic areas.
6. Supportive professional staff shall participate in all policy decisions affecting the personnel system for supportive professional staff employees.
7. Operating staff shall participate in all university-level personnel policy decisions exclusively affecting operating staff employees.
8. A requirement of the governance of the university shall be the development of a mix of faculty, students, supportive professional staff, operating staff, and administrative officers which is appropriate to the nature of the decision being made.
9. A requirement of the governance of the university shall be the delegation of authority to the appropriate level. Matters of substance should be decided at the lowest level appropriate.

10. Final decisions on issues of governance should be made on a timely basis with consideration for necessary planning.
11. Department chairs shall act as advocates for faculty and students, and as representatives of the university administration.
12. Appropriate faculty and administrators should have a significant voice in the selection, review, and reappointment of university officers and academic administrators by having a clearly defined role in search and review processes.
13. Students, supportive professional staff, and operating staff should be assured a meaningful input into the selection, review, and reappointment of university-level administrators by having a clearly defined role in search and review processes.
14. Students have perspectives on university programs and activities which can be unique, informed, thoughtful, and significant. Student perspectives should be considered in university decision making at all levels.
15. Faculty constituent groups should select, directly by election or indirectly through nomination or selection by elected bodies of faculty members, their representatives on all governance, personnel, and curriculum bodies.
16. The purposes of university governance shall be to (1) promote the pursuit of knowledge and the appreciation of the intellectual value of the arts, the humanities, the sciences, and the professions; (2) to enhance the quality of campus life for all members of the university community; and, to these ends, to protect and promote the individual rights of all members of the university community. To achieve governance guided by these principles the first principle, the Northern Illinois University Council Faculty Senate is established, together with its related councils and committees, to participate in the establishment, direction, and control of educational policy. To achieve governance guided by the second principle, the Northern Illinois University Council is established, together with its related councils and committees.

In order to achieve these purposes, Northern Illinois University has adopted this constitution subject to the limitations imposed by the Board of Trustees Governance Documents.

2 ARTICLE 1: THE UNIVERSITY COUNCIL

The University Council, in accordance with Board of Trustees Policies, has the power to:

~~1.1 To establish the educational and academic policies of the university. In fulfillment of this charge, the University Council shall:~~

~~1.1.1 Participate through its appropriate curriculum councils in the determination of the university curriculum.~~

~~1.1.2 Participate in the selection of faculty committees.~~

~~1.1.32 Advise the president on the appointment of administrative officers, including the selection of a president.~~

~~1.1.43 Participate and advise the president and the vice presidents, through the appropriate committees, in preparing and administering the annual budget, setting goals and priorities for the utilization of resources, and providing periodic evaluation of progress in achieving goals and priorities.~~

~~1.1.54 Participate and advise the president, through the appropriate committees, in determining basic policies with respect to campus planning and building construction and utilization.~~

~~1.1.65 Aid in developing basic policies for the university.~~

~~1.2 To be concerned with and to participate actively in decisions made on other matters that may directly affect educational policies for which the University Council is primarily responsible.~~

~~1.3 To act upon reports from designated committees, boards, commissions, or councils whose actions affect the educational and academic policies of the university.~~

~~1.4 To advise on policies regarding academic salaries, sabbatical leaves, leaves without pay, tenure, and promotion. The University Council shall establish a personnel committee which will review and approve, in accordance with the bylaws of the university, policy recommendations concerning salary and all recommendations pertaining to tenure, promotions in rank, and sabbatical leaves.~~

~~1.56 To e~~ Establish such standing and temporary committees as may be necessary for the discharge of its responsibilities; to define the membership, jurisdiction, and authority of such committees; to resolve disputes among committees thus established; and to act on the reports submitted by such committees.

~~1.67 To a~~ Advise the president, and the vice presidents, on policies affecting the quality of student life on campus.

3 ARTICLE 2: MEMBERSHIP ON THE UNIVERSITY COUNCIL

2.1 Composition

~~2.1.1~~ The University Council shall consist of **voting** representatives of the university faculty, students, administration, ~~supportive professional staff~~, and ~~operating staff~~ **as defined in the NIU Bylaws.**

~~2.1.2~~ Representation on the University Council must be apportioned so that elected faculty voting representation shall at all times comprise 51 percent to 60 percent of the total number of University Council voting seats, and so that student representation shall at all times comprise 25 percent to 30 percent of the total number of University Council voting seats.

~~2.1.3~~ Subject to the call of the University Council, other persons, serving as consultants, shall have the right to participate in the deliberations of the University Council, but shall not have the right to vote.

~~2.1.4~~ Subject to the provisions contained in this constitution, the bylaws shall apportion the voting seats on the University Council among the several constituencies and specify the manner of selection of persons to fill those seats.

2.2 Apportionment of Faculty Representation

~~2.2.1~~ For purposes of representation on the University Council, the faculty shall be defined as those regular, full-time university faculty (as defined in Section 6.1.1 of the Constitution) in the academic division of the university, excluding the president, the president's staff, the executive vice president and provost, the executive vice president and provost's staff, the deans, and the deans' staffs. Regular faculty members are those whose contracts do not carry the designation "temporary" or "adjunct."

~~2.2.2~~ Faculty eligible to serve on the University Council, or to serve as electors in University Council elections, shall hold the rank of professor, associate professor, assistant professor, or instructor, and shall meet the definition of faculty set forth in Section 2.2.1.

~~2.2.3~~ One representative on the University Council shall be apportioned to the faculty of each degree-granting college and the university libraries. The distribution of the remaining faculty positions on the University Council shall be apportioned so as to reflect the ratio between the number of regular full-time faculty members in each degree-granting college to the total number of such faculty members in all colleges, these being the numbers reported by the Office of the Executive Vice President and Provost in September of each year.

~~2.2.4 The ratio of the regular, full-time faculty members in each degree-granting college to the total number of such faculty members in all colleges shall be reviewed by the University Council every third year prior to the election in those years which are multiples of three, and the apportionment of representation among the colleges adjusted if need be.~~

~~2.2.5 When the University Council does not contain an elected faculty representative who is a member of a minority racial group, the elected faculty representatives shall meet and elect such a representative. The person thus elected shall be chosen from among the faculty members of the university who are eligible for election as a faculty representative to the University Council. Prior to conducting such an election, the elected faculty representatives on the council shall seek nominations for this position from the college faculties, and shall elect one of the persons thus nominated. The faculty representative so elected shall serve a term of three years. The position thus filled shall be in addition to the number of seats otherwise apportioned to the elected faculty representatives of the university, or of any college therein, by this constitution and its bylaws.~~

2.3 Apportionment of Student Representation

~~2.3.1 Subject to the provisions set forth in this section, the University Council, through the bylaws, shall determine the eligibility of students to serve as members of the University Council and as electors of such members, and the apportionment of seats among constituencies within the student body.~~

~~2.3.2 The president of the NIU Student Government Association shall be a voting member of the University Council.~~

~~2.3.3 In the apportionment of student seats on the University Council, at least one seat shall be apportioned to the student advisory council of each degree-granting college and the Graduate School, to be chosen by the student members of each such council.~~

2.4 Representation of the University Administration

~~2.4.1 The university administration shall be represented on the University Council by the president of the university, by the executive vice president and provost, by the dean of each of the degree-granting colleges, of the Graduate School, and of the University Libraries, and by such other university officers as may be specified in the Bylaws. These members shall be entitled to participate in the deliberations of the University Council and to vote.~~

~~2.4.2 There shall be such additional representatives of the university administration who shall serve on the University Council with the right to participate in the deliberations of the University Council, but not to vote on matters coming before the University Council, as may be specified in the bylaws.~~

2.5 Representation of the Supportive Professional Staff

~~2.5.1 Those persons employed as full-time supportive professional staff of the university shall have one or more representatives on the University Council. The number of such representatives and the manner of their selection shall be specified by the university bylaws.~~

~~2.5.2 Full-time supportive professional staff members are those whose appointments designate them as holding (a) no-rank faculty status, or (b) faculty rank with administrative assignments outside the academic division of the university.~~

2.6 Representation of the Operating Staff

~~2.6.1 Those persons employed as members of the operating staff of the university shall have one or more representatives on the University Council. The number of such representatives and the manner of their selection shall be specified in the university bylaws.~~

2.7 Alternates for Members of the University Council

~~2.7.1 Each voting and nonvoting member of the University Council is expected to attend University Council meetings regularly. In order to assure full representation at meetings, an alternate shall be designated to represent that member's constituency or office when the member is absent. The designated alternate shall have the same power and privileges as the member.~~

~~2.7.2 The bylaws shall specify the manner of selection for persons designated as alternate members.~~

~~2.7.3 No votes shall be cast at University Council meetings by proxy or absentee ballot.~~

2.8 Terms of Office

~~2.8.1 Persons elected to the position of University Council member shall serve terms of three years, except for persons elected as student representatives who shall serve terms of one year. Ex officio members of the University Council shall serve for the duration of their term of office.~~

~~2.8.2 Terms of office for all members shall begin on July 1. Persons elected or appointed to fill mid-term vacancies on the University Council shall be eligible to begin service on the University Council three days after the executive secretary of the University Council has been officially notified in writing of their election or appointment.~~

2.9 Removal from University Council Membership

~~2.9.1 An elected member of the University Council shall be subject to removal by a two-thirds vote of the total University Council voting membership after three successive absences from regularly scheduled meetings of the University Council.~~

~~2.9.2 Vacancies created by removal shall be filled for the balance of the term remaining by the procedures established in the bylaws for filling vacancies in that office.~~

Article 2.4 amendment approved by University Council 01/26/2000; approved by faculty referendum 04/2000; and approved by Board of Trustees 06/15/2000.

Article 2.2.3 amendment approved by University Council 12/02/2015; approved by faculty referendum 02/01/2016; and approved by Board of Trustees 06/16/2016.

4 ARTICLE 3: OFFICERS OF THE UNIVERSITY COUNCIL

3.1 Presiding Officer of the University Council

The president of the Faculty Senate university shall be the serve as the chair and presiding officer of the University Council. In the absence of the president chair, the duties of the presiding officer shall be assigned to the president of the university or the executive vice president and provost. In the absence of both the president and the executive vice president and provost, the duties of the presiding officer shall be exercised by the dean on the University Council who is senior in length of service in office. The presiding officer of the University Council shall be entitled to vote.

3.2 Executive Secretary of the University Council

~~3.2.1 The executive secretary of the University Council shall be elected by the voting members of the University Council from the elected faculty members of the University Council as defined in Section 2.2.1 of the constitution.~~

~~3.2.2 The executive secretary shall serve full time in that position for a one year term beginning July 1. The executive secretary shall develop an annual office budget to be submitted to a representative of the president's office during the normal university budget process. Part of the budget will include compensation for the department affected by the loss of the instructional services normally provided by the faculty member who will serve as executive secretary during the year for which the budget is being prepared.~~

**5 ARTICLE 4:
STANDING COMMITTEES OF THE UNIVERSITY COUNCIL**

The standing committees of the University Council shall be as defined in the NIU Bylaws.

Amendment approved by University Council on 04/29/2015; approved by faculty referendum on 05/15/2015; and approved by the Board of Trustees on 12/10/2015.

**6 ARTICLE 5:
MEETINGS OF THE UNIVERSITY COUNCIL**

5.1 Regular meetings of the University Council shall be held ~~once a~~ monthly during the fall and spring semesters.

~~5.2 Special meetings of the University Council shall be held on call of the president, by the Steering Committee of the University Council, or in response to a written request to the executive secretary of the University Council by one fourth of the members of the University Council at any time during the calendar year.~~

5.32 Written notice of the time and purpose of all meetings shall be given to members of the University Council by the ~~chair~~ executive secretary in advance of the meetings in accordance with the provisions for advance notice set forth in the university bylaws.

7 ARTICLE 6: FACULTIES, STANDING COMMITTEES, COUNCILS AND BOARDS OF THE FACULTY AND ADMINISTRATION

6.1 The University

6.1.1 Definition of University Faculty

The university faculty shall consist of all full-time staff members holding the ranks of professor, associate professor, assistant professor, instructor, or clinical faculty.

6.1.2 Standing Committees of the University

There shall be standing committees of the University Council as designated in the bylaws.

6.1.2.1 These committees shall report all actions to the University Council, through the distribution of minutes to the University Council, through annual reports of their activities submitted to the University Council, and through the periodic presentation of action summaries.

6.1.2.2 Any actions which these committees recognize as involving a substantive change in non-academic policy should be submitted for University Council approval. If action is taken without University Council approval, which the University Council agrees (by majority vote) represents a substantive change in non-academic policy, the committee may be asked to submit the action to the University Council for review.

6.2 The Colleges

6.2.1 Definition of College Faculty

The college faculty shall consist of those members of the university faculty who hold their appointment within the college.

6.2.2 Standing Committees of a Degree-Granting College

Each college shall have such standing committees as may be designated in the bylaws to advise the dean on policy, personnel, curricular, budgetary, and other matters as deemed appropriate. These committees shall include a student advisory committee through which students pursuing academic degrees within the college may have input into the college policy-making process.

6.3 The University Libraries

6.3.1 Definition of Library Faculty

The library faculty shall consist of those members of the University Libraries who hold academic appointments within the University Libraries.

6.3.2 Standing Committees of the University Libraries

The libraries shall have such standing committees as may be designated in the Bylaws to advise the director on policy, budgetary, and other matters as deemed appropriate. Some of these committees shall include representation from a student advisory committee.

6.4 The Graduate School

6.4.1 Definition of Graduate Faculty

The graduate faculty shall consist of those who, on the recommendation of the academic departments and the dean of the appropriate college, have been approved by the Graduate Council and the dean of the Graduate School to be members of the graduate faculty.

6.4.2 Standing Committees of the Graduate School

The graduate faculty shall participate in the formulation and administration of policies affecting the operation of the programs of the Graduate School through the Graduate Council, provision for which shall be made in the bylaws. Provision shall be made for the participation of graduate student representatives on the Graduate Council. The bylaws of the Graduate Council shall provide for such other standing committees as may be deemed necessary or desirable. Any such other committees shall report regularly on their activities to the Graduate Council.

6.5 The Council of Deans

The Council of Deans shall consist of the executive vice president and provost as chair, vice provosts, the deans, and such additional academic personnel as the executive vice president and provost and deans shall deem appropriate and necessary to the work of the Council of Deans.

Amendment approved by University Council on 4/3/2019; approved by faculty referendum on 4/19/2019; and approved by the Board of Trustees on 9/12/2019.

8 ARTICLE 7: RELATED COUNCILS

7.1 Students

The right of students to organize an association to provide a means for participation in the governance of the university is recognized. Upon acceptance of the constitution by student referendum and by the president of the university, it will be accepted by the university community (i.e., faculty, staff, students, and administrators) as an integral part of the university's system of governance. The students, through their association, may communicate their concerns to the University Council, to the Faculty Senate, or to the associate vice president for student affairs and, through that associate vice president for student affairs, to the provost and to the president of the university and have ultimate appeal to the Board of Trustees.

7.2 Operating Staff

The right of the operating staff to organize a council to represent that constituency of the university community is recognized. It will be accepted by the university community as an integral part of the university's system of governance. The operating staff, through its council, may communicate its concerns to the University Council, to the appropriate vice president(s), to the president of the university and shall then have ultimate appeal to the Board of Trustees.

7.3 University Faculty

The right of the faculty of the university-which shall be defined for this purpose as those regular, full-time university faculty (~~as defined in Section 6.1.1 of the Constitution~~) in the academic division of the university, excluding the president, the president's staff, the executive vice president and provost, the executive vice president and provost's staff, the deans and the deans' staffs, to organize a Faculty Senate to represent that constituency of the university community is recognized. It will be accepted by the university community as an integral part of the university's system of governance. The Faculty Senate is the body empowered to act as agent for the university faculty, with delegated power to formulate broad policies with regard to the educational functions of the university. The faculty, through the Faculty Senate, may ~~communicate its concerns, recommendations, and positions to the University Council,~~ present educational policies to the University Council, executive vice president and provost, and to the president of the university, ~~and have ultimate~~ with the ultimate approval authority residing in the appeal to the Board of Trustees. The Faculty Senate is empowered to act as the authoritative and official voice of the faculty of Northern Illinois University. The university bylaws shall specify the membership of the Faculty Senate, its method of selection, and its duties and responsibilities.

The Faculty Senate, in accordance with Board of Trustees Policies, has the power to establish the educational and academic policies of the university. In fulfillment of this charge, the Faculty Senate shall:

7.3.1 Participate through its appropriate curriculum councils in the determination of the university curriculum.

7.3.2 Be concerned with and to participate actively in decisions made on other matters that may directly affect educational policies for which the Faculty Senate is primarily responsible.

7.3.3 Act upon reports from designated committees, boards, commissions, or councils whose actions affect the educational and academic policies of the university.

7.3.4 Advise the president, and the vice presidents, on policies affecting the quality of student life on campus.

7.4 Supportive Professional Staff

The right of the full-time supportive professional staff to organize a council to represent that constituency of the university community is recognized. It will be accepted by the university community as an integral part of the university's system of governance. The supportive professional staff, through its council, may communicate its concerns to the University Council or through the appropriate vice president(s) to the president of the university and have ultimate appeal to the Board of Trustees.

Amendment approved by University Council on 09/09/2015; approved by faculty referendum on 10/02/15; and approved by the Board of Trustees on 12/10/2015.

9 ARTICLE 8: SELECTION OF A PRESIDENT

8.1 In the selection of a president for the university, the members of the Board of Trustees, the faculty, the students, the supportive professional staff, the operating staff, and all other members of the university community are vitally concerned. Accordingly, when a search for a new president has been authorized, it shall be conducted by a university search committee composed as follows:

- the ~~executive secretary~~ **chair** of the University Council;
- one tenured faculty member from each degree-granting college and the University Libraries;
- three additional tenured faculty members from the degree-granting colleges, apportioned so as to reflect in so far as possible the ratio between the number of regular full-time faculty members in each college to the total number of faculty members in all colleges used in the most recent apportionment of faculty seats on the University Council;
- two undergraduate students selected by the Student Association;
- one graduate student selected by the student members of the Graduate Council in consultation with the graduate student members of the Student Association Senate;
- one operating staff member selected by the Operating Staff Council;
- one supportive professional staff member selected by the Supportive Professional Staff Council;
- and one alumni representative selected by the Northern Illinois University Alumni Association.

8.2 All groups selecting members shall make a special effort to include an appropriate representation of women and minority group members among their nominees. Each degree-granting college shall submit a list of nominees equal to the number of its designated representatives plus two. The Faculty Senate shall choose the apportioned number of nominees from each college list. In so doing, the Senate shall seek to achieve appropriate representation of women and minority group faculty members on the committee.

8.3 When the search committee as selected in accordance with Articles 8.1 and 8.2 above does not contain an elected faculty representative who is a woman or who is a member of a minority racial group, the elected faculty representatives shall meet and elect such representatives. The persons thus elected shall be chosen from among the faculty members of the university who are eligible for election to the search committee. Prior to conducting such an election, the elected faculty representatives on the search committee shall seek nominations for this position from the college faculties, and shall elect one of the persons thus nominated.

8.4 The search committee shall adopt procedures enabling appropriate representative constituencies to participate in the interview process. The search shall be coordinated on campus, the university providing space and support personnel.

10 ARTICLE 9: HUMAN RIGHTS

9.1 Academic Freedom

Freedom of thought, inquiry, and scholarly and artistic expression is fundamental and essential to the maintenance of the academic community. In all of its actions, the university shall act to uphold this principle and to create an environment totally conducive to the unfettered exploration of ideas, pursuit of knowledge, and scholarly and artistic expression.

9.2 Equality of Treatment

The university shall afford to all members of its community fair, impartial, and equal treatment regardless of sex, race, national origin, ancestry, marital status, age, color, veteran status, political views or affiliation, religious views or affiliation, sexual orientation, gender identity, gender expression, physical or mental disability, or other factors unrelated to their scholarly or professional performance. The university may make specific provisions to promote affirmative action.

9.3 Due Process

The university shall establish orderly procedures to insure fairness in its treatment of individual members of the community, and to insure the protection of the rights and welfare of both the individual members of the community and of the university itself.

9.4 Procedures

Procedures for the protection of the above rights shall be set forth in the bylaws.

Article 9.2 amendment approved by the University Council on 11/02/2011; approved by faculty referendum on 11/28/2011; and approved by the Board of Trustees 05/02/2012.

**11 ARTICLE 10:
AMENDMENT PROCEDURES**

Amendment of the constitution shall be accomplished by the following sequence of procedures:

10.1 Written notice of a proposed amendment may be presented at any regular meeting of the University Council by any voting or nonvoting member, but no final action shall be taken on a proposed amendment until at least the next regular meeting of the University Council.

10.2 Approval of the proposed amendment by a two-thirds vote of the University Council members voting.

10.3 Approval of the proposed amendment in a faculty referendum in which a majority of those voting concur. For voting eligibility, see Article 6.1.1.

10.4 Approval of the proposed amendment by the Board of Trustees pursuant to the Board of Trustees Governance Documents.

NON-ACCUMULATIVE SICK LEAVE

At the March 19th, 2020 special meeting of the Board of Trustees (“BOT”), the BOT voted unanimously to temporarily suspend BOT policies, regulations, rules, or any other authority granted to the Board, governing campus operations, and delegated those powers to the President.

The president’s delegated authority was used to temporarily suspend the board regulation requiring employees to first go into an unpaid status prior to accessing 25 workdays of non-accumulative sick leave.

At the May 14th, 2020 meeting of the Board of Trustees, the president’s delegated authority for campus operations expired.

On July 1, 2020, all existing BOT policies, regulations, rules, or authority governing the use of non-accumulative sick leave benefits will be reinstated, and non-accumulative sick leave benefits will be administered in accordance with university policies and procedures.

STUDENT EMERGENCY FUND PRESENTATION

The Board of Trustees will be provided with an overview of the NIU Student Emergency Fund presented by Vernese Edghill-Walden, Senior Associate Vice President for Academic Diversity, Equity and Inclusion and Chief Diversity Officer; Renique Kersh, Associate Vice Provost for Student Engagement; Anne Hardy, Director, Scholarships; and Kelly Olson, Assistant Dean of Students.

PRESIDENTIAL CONTRACT AMENDMENT REGARDING GOALS AND EVALUATION TIMELINE

Background Information:

As part of the current Presidential Goal-Setting Process, the president is required to submit a list of annual goals and objectives to the Chair of the Board for the upcoming fiscal year beginning July 1 on or before April 30th. By requiring the presidential goals and objectives for the upcoming fiscal year be submitted on April 30th, the President and Chair of the Board are disadvantaged in the goal setting process because certain key data, such as fall enrollment and the university budget for the upcoming academic year is either incomplete, or not yet available.

The proposed contractual amendment will change the goal setting timeline from (July 1 – June 30) to (October 1 – September 30) and presidential goals and objectives will now be due from the President to the Chair of the Board on or before October 1. By changing the submission date of the presidential goals, the President and Chair of the Board will now be able to incorporate previously unavailable data in the goal-setting process.

The President's current evaluation period is currently (July 1-June 30). The President initiates the evaluation process, for the evaluation period ending June 30, by submitting to the Board a preliminary self-appraisal on August 31 and a final self-appraisal on October 1.

In order to accommodate the change to the timeline for the submission of the President's goals from April 30 to October 1, the President's evaluation period will now be (October 1 – September 30). The President will initiate the evaluation process, for the evaluation period ending September 30, by submitting to the Board a self-appraisal on October 1, and a final self-appraisal on or before the date of the regularly scheduled Board of Trustees meeting.

Below is the current language as well as the revised language for the goal-setting process and evaluation outlined in the presidential contract.

ARTICLE I – APPOINTMENT

1.3. Goal-Setting Process and Evaluation.

Current Version

- (i) **Goal-Setting Process.** On or before November 30, 2018 for the evaluation period from the Effective Date of this Agreement until June 30, 2019, and on or before April 30 of each subsequent year of the term of this Agreement, for the one (1)-year period beginning on the following July 1, the President shall provide the Chair of the Board with a list of proposed annual goals and objectives (for example, approximately three (3) to five (5)). The Board and the President shall discuss the President's goals and objectives and finalize the goals and objectives for the one (1)-year period beginning each July 1.
- (ii) **Evaluation.** On or before August 31 of each year of the term of this Agreement, the President shall initiate the evaluation process for the period that ended on June 30 of that year ("Evaluation Period") by submitting to the Board a preliminary self-

appraisal of the President's performance during the Evaluation Period ("Preliminary Self-Appraisal"). This Preliminary Self-Appraisal shall address the President's performance related to each of the goals and objectives established for such Evaluation Period. On or before October 1 of each year of the term of this Agreement, the President shall supplement the Preliminary Self-Appraisal by submitting to the Board a final self-appraisal of the President's performance during the Evaluation Period ("Final Self Appraisal"). After the President has submitted this Final Self-Appraisal, the Board shall evaluate the President's achievement of the mutually agreed upon specified goals and objectives and such other criteria as the Board deems appropriate. The President shall be evaluated by the Board in accordance with the Board bylaws and applicable laws, regulations, Board governing documents and other authorities.

Proposed Action: The University recommends the following amendments to the presidential contract in sections (i) goal-setting process and (ii) evaluation:

Revised Version

- (i) **Goal-Setting Process.** On or before November 30, 2018 for the evaluation period from the Effective Date of this Agreement until June 30, 2019, and on or before August 31 of each subsequent year of the term of this Agreement, for the one (1)-year period beginning on the following October 1, the President shall provide the Chair of the Board with a list of proposed annual goals and objectives (for example, approximately three (3) to five (5)). The Board and the President shall discuss the President's goals and objectives and finalize the goals and objectives for the one (1)-year period beginning each October 1.

- (ii) **Evaluation.** On or before October 1 of each year of the term of this Agreement, the President shall initiate the evaluation process for the period that ended on September 30 of that year ("Evaluation Period") by submitting to the Board a preliminary self-appraisal of the President's performance during the Evaluation Period ("Preliminary Self-Appraisal"). This Preliminary Self-Appraisal shall address the President's performance related to each of the goals and objectives established for such Evaluation Period. On or before the date of the regularly scheduled November Board of Trustees meeting of each year of the term of this Agreement, the President shall supplement the Preliminary Self-Appraisal by submitting to the Board a final self-appraisal of the President's performance during the Evaluation Period ("Final Self-Appraisal"). After the President has submitted this Final Self-Appraisal, the Board shall evaluate the President's achievement of the mutually agreed upon specified goals and objectives and such other criteria as the Board deems appropriate. The President shall be evaluated by the Board in accordance with the Board bylaws and applicable laws, regulations, Board governing documents and other authorities.

Recommendation: The University recommends amendments to the presidential contract as described above in (i) goal-setting process and (ii) evaluation.

**FISCAL YEAR 2021 ELECTION OF BOARD OFFICERS AND
CIVIL SERVICE MERIT BOARD REPRESENTATIVE**

The Board of Trustees will hold its election of officers for Fiscal Year 2021. The results will be tallied and announced by Board General Counsel Perry.

**RESOLUTION
MADALYNN MERSHON
DISTINGUISHED SERVICE TO THE BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY**

WHEREAS, Madalynn Mershon has faithfully served as a student member of the Northern Illinois University Board of Trustees from July 1, 2019, through June 30, 2020; and

WHEREAS, prior to her appointment as Student Trustee, Madalynn Mershon served as the Director of Academic Affairs in the NIU Student Government Association, during that body's 50th session; and, in that role, served on a variety of committees working to improve student life and academics, including working with the Academic Planning Council on online and hybrid courses, and serving on the Textbook Affordability Committee; and

WHEREAS, as a member of the Board of Trustees, Madalynn Mershon contributed valuable insight and information regarding the student perspective, serving as a member of the Academic Affairs, Student Affairs and Personnel Committee; the Finance, Audit, Compliance, Facilities and Operations Committee; and the Research and Innovation, Legal and Legislative Affairs Committee; and

WHEREAS, Madalynn Mershon is also a proud member of the Alpha Phi Sorority and served that organization as the Vice President of Risk Management from January 2018 to December 2018; and

WHEREAS, during her experience as a student at Northern Illinois University, Madalynn Mershon completed a Bachelor of Arts in Sociology with a Certificate in Criminology; and

WHEREAS, we, as her colleagues on the Board of Trustees, want to express our appreciation for Madalynn's service to the NIU students and community, congratulate her on her achievement of her undergraduate degree, and wish her continued success in her professional career.

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled extends its grateful appreciation to Madalynn Mershon for her distinguished service to Northern Illinois University.

BE IT FURTHER RESOLVED that this Resolution be presented to Madalynn Mershon and a copy of this document be placed in the official files of the Board of Trustees as part of the permanent record of the University and the great State of Illinois and as a lasting tribute to the accomplishments of Madalynn Mershon.

Adopted in a meeting assembled this 18th day of June, 2020.

**Board of Trustees of
Northern Illinois University**

Dennis L. Barsema
Board Chair

Robert W. Pritchard
Board Secretary



**RESOLUTION
ANNE C. KAPLAN
DISTINGUISHED SERVICE TO NORTHERN ILLINOIS UNIVERSITY**

WHEREAS, service to others within one’s community and responsible governance, civic engagement, and positive community relations are pursuits worthy of the highest praise, and wise stewardship is critical to the vitality and economic sustainability of institutions of higher education in the State of Illinois; and

WHEREAS, Dr. Anne C. Kaplan has faithfully served Northern Illinois University for 46 years, creating programs, managing functions, and nurturing both causes and people; and

WHEREAS, Dr. Kaplan has served as a skilled strategic advisor to deans, provosts, and presidents throughout her long career; and

WHEREAS, Dr. Kaplan was instrumental in creation of the structure, operating principals, and administrative support for the NIU Board of Trustees since its inception 24 years ago and has been a source of wise counsel for the 51 trustees who have served on the Board; and

WHEREAS, the process she created four decades ago for evaluating academic programs continues to this day to ensure that an NIU education is always up-to-date and gives students the skills they need to succeed in a rapidly changing workplace; and

WHEREAS, Dr. Kaplan’s behind-the-scenes strategic planning skills were applied to many different initiatives, creating such disparate achievements as the College of Engineering and Engineering Technology and the Center for Burma Studies; and

WHEREAS, Dr. Kaplan consistently lent her expertise to quality of life issues on campus including child care, health care, improved salaries for clerical staff, resources for the LGBT community, affirmative action, and a variety of issues affecting women; and

WHEREAS, Dr. Kaplan has been a stalwart advocate for place bound adult learners and has advanced the cause of continuing and off-campus education through more than four decades of successive university leadership and was instrumental in the establishment of three regional educational centers; and

WHEREAS, Dr. Kaplan developed and has successfully nurtured the Division of Outreach, Engagement and Regional Development (OERD) for two decades; and

WHEREAS, under Dr. Kaplan’s direction, OERD has developed a robust P-20 Center; has successfully managed the regional centers in Hoffman Estates, Rockford, and Naperville and the Lorado Taft Field Campus in Oregon; built connections with municipalities throughout the region via the Center for Governmental Studies; obtained what remains NIU’s largest-ever grant to build a broadband network throughout northern Illinois; met the information and

entertainment needs of 100,000 weekly listeners to Northern Public Radio; and was instrumental in bringing about the Northern Illinois Center for Non-Profit Excellence; and

WHEREAS, this large portfolio of programs has steered NIU in a direction that seeks deeper connection to its community and region, builds communities and supports the people who live there, and makes more visible NIU's impact, and has resulted in Carnegie Foundation designation as an Engaged University and NIU's receipt of the Association of Public and Land-grant Universities' prestigious Innovation and Economic Prosperity Award; and

WHEREAS, dozens of women and men consider Anne Kaplan to have been an invaluable guide and mentor in their own NIU careers;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled extends its grateful appreciation to Dr. Anne C. Kaplan for her distinguished service to Northern Illinois University from 1974 to 2020.

BE IT FURTHER RESOLVED that this Resolution be presented to Dr. Anne C. Kaplan and a copy of this document be placed in the official files of the Board of Trustees as part of the permanent record of the university and the great State of Illinois and as a lasting tribute to the accomplishments of Anne C. Kaplan.

Adopted in a meeting assembled this 18th day of June, 2020.

**Board of Trustees of
Northern Illinois University**

Dennis L. Barsema
Board Chair

Robert W. Pritchard
Board Secretary

