



Board of Trustees

Finance, Audit, Compliance,
Facilities and Operations
Committee

November 12, 2020

BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY

Finance, Audit, Compliance, Facilities and Operations Committee

11:30 a.m. – Thursday – November 12, 2020

This Committee 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

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action*..... i
4. Review and Approval of Minutes of August 20, 2020 *Action*..... 1
5. Chair's Comments/Announcements
6. Public Comment*
7. Financial Update
 - a. Annual Financial Summary and Budget to GAAP Reconciliation as of June 30, 2020 *Information*.....6
 - b. Quarterly Financial Summary - FY21 First Quarter as of September 30, 2020 *Information*.....10
 - c. Periodic Report on Investments for Period Ending September 30, 2020 *Information*.....15
8. University Recommendations
 - a. FY22 Budget Request *Action*.....18
 - b. FY22 IBHE Capital Budget Request *Action*.....21
 - c. DeKalb Campus – Central Campus Roadway Improvements *Action*.....29
 - d. Intercollegiate Athletics Bowl Game Participation Expenses *Action*.....30
9. University Reports
 - a. Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period Ending July 1, 2020 to September 30, 2020..... *Information*.....31
 - b. FY20 Annual Report of Transactions Involving Real Property *Information*.....34
 - c. FY20 Report on Facilities and Infrastructure Capital Investments *Information*.....36
 - d. Facilities Update *Information*.....54
 - e. FY20 Clery Report Update *Information*.....58
10. Other Matters
11. Next Meeting Date

12. 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. For more information contact Crystal Doyle, ccoppel@niu.edu, Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

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

Minutes of the
NIU Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations Committee
August 20, 2020

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:01 p.m. by Committee Chair Montel Gayles. This Finance, Audit, Compliance, Facilities and Operations Committee meeting is being conducted through video conferencing communications and is pursuant to Section 6 of Executive Order 2020-7 (Suspending Open Meetings Act requirements of in person attendance by members of a public body). Recording Secretary Sandy McCartney conducted a roll call of the Trustees.

Trustee Rita Athas: Present

Trustee John Butler: Present

Committee Chair Montel Gayles: Present

Trustee Veronica Herrero: Present

Trustee Bob Pritchard: Present

(absent until 12:04 p.m. when Committee Chair Gayles noted Trustee Pritchard was in attendance)

Trustee Aidan Shields: Present

Vice Chair Eric Wasowicz: Present

Board Chair Dennis Barsema: Present

All members of the Board of Trustees were present.

Also present were President Lisa Freeman, Committee Liaison Vice President Chief Financial Officer Sarah Chinniah, General Counsel Bryan Perry, and Board Liaison Matt Streb.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

3. MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Vice Chair Wasowicz and seconded by Trustee Athas. Sandy McCartney conducted a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

4. REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the May 14, 2020 meeting was made by Trustee Athas and seconded by Board Chair Barsema. Sandy McCartney conducted a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Gayles commented on how pleased he was to be serving as the chair for FACFO during this rather tenuous time. He commended the leadership of the University for their commitment to the health and safety of the students, faculty, and staff. Committee Chair Gayles spoke to NIU's Protecting the Pack which outlines the values that guide NIU's decision making process. He talked about Executive Vice President and Provost (EVPP) Beth Ingram's overview of NIU's approach and focus on teaching, learning and scholarship plans going into the fall semester provided in an earlier Committee meeting. He also discussed the lack of progress towards another federal stimulus package, uncertainty about the state's budget and the effect this could have on NIU's budget. He confirmed the need to continue to move forward even with a year projected to close with a loss of \$35M, facing the possibility of a similar loss this fiscal year, knowing the university cannot sustain this level of financial distress. He offered his support to the University leadership recognizing that difficult decisions will need to be made in the days ahead.

Committee Chair Gayles then acknowledged the passing of Vicky Rippberger, former FACFO recording secretary and welcomed Sandy McCartney who assumed the role.

Committee Chair Gayles welcomed the members of the University Advisory Committee and asked if anyone had any comments for the board. Kendall Thu confirmed he was saving his comments for the Full Board Meeting and no other comments were shared.

6. PUBLIC COMMENT

Committee Chair Gayles inquired to General Counsel Perry if any members of the public registered a written request to address the board in accordance with state law and Board of Trustees bylaws.

General Counsel Perry advised Mr. Roderic Moyer had requested to speak.

Roderic Moyer, a current NIU student, gave a presentation and discussed his views on social change and leadership.

7. FINANCIAL UPDATE

Information Item 7.a. – FY21 University Preliminary Budget – Summary Update

Vice President and Chief Financial Officer (VPCFO) Sarah Chinniah presented Item 7.a. – FY21 University Preliminary Budget – Summary Update.

On June 18th, The Board of Trustees approved an FY21 preliminary internal budget including \$361.4M in revenue against \$400.3M in anticipated expenses. This preliminary internal budget uses revenue and cost assumptions based on limited available data as of May 31, 2020 and assumes a shortfall of approximately \$38.8M.

VPCFO Chinniah confirmed four primary items that could have significant upside or downside to NIU's budget: enrollment; the state's financial position; the availability of a federal relief bill and the state's reopening plan. NIU leadership was closely monitoring information provided by the Governor and the Illinois Department of Public Health. The health, wellness, and safety of the entire campus community was a priority and at the center of the university's decision-making.

VPCFO Chinniah acknowledged and commended the efforts of Associate Vice President Shyree Sanan and Budget and Financial Planning Director Andrew Rogers and their teams for their leadership and efforts in supporting this work.

There was no board discussion, however during the discussion of Action Item 8.a. Board Chair Barsema did thank VPCFO Chinniah and her team for the FY21 Budget Update and

acknowledged the challenges being faced.

8. UNIVERSITY RECOMMENDATIONS

Action Item 8.a. – Classroom Technology Upgrades

VPCFO Chinniah presented Item 8.a. - Classroom Technology Upgrades.

Board Discussion followed prior to any motions made to approve.

Committee Chair Gayles asked if the technology would be used outside of campus or was strictly for use on campus for the instructors and professors involved in the program. Chief Information Officer (CIO) Matthew Parks explained the majority of the equipment would be used on campus with a smaller portion deployed at off-campus sites.

Board Chair Barsema inquired as to the reason for the increase from \$450K to \$600K. VPCFO Chinniah explained the initial \$450K would allow for the necessary purchases to start classes, however in preparing for potential contingency plans more flexibility could be needed as the semester progresses.

Board Chair Barsema inquired if a motion was needed to amend the Action Item to read \$600K instead of \$450K. General Counsel Perry confirmed a motion was needed.

Trustee Pritchard asked for more description as to what this extra \$150K would offer beyond flexibility. EVPP Ingram responded that while several classrooms were set up for the current needs of student and faculty, as the semester evolves some classrooms may need to be converted allowing the faculty the flexibility to adapt as needed. Trustee Pritchard asked for confirmation if this was for equipment and not connectivity. CIO Parks gave the assurance all the equipment was for the classrooms.

Vice Chair Wasowicz asked since this is an unplanned capital expenditure was thought given as to how much the university can utilize this equipment in the future. EVPP Ingram confirmed that even after COVID-19, by having this equipment in place students who become ill and could not participate in face to face classes or bad weather preventing students and faculty getting to class would be able to participate remotely, thus expanding our student services into the future. President Freeman also mentioned the market for adults seeking a degree completion and how this technology could be utilized in the future.

Trustee Butler asked if assurance could be provided that this was procured within the proper guidelines.

VPCFO Chinniah explained multiple methods of procurement were used that were allowable and permissible by state procurement statutes.

At approximately 12:35 p.m. Board Liaison Matt Streb announced Committee Chair Gayles had been dropped from the meeting due to technical difficulties. Conversation continued as procedures needed to go forward and General Counsel Perry said Vice Chair Wasowicz could call for a motion and the vote.

Vice Chair Wasowicz asked for any further discussion and called for a motion to approve the amended amount from \$450K to \$600K. The motion was made by Board Chair Barsema and seconded by Trustee Herrero. There was no further discussion and Sandy McCartney did a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

When Committee Chair Gayles name was called he said he was back in the meeting. The time was 12:38 p.m.

The motion was approved to amend the item to \$600K.

Vice Chair Wasowicz moved to approve the Classroom Technology item for \$600K and this was seconded by Board Chair Barsema. Sandy McCartney did a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

VPCFO Chinniah apologized for the change in this item and expressed appreciation for everyone's support and endorsement to amend and move the item forward.

9. UNIVERSITY REPORTS

VPCFO Chinniah explained there were five informational items with comprehensive write ups included for each due to the number of annual reports.

Information Item 9.a. – Quarterly Summary Report for Transactions in Excess of \$100,000 for the Period April 1, 2020 to June 30, 2020

The Committee discussed the item related to securing a third-party to assist the collection of past-due accounts receivable and the need to be thoughtful in the approach used due to hardships caused by COVID.

Information Item 9.b. – FY20 Annual Summary Report Obligation of Financial Resources Year ended June 30, 2020

Committee Chair Gayles asked for more information on NIU's Business Enterprise Program (BEP) activity. VPCFO Chinniah committed to working with the Trustees to provide more information as to how the university aligns with BEP goals.

Information Item 9.c. – FY20 Annual Report of Cash and Investment for Period Ending June 30, 2020

Board Chair Barsema asked VPCFO Chinniah to give a general sense of where we were in terms of the university's level of cash, \$128M as of the date of this report. He asked her to respond in terms of green, yellow, and red. VPCFO Chinniah answered as of today she would put the university in yellow status. She confirmed the need to be thoughtful with resources as there was still much uncertainty in this upcoming year.

Information Item 9.d. – FY20 Report Tuition and Fee Waivers

No discussion

Information Item 9.e. – Campus Facility Project Update

Committee Chair Gayles asked if the boiler project had been paused. Associate Vice President John Heckmann explained that the project was still moving forward. AVP Heckmann did clarify that NIU does have a cost share to move this position forward. NIU's overall financial position and ability to provide the cost share will be assessed as the boiler project moves forward.

10. OTHER MATTERS

There were no other matters.

11. NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be November 12, 2020.

12. ADJOURNMENT

Committee Chair Gayles asked for a motion to adjourn the meeting and thanked VPCFO Chinniah and her team for all their work and help in preparing for this FACFO Meeting. He also expressed appreciation for VPCFO Chinniah and her team, as well as President Freeman, and the rest of the executive team.

Motion to adjourn was made by Trustee Herrero and seconded by Board Chair Barsema. Sandy McCartney conducted a roll call.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aiden Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion passed.

The meeting adjourned at 1:06 p.m.

Respectfully submitted,

Sandy McCartney
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.

ANNUAL FINANCIAL SUMMARY AND BUDGET TO GAAP RECONCILIATION AS OF JUNE 30, 2020

Background: With the completion of the fiscal year in June and the subsequent financial audit, the University presents its final FY20 operating results.

The university ended FY20 with an all-funds deficit of \$15.3M based on total revenues of \$402.7M and total expenditures of \$418M.

Total revenues decline \$6.1M from the prior year and missed budget by \$10.3M. Tuition and fee revenues trailed the prior year by \$5.8M, while revenues across all other categories trailed by only \$351,000 collectively.

Total expenses for FY20 finished \$184,000 below budget, bolstered in part by a bond refinancing that closed in March 2020. Personnel spending exceeded prior year by \$10.1M reflecting costs associated with the COVID-19 pandemic and workforce investments, including increments for represented and non-represented employees. With the exception of miscellaneous expense, all non-personnel expense categories finished \$19M below budget. Total non-personnel expenses declined \$354,000 from the prior year.

Scholarship expenses exceeded prior year by \$7.3M, primarily reflecting the distribution of student aid provided through the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In addition to \$5.5M disbursed as direct relief to students, \$5.5M in CARES Act funds reimbursed the University for refunds triggered by the pandemic. An additional \$1.9M in student relief and \$1.9M in institutional relief made available through the CARES Act will be realized in FY21.

To minimize the overall financial impact of responding to the COVID-19 pandemic, management implemented new protocols and reviews of budgeted spending to minimize the FY20 deficit and protect University cash reserves. These actions, along with limited campus operations in the fourth quarter of FY20, resulted in spending control and deferrals on equipment, capital projects, and contractual services. Longer-term efforts, including restrictions on in-year expense budget increases, implemented earlier in the fiscal year, contributed to the University's ability to navigate this difficult, pandemic-driven fiscal environment and reduce the final FY20 deficit from previous FY20 reports and expectations.

Revenues

- 1. Tuition and Student 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. **Commodities:** Includes purchased items of a low cost that typically are consumed in a single year. Examples include paper for printing, lab supplies, napkins, and cleaning supplies.
5. **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.
6. **Automotive:** Includes the cost to rent cars, vans, and busses from the University transportation department.
7. **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).
8. **Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.
9. **Equipment & Library Books:** 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.
10. **Capital Repairs:** Includes the cost of centralized capital repair activities.
11. **Debt Service:** Includes debt service payment on bonds, certificates of participation, and performance contracts.
12. **Miscellaneous Expense:** Includes refunds issued for on-campus external programming, deposit refunds, and other expenses not classified elsewhere. This category also includes miscellaneous year-end accrual and other adjustments.

Following is a financial summary of the University's operations as of the end of the 2019-20 fiscal year and a comparison the previous fiscal year.

Northern Illinois University
as of June 30, 2020
(\$ in thousands)

	Current Year FY20			Prior Year FY19	
	Full Year			Full Year	
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance
Revenue					
Tuition & Student Fees	\$ 166,713	\$ 176,085	\$ (9,372)	\$ 172,481	\$ (5,769)
Gifts, Grants, & Contracts	64,953	59,331	5,622	57,580	7,373
Other Fees and Fines	6,246	7,172	(926)	8,009	(1,763)
Sales	26,572	32,606	(6,034)	32,218	(5,646)
Rental & Room Income	25,220	33,735	(8,515)	31,198	(5,978)
Gate Receipts & Commissions	3,145	4,809	(1,664)	4,392	(1,247)
Miscellaneous & Investment Income	22,068	11,479	10,589	19,337	2,731
State of Illinois	87,825	87,804	21	83,647	4,178
Total Revenue	\$ 402,742	\$ 413,021	\$ (10,279)	\$ 408,862	\$ (6,120)
Expenses					
Cost of Sales	\$ 4,447	\$ 5,599	\$ (1,152)	\$ 5,012	\$ (565)
Personnel Services	227,218	210,829	16,389	217,088	10,130
Contractual Services	78,914	85,079	(6,165)	83,134	(4,219)
Commodities	4,874	6,276	(1,402)	6,251	(1,377)
Travel	3,540	5,531	(1,991)	4,622	(1,082)
Automotive	1,048	1,153	(105)	1,220	(172)
Scholarships	58,447	59,338	(891)	51,179	7,268
Telecommunications	255	323	(68)	623	(368)
Equipment & Library Materials	6,842	9,374	(2,532)	8,095	(1,252)
Capital Repairs	1,779	2,650	(871)	-	N/A
Debt Service	28,091	31,921	(3,830)	-	N/A
Miscellaneous Expense	2,539	105	2,434	-	N/A
Capital Repairs, Debt Service & All Other	N/A	N/A	N/A	30,996	1,413
Total Expenses	\$ 417,994	\$ 418,179	\$ (184)	\$ 408,218	\$ 9,776
Net Revenue	\$ (15,252)	\$ (5,158)	\$ (10,094)	\$ 644	\$ (15,896)

To ensure that the amount reported per the budget is reconciled with the University's FY20 Financial Statement results, a reconciliation has been performed between Budget (Fund Accounting) and GAAP (Generally Accepted Accounting Principles).

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

- GAAP - a common set of accounting principles, standards, and procedures that the University 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 net position as of June 30, 2020 is a preliminary draft and will not be final until the FY20 audit has concluded, and the audit report released around January 2021. Following is the reconciliation from the University's Budget to GAAP financial statements as of June 30, 2020.

Budget to GAAP Reconciliation
As of June 30, 2020
(\$ in thousands)

Net Revenue, per Budget		(15,252)
Depreciation Expense	(28,365)	
Debt principal	6,312	
<i>Decrease in Net Position, before adjustments</i>		(22,053)
 <u>One-time Adjustments:</u>		
Debt Refunding adjustments, net		(692)
Total Decrease in Net Position, per draft Financial Statements*		\$ (37,997)

**Unaudited*

The expected decrease to net position for the year-ended June 30, 2020 is \$37.9M. This decrease is based on the decline related to the budget-to-GAAP adjustments for depreciation expense and debt principal totaling \$22.1M. In addition, a one-time adjustment to the balance sheet related to the required accounting treatment for the Series 2010/2011 debt refunding. The expected ending net position for FY20 is as follows:

FY20 Change in Net Position
For the Year-Ended June 30, 2020
(\$ in thousands)

Net Position, June 30, 2019		\$ 167,845
Decrease in net position		(37,997)
Net Position, June 30, 2020*		\$ 129,848

**Unaudited*

QUARTERLY FINANCIAL SUMMARY FY21 – FIRST QUARTER AS OF SEPTEMBER 30, 2020

Background: With the September 30 conclusion of the first quarter of the 2020-21 fiscal year (FY21), the University is now able to update the Board of Trustees on NIU's financial performance relative to the current year budget and prior year actuals. A full-year projection, primarily based on current spending, is also provided.

The FY21 Year to Date Forecast presented today incorporates an all-funds deficit of \$37.7M based on total revenues of \$362.6M and total budgeted expenditures of \$400.3M.

Through the first quarter of FY21, the University received \$66.4M more revenue (\$161.4M) than it spent (\$95.1M). This net revenue total is 5.1 percent (\$3.6M) less than the prior year. Tuition and Student Fee revenue grew 6.6 percent, or \$5.7M in the first quarter compared to one year ago; however, the growth is partially due to an operational change concerning when some fee revenues are recognized. Overall, revenue lagged the first quarter of FY20 by \$11.6M, mostly due to the impact of the COVID-19 pandemic on housing, sales, and athletics-related revenues. With fewer students electing to stay in campus housing than originally expected, overall revenues trailed budget by \$10.8M.

On the expense side, overall spending relative to FY20 decreased by 7.8 percent (\$8.0M), including lower overall Personnel Services expenses by 5.6 percent (\$2.8M) and lower Contractual Services expenses by 27.4 percent (\$4.4M). Scholarship spending increased \$3.8M from the prior year, partially driven by the federal CARES Act and the AIM High scholarship program. Overall, expenses through the first quarter of FY21 are \$2.7M below budget.

Current revenue and spending trends suggest full-year expenses may exceed revenues by \$37.7M, barring additional federal or state financial support. Expenses are trending well below budget on for the year (\$20.6M, or 4.9 percent); however, revenues also are trending below budget by \$26.1M, or 6.7 percent.

Leadership continues to monitor the budget including the active review of 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. NIU leadership is closely monitoring information provided by the Governor and the Illinois Department of Public Health. The health, wellness, and safety of the entire campus community is a priority and at the center of our decision-making. Because this is a dynamic environment, the university will continue to present quarterly budget updates to the Finance, Audit, Compliance, Facilities and Operations Committee of the Board of Trustees during the February and May meetings in calendar year 2021 noting quarterly budget performance, summarizing variances, and providing year-to-date forecasts.

The university will resume planning efforts for future fiscal years, including a revision of the multiyear framework mid-FY21.

Revenues

- 1. Tuition and Student 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. **Commodities:** Includes purchased items of a low cost that typically are consumed in a single year. Examples include paper for printing, lab supplies, napkins, and cleaning supplies.
5. **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.
6. **Automotive:** Includes the cost to rent cars, vans, and busses from the University transportation department.
7. **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).
8. **Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.
9. **Equipment & Library Books:** 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
10. **Capital Repairs:** Includes the cost of centralized capital repair activities.
11. **Debt Service:** Includes debt service payment on bonds, certificates of participation, and performance contracts.

12. Miscellaneous Expense: Includes refunds issued for on-campus external programming, deposit refunds, and other expenses not classified elsewhere. This category also includes miscellaneous year-end accrual and other adjustments.

Following is a financial summary of the University's operations as of the end of the first quarter of FY21 compared to the previous fiscal year and the FY21 budget.

Northern Illinois University
as of September 30, 2020
(\$ in thousands)

	Current Year FY21			Prior Year FY20		Current Year FY21		
	First Quarter			First Quarter		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
Revenue								
Tuition & Student Fees	\$ 91,424	\$ 86,809	\$ 4,615	\$ 85,769	\$ 5,655	\$ 169,824	\$ 168,734	\$ 1,089
Gifts, Grants, & Contracts	17,297	14,370	2,927	16,240	1,057	60,081	57,476	2,605
Other Fees and Fines	1,189	2,440	(1,252)	2,874	(1,686)	2,600	5,303	(2,703)
Sales	6,687	12,335	(5,648)	11,416	(4,729)	16,622	28,711	(12,090)
Rental & Room Income	9,931	18,701	(8,770)	16,199	(6,268)	18,088	29,116	(11,028)
Gate Receipts & Commissions	-	321	(321)	575	(575)	200	1,757	(1,557)
Miscellaneous & Investment Income	2,241	2,106	134	4,749	(2,508)	7,341	9,788	(2,447)
State of Illinois	32,666	35,179	(2,513)	35,187	(2,521)	87,804	87,804	-
Total Revenue	\$ 161,434	\$ 172,262	\$ (10,828)	\$ 173,009	\$ (11,574)	\$ 362,560	\$ 388,689	\$ (26,130)
Expenses								
Cost of Sales	\$ 517	\$ 872	\$ (355)	\$ 944	\$ (427)	\$ 2,204	\$ 4,108	\$ (1,904)
Personnel Services	46,876	48,715	(1,839)	49,652	(2,776)	215,260	222,932	(7,673)
Contractual Services	11,592	17,516	(5,924)	15,968	(4,376)	80,000	86,565	(6,565)
Commodities	656	2,215	(1,558)	1,284	(627)	6,307	8,409	(2,102)
Travel	60	1,311	(1,251)	1,135	(1,075)	1,741	4,090	(2,349)
Automotive	171	300	(128)	264	(93)	790	1,188	(398)
Scholarships	29,295	25,469	3,826	26,758	2,537	57,617	55,632	1,985
Telecommunications	96	120	(25)	52	44	585	590	(5)
Equipment & Library Materials	1,771	1,810	(39)	1,653	118	7,392	7,495	(103)
Capital Repairs	28	468	(440)	279	(252)	1,041	2,977	(1,935)
Debt Service	3,355	2,862	493	3,258	97	24,500	24,672	(172)
Miscellaneous Expense	653	1,551	(897)	1,810	(1,157)	2,835	2,175	660
Total Expenses	\$ 95,070	\$ 103,208	\$ (8,138)	\$ 103,057	\$ (7,987)	\$ 400,272	\$ 420,833	\$ (20,562)
Net Revenue	\$ 66,364	\$ 69,054	\$ (2,689)	\$ 69,952	\$ (3,588)	\$ (37,712)	\$ (32,144)	\$ (5,568)

To ensure that 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 presented below is a projection for FY21. The depreciation projection for FY21 is calculated using the FY20 annual depreciation expense. Debt - Principal is based on the scheduled debt service to maturity for FY21. 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
(\$ in thousands)

Net Revenue, per Budget	(37,712)
Depreciation Expense	(28,365)
Debt - Principal	<u>8,293</u>
Total Decrease in Net Position, per draft Financial Statements*	(57,784)

*Unaudited

PERIODIC REPORT ON INVESTMENTS FOR PERIOD ENDING SEPTEMBER 30, 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 September 30, 2020
- Investment Earnings for the quarter ended September 30, 2020

The *Cash and Investment Holdings Summary* at September 30, 2020 shows NIU's total holdings at \$125.8M. Of the total holdings balance, approximately \$70M is available for daily operations providing just over 60 days cash on hand. The remaining balance is restricted per collateralization requirements and contractual obligations. The total holdings balance has decreased \$2.3M since the last quarter end June 30, 2020. A portion of the decrease is a result of planned spending of Build America Bond proceeds on the Holmes Student Center renovation project. The remaining decrease is a result of lower cash receipts and higher cash disbursements over the first quarter of FY21. At September 30, 2020, the university had vouchered the State \$32.7M for FY21 appropriations and as of this date has received \$8.7M.

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 first quarter of FY21.

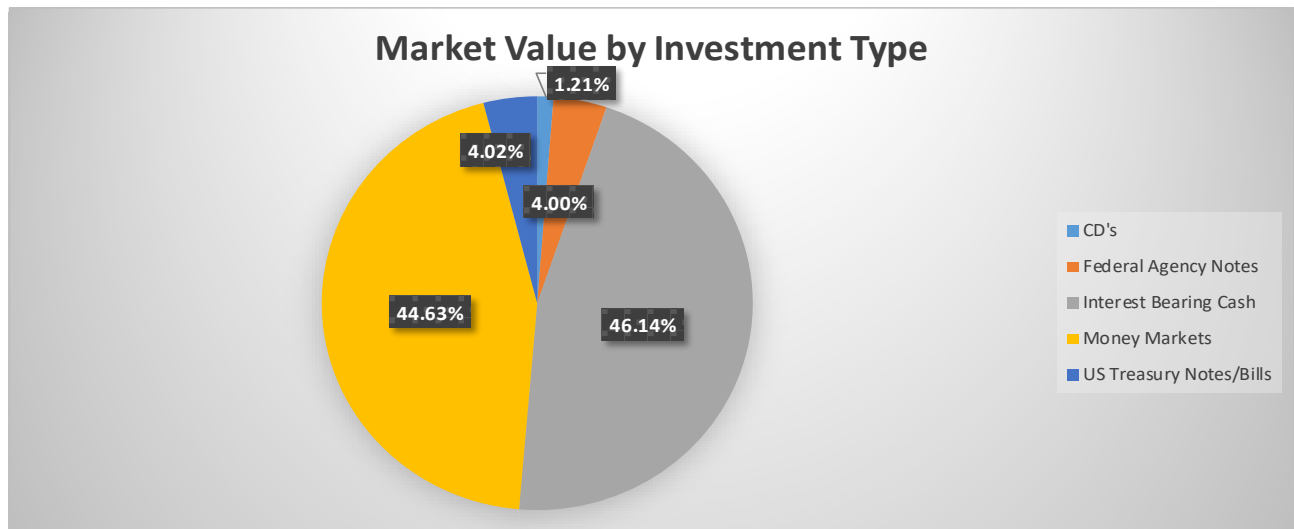
The *Investment Earnings* report shows income of \$112,664 and an overall annualized rate of return of .35% for the 1st quarter. The lower return this quarter over prior quarters resulted from lower interest rates and cash balances.

The COVID-19 pandemic continues to cause economic hardship across the globe. The Federal Open Market Committee in its recent meeting decided to keep the target range for the federal funds rate at 0 to 1/4 percent. Economists predict this will not change for the next two years. Given the unknown timeline for a virus containment and second federal government stimulus program, it is difficult to predict the timing of a financial turnaround. Management continues to monitor cash flow activity and provide senior leadership with information to aid in aligning fiscal policy with operating capacity.

NORTHERN ILLINOIS UNIVERSITY
CASH and INVESTMENT HOLDINGS SUMMARY

September 30, 2020
For Fiscal Year 2021

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
CD's:			
Local Funds	\$ 1,514,208	\$ 1,514,208	\$ 1,514,208
Federal Agency Notes:			
Local Funds	\$ 5,049,336	\$ 5,000,234	\$ 5,002,085
Interest Bearing Cash Accounts:			
Local Funds	\$ 57,656,129	\$ 57,656,129	\$ 57,656,129
Money Markets:			
Contributory Trust	\$ 9,839,000	\$ 9,839,000	\$ 9,839,000
Local Funds	45,212,661	45,212,661	45,212,661
Project Funds	724,363	724,363	724,363
	<u>\$ 55,776,024</u>	<u>\$ 55,776,024</u>	<u>\$ 55,776,024</u>
US Treasury Notes/Bills:			
Local Funds	\$ 5,048,438	\$ 5,016,350	\$ 5,028,905
TOTAL INVESTMENT HOLDINGS	\$ 125,044,135	\$ 124,962,945	\$ 124,977,351
Non-interest Bearing Cash	\$ 747,285	\$ 747,285	\$ 747,285
TOTAL CASH & INVESTMENT HOLDINGS	\$ 125,791,420	\$ 125,710,230	\$ 125,724,636
TOTAL REPORTED FOR 09/30/2019	\$ 163,451,111	\$ 163,658,944	\$ 163,675,941



* 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 2021
July 1, 2020 - September 30, 2020**

	September 30 Ending Balance	Qtr 1 Average Daily Balance	Percent of Portfolio	Qtr 1 Income Earned	Annualized Rates of Return				
					FY2021	FY 2020			
					1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	
Short-Term Investment Accounts									
Illinois Funds	\$ 45,212,661	\$ 48,302,279	37.27%	\$ 21,505	0.177%	0.713%	1.521%	1.818%	
Investment Accounts - Financial Institutions	\$ 57,656,129	\$ 52,154,370	40.24%	\$ 37,742	0.287%	0.856%	1.555%	1.865%	
Contributory Trust	\$ 9,839,000	\$ 9,838,768	7.59%	\$ 2,112	0.085%	0.437%	1.180%	1.540%	
Investment Accounts - Project Funds	\$ 724,363	\$ 1,044,476	0.81%	\$ 9	0.003%	0.424%	1.585%	1.776%	
CD's	\$ 1,514,208	\$ 1,514,054	1.17%	\$ 221	0.058%	0.186%	1.072%	1.347%	
ST Investment Accounts Total	\$ 114,946,361	\$ 112,853,947	87.08%	\$ 61,589	0.217%	0.741%	1.524%	1.695%	
Fixed Income Securities									
Local Funds	\$ 10,097,774	\$ 16,746,619	12.92%	\$ 51,075	1.210%	2.025%	1.890%	1.915%	
Fixed Income Securities Total	\$ 10,097,774	\$ 16,746,619	12.92%	\$ 51,075	1.210%	2.025%	1.890%	1.915%	
Non-interest Bearing Cash	\$ 747,285	-	-	-	-	-	-	-	
COMBINED TOTAL	\$ 125,791,420	\$ 129,600,566	100.00%	\$ 112,664	0.35%	1.05%	1.61%	1.73%	

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

FY22 BUDGET REQUEST

Summary: Each year, staff seeks the Board’s approval of budget request guidelines or the overall level of state funding requested for the upcoming fiscal year. This total request amount is recognized as the University’s budget request throughout the budget development process, including request submissions to the Illinois Board of Higher Education and the Governor’s Office of Management and Budget. Staff also uses this request when developing the University’s detailed budget request and other budgetary reporting materials for the Illinois General Assembly.

For FY22, NIU requests a funding level of \$98,972,808.

Background Information: For FY21, the University submitted a Board-approved budget request of \$93.6M to the Illinois Board of Higher Education. That request reflected an overall return to the revised FY15 base funding level of \$91.1M plus an additional \$2.5M for academic program priority requests. That request was not fully realized; however, State appropriations in FY21 remained at \$87.8M. For FY20 and FY21 NIU received the greatest total appropriations during a two-year period (\$175.6M) since FY14 and FY15 (\$184.5M), a demonstration of the focus that Governor Pritzker has placed on higher education.

NIU has prioritized addressing affordability concerns and maintaining fiscal responsibility by keeping the total cost of attendance for full-time students as low as possible. NIU has committed to holding base tuition flat and has not raised tuition since FY16. NIU has also reduced the amount of general fees students pay in this time.

During the past several years, state General Funds appropriations provided to Northern Illinois University have stabilized. The aggregate funding level during the past seven years reflects a state funding shortfall of \$88M, ignoring inflation, when compared to a flat-funding scenario at the FY15 level of support.

Year	NIU Request	State General Funds Awarded	Funding Deficit Compared to FY15 Funds Awarded
FY15	\$105.7 million	\$91.1 million	
FY16	\$105.3 million	\$26.4 million	(\$64.7 million)
FY17	\$91.1 million	\$91.1 million	
FY18	\$93.9 million	\$81.9 million	(\$9.2 million)
FY19	\$93.6 million	\$83.6 million	(\$7.5 million)
FY20	\$93.6 million	\$87.8 million	(\$3.3 million)
FY21	\$93.6 million	\$87.8 million	(\$3.3 million)
			(\$88.0 million)

The FY22 state budget request presented for the Board’s consideration reflects the University’s commitment to and advocacy for the students, faculty, and staff at NIU. This FY22 request for \$98.97M attempts to secure a more adequate level of state funding support which responsibly supports the University’s mission. The recommended budget request seeks funding for operational support and academic program priorities.

FY 2022 Budget Request Detail

TOTAL BUDGET REQUEST: \$98,972,808

A State funding level of \$98.97M will offset a minimum seven percent increase in expected and known cost increases to the NIU Income Fund, which funds 80 percent of NIU's budgeted personnel services expenditures and 55 percent of the University's budgeted contractual services spend, based on the current fiscal year budget (FY21). The Income Fund is reliant on revenues from State appropriations and student tuition and some fees. Maintaining recent stability in State appropriations while offsetting the expected cost increases in the Income Fund requires \$93.95M in State appropriations in FY22. In addition to this maintenance funding request, the \$98.97M appropriations request includes funding for the following initiatives and work that will not be possible without this additional State funding:

- **Data Sciences (\$764,200)** – This initiative will support increasing enrollments and number of degrees awarded in existing degree programs related to data sciences including programs in operations management and information systems, computer science, statistics, engineering and educational research and evaluation. Specifically, efforts will focus on increasing equitable enrollments and outcomes in data-oriented Science, Technology, Engineering, Math (STEM) programs, contributing to statewide efforts to address existing inequities. The initiative will also expand the vision of what data sciences encompasses at NIU by bringing in data utilization and applications in areas such as humanities and social sciences as well as business, natural sciences, and engineering. Further, the initiative will support the exploration of the integration of these aspects of data sciences through the potential development of an interdisciplinary graduate program in data sciences.
- **Nursing Education (\$554,900)** – Funding would provide the resources needed to increase enrollments and the number of degrees awarded in NIU's nursing program, which would contribute to key work force needs in the State of Illinois. Admission to the baccalaureate program in nursing is limited, and student demand for this program has consistently exceeded the resources available for the program. Many highly qualified students are turned away each year. The nursing program is accredited by the Commission on Collegiate Nursing Education.
- **Cluster Hire to Support Transdisciplinary Research (\$600,000)** – In October 2020, the Capital Development Board informed NIU that there are capital revenues available for the planning and design process of the new state-funded Health IT building to move forward. This initiative seeks funding to support the costs associated with the development of academic and programmatic initiatives that will be possible in connection with this space, including re-organization of existing, dispersed academic programs into the new building in a manner supportive of transdisciplinary research, public-private partnerships, community engagement and philanthropic opportunities. To facilitate future programming, this initiative asks for funding for the hiring of a group of faculty (“cluster hire”) whose research interests coincide with the transdisciplinary focus of the project and, in addition, would increase the diversity of the faculty.
- **Expanded Support for Student Services (\$3,103,000)** – This initiative will support the creation, expansion and/or implementation of various student support services in an effort to strengthen the holistic support system provided to students once enrolled. In order to provide a comprehensive system of support to NIU's diverse population of students with varying degrees of need, investment in various academic, financial and social support services are necessary. The requested level of funding would provide the following:
 - (1) \$1.8M for academic support services including a summer bridge program with capacity to serve 400 students annually, integrated advising including the

procurement of software for pre-enrollment communications and advising, and a robust tutoring/support coaching program;

- (2) \$320K for financial support services, specifically the creation of a student-facing Financial Aid Counseling unit made up of six full-time staff members; and,
- (3) \$1M for social support services including expansion of telehealth services, ten additional mental health counselors, increased student programming to promote continuous engagement and equitable opportunities for internships/externships and career counseling/transition.

In addition to state funding support, the University will also seek reforms that impact University resources but are considered non-budgetary in nature. Staff will work with the Illinois Board of Higher Education (IBHE), the Governor's Office, legislators, and other institutions to seek relief from unfunded mandates and burdensome regulations. In short, more flexibility is needed in order to adapt and thrive in today's uncertain environment.

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this budget request of \$98,972,808 and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on December 10, 2020 in order to ensure the timely preparation and submission of the University's FY22 detailed budget request to the IBHE and subsequent reports to the General Assembly.

FY22 IBHE CAPITAL BUDGET REQUEST

Summary: The Illinois Board of Higher Education (IBHE) Capital Budget Request is submitted in the fall prior to the budget year in order to meet IBHE and state capital project review and approval submission schedules. The Capital Budget Request consists of two principal categories of projects requesting state funding support and a third category that provides notification of anticipated non-instructional projects that might eventually require specific IBHE approval. Eleven capital projects, totaling approximately \$483M, and fourteen capital renewal projects totaling approximately \$67M, were included for submission in the October submission. Included within the fourteen renewal projects is a subset of seven projects that were identified as critical/emergency type projects in February 2020 when IBHE contacted the University requesting emergency type projects for consideration if alternate funding could be identified by the state. As no new funding source has since been identified these were included at the top of the capital renewal projects list.

Background: Requests for state funding include regular capital projects which represent major investments for new construction and renovation; and capital renewal projects which lists major repairs and system improvement projects with estimated budgets in excess of \$100K.

Priorities for capital projects were determined through reviews and discussions within a capital planning group which consists of the Provost; Research, Innovation, and Partnerships; the Chief Financial Officer; the Chief of Staff, and applicable representatives from Facilities Management & Campus Services. The group takes in consideration mission program requirements, building conditions, impact on student enrollment, and other factors when assessing project priorities. Capital renewal priorities are predominantly driven by building/infrastructure conditions and the potential for impacting university operations.

The State's FY21 budget included re-appropriation of capital projects which includes the University's priority capital project, Health Informatics & Technology Center, and approximately \$53M of capital renewal funding for deferred maintenance. Unfortunately, these authorizations continue to remain on hold due to the pandemic's impact on state revenues which were anticipated to fund these requirements. Projects originally authorized in FY19 continue to be funded and executed via the Capital Development Board. This includes \$6.1M for the boiler replacement project and \$5M for steam tunnel repairs.

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on December 10, 2020.

Regular Capital Project Priorities for FY22 IBHE Budget Submission				
Priority	Project Title	Total	Estimated	Cost
		(\$K)		
1	Health Informatics & Technology Center		77,000*	
2	Wirtz Hall Renovation		25,351	
3	Williston Hall Renovation		29,804	
4	Still Hall and Still Gym Renovation		62,609	
5	Gabel and Graham Complex Renovation		86,990	
6	Davis Hall Renovation		42,806	
7	McMurry Hall Renovation		22,818	
8	Reavis Hall Renovation		19,587	
9	Watson Hall Renovation		20,270	
10	Psychology/Computer Science Renovation		42,936	
11	Montgomery Hall Renovation		52,946	
	Total Regular Capital Projects		\$483,117	

*Note: #1 has been re-appropriated at \$77M.

Capital Renewal Project Priorities for FY22 IBHE Budget Submission				
Priority	Project Title	Total	Estimated	Cost
		(\$K)		
R1	Swen Parson Hall Roof Repairs		4,468	
R2	Visual Arts Building Structural Repairs		3,264	
R3	Anderson Hall Structural Repairs		4,657	
R4	East Campus Electrical Infrastructure Repairs		3,191	
R5	Masonry and Stone Restoration: Still Hall and Still Gym		517	
R6	Music Building Roof Repair		1,398	
R7	Gabel Hall Roof Repair		1,657	
R8	Academic Buildings - Teaching and Shared Space Improvements		12,765	
R9	Campus Wide Boiler Replacement – Phase II		9,906	
R10	East Campus Chilled Water System Reconfiguration		5,744	
R11	DeKalb Campus HVAC and Hood Repairs		3,537	
R12	DeKalb Campus – Fire Protection Upgrades – Phase I		6,510	
R13	Campus-wide Electrical Infrastructure Upgrades		5,234	
R14	DeKalb Campus – ADA Repairs – Phase I		3,766	
	Total Capital Renewal Projects		\$ 66,614	

Note: Items R1-R7 have been identified as Critical/Emergency projects in a February 2020 interim submission and therefore are included ahead of the regular capital renewals projects

Capital Projects

1. Health Informatics & Technology Center

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

2. Wirtz Hall Renovation

This 1964 building and the connected McMurry Hall, built in 1911, currently house the College of Health & Human Sciences which will be relocated with the completion of the Health Informatics project. This renovation will allow functions to be consolidated to the central campus and improve synergies with other programs. The repurposing of this building will ultimately lead towards right sizing the overall campus footprint by creating opportunities to dispose of underutilized properties/structures. With no major renovations since original construction the building is in need of building envelope, infrastructure and finishes upgrades to bring it in line with modern day campus facilities needs in addition to any space reconfigurations necessary for revised use.

3. Williston Hall Renovation

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

4. Still Hall and Still Gym Renovation

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

5. Gabel and Graham Complex Renovation

Gabel Hall was constructed in 1958, and Graham Hall was constructed in 1964. The buildings are interconnected, and access corridors flow directly between the two “buildings”, so they share many of the same deficiencies. Housed in these buildings are the Colleges of Education, Health and Human Sciences and Visual and Performing Arts. Significant classroom and faculty spaces dominate the use. While the spaces generally work for a classroom and faculty use, additional

efficiencies need to be made in order to achieve more optimal learning environments, a more modern, student-focused, technology-oriented teaching experience needs to be created. The roof system is in critical need of replacement. The buildings incorporate large amounts of asbestos containing materials and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods.

6. Davis Hall Renovation

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

7. McMurry Hall Renovation

This Georgian style building was constructed in 1911 and is the second oldest building at Northern Illinois University. The building was constructed of brick and limestone and currently supports the College of Health and Human Sciences. Other than the installation of a new roof in 2002 and various other minor renovations (i.e. painting/ carpeting/lighting), no other major renovations have occurred to McMurry Hall over the last 100+ years. Available power is completely inadequate for modern technology and classroom requirements. McMurry Hall still utilizes window unit air conditioning systems and the various other mechanical systems are inefficient, inadequate, and antiquated. The building requires tuck-pointing of all exterior masonry/stonework and a number of comprehensive infrastructure updates, including an upgraded electrical system and a new Heating, Ventilation, and Air Conditioning (HVAC) system that can take advantage of the centralized chilled water system. Space within McMurry Hall is configured for the building's original use in 1911. While the space generally works as a classroom building, additional efficiencies need to be made in order to achieve a more optimal learning environment with modern and technology-based amenities.

8. Reavis Hall Renovation

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

9. Watson Hall Renovation

Constructed in 1962, this building houses classroom and faculty spaces for the College of Liberal Arts and Sciences. While the spaces generally work for a classroom and faculty use, additional efficiencies need to be made in order to achieve more optimal learning environments, a more modern, student-focused, technology-oriented teaching experience needs to be created. The

buildings incorporate significant quantities of asbestos containing materials, roofing membranes need replacement and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current technological teaching methods.

10. Psychology/Computer Science Building Renovation

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

11. Montgomery Hall Renovation

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

Capital Renewal Projects

R1. Swen Parson Hall Roof Repairs

This is a significant historic building originally constructed in three sections with original center section in 1952 and then north and south wings in 1962-63. Over the years the limestone façade with mortar joints and a brick backup wythe have deteriorated from normal weather and winter freeze thaw cycle. Lack of a proactive preventative maintenance program due to limited funding has resulted in degradation of the stone and mortar at the perimeter parapet walls. The degradation of the stone has been found to have accelerated in the last few years. There are many examples of where the roof parapet has deteriorated severely displacing stones, damaging the soft brick backup and as a result allowing water infiltration damaging the building interior. The limestone coping stones are also being displaced by this freeze thaw cycle and are leaning precariously inward toward the roof. The exterior stone facade is degrading in many locations such that pieces have been falling to the ground. The roof membrane anchored to the parapet walls are compromised and water penetrating the walls has impacted the roof insulation which is now saturated. The building is occupied by the College of Law consisting of 260 students and 62 faculty members. The main campus computer network is also housed in this building which if impacted by water infiltration would create a major disruption on the whole campus. Additionally, the Bursar's Office, Cashiering Office and Account Counseling financial services which serve the student body are housed on the second floor of the building. The building's central location on campus creates significant pedestrian traffic around and through the building. The deterioration of the masonry facades has required NIU to take intermediate steps to mitigate including constructing temporary protective roof structures above building entrances and cordoning off areas around the perimeter. Additionally, netting has been installed at most of the building parapets in an effort to restrain the loose stone.

R2. Visual Arts Building Structural Repairs

The 48-year-old Visual Arts building has developed severe fractures and spalling in the exterior concrete structural columns and beams which are in urgent need of repairs. Additionally, the main north and south exterior entry stairs are in a severe state of disrepair needing to be completed

replaced, with sections currently having to be caution taped off for safety due to crumbling concrete. Project scope to also include tuckpoint the building envelope, caulking all building expansion/control joints, windows and doors, replacement of the deteriorated north entry deck area which has occupied space below, exterior perimeter balcony railings currently providing little fall protection to be replaced, drainage improvements at specific entry points of the building and on grade concrete at approaches to the building to mitigate water intrusion.

R3. Anderson Hall Structural Repairs

This building was originally constructed in 1964 and has received no significant renovations. Structural and mechanical system deterioration over the years have created a need for critical repairs. This project seeks to repair the exterior precast panel and curtain wall envelope encompassing the swimming pool area. Critically, the structural angles and brackets tying the precast panels back to the column are deteriorating causing the panels to pull away from the structure. The swimming pool deck is a structural slab with original tile that is allowing chlorinated water to infiltrate and degrade the slab and reinforcing.

The HVAC system for the natatorium space is also in need of a major overhaul to adequately maintain proper climate and humidity control for the entire building. Additionally, the west side exterior concrete deck is deteriorated and allowing water infiltration to mechanical rooms and academic cadaver labs below. Water infiltration from large horizontal expanses of concrete slabs, is creating critical interior structural damage to both beams and columns. The anatomy cadaver lab is located below this area and is directly affected by this infiltration. This project seeks to do a permanent repair of the concrete deck and all damages that have resulted from water infiltration to interior spaces.

Anderson Hall houses the campus indoor pool facility, the Department of Kinesiology and Physical Education, with an average of over 2,800 students enrolled per semester. The swimming pool is used by academic programs throughout the year and is the only functioning swimming pool on campus. Failure of the building envelope enclosing the pool area will close the pool operations and impact the supported programs. Anatomy classes are being taught in a classroom where water infiltration is being collected in containers and affecting the climate control required to adequately preserve the teaching cadavers. There is concern of both contamination of the cadavers, and additional health risks to the students.

R4. East Campus Electrical Infrastructure Repairs

This project will address critical electrical improvements for the east portion of the campus involving Swen Parson Hall, Davis Hall, and the Health Services Building. Portions of the existing electrical infrastructure were constructed in the 1940s, have far exceeded life expectancy, and are beyond repair. Failure of the electrical system would create significant impacts for critical campus support services such as the data center located in Swen Parson Hall which serves as the data and phone backbone for the entire campus. Significant failures to the infrastructure supporting this system would expose the campus to a high-risk situation for data loss and emergency communications.

R5. Masonry and Stone Restoration: Still Hall and Still Gym

Still Hall and Still Gym are brick and stone historic buildings dating to the 1920's. Lack of adequate sustainment invest over the decades has resulted in degradation including significant sagging and bowing of exterior walls. While a temporary measure was implemented in 2014 to slow the progression of the deflection, the walls in other areas continue to show evidence of similar masonry failure. Additionally, due to water infiltration from the roof membrane, and through the mortar joints in the wall, the steel lintels and steel bar joist have corroded. The rust corrosion is causing the steel to expand which in turn has displaced the brick and stone bearing wall. This will require

significant structural repair and restoration including interior wall and window repairs.

R6. Music Building Roof Repair

The original roof on the NIU Music Building was installed in 1972. While a portion of the roof system has been replaced, approximately 75% is original and has deteriorated to the point that patching and intermediate repairs are no longer feasible. The all-weathercrete insulation is saturated and has led to water infiltration and secondary damage within the building. This project seeks to replace approximately 55,000 sq. ft. of roofing and flashings for this building.

R7. Gabel Hall Roof Repair

This project seeks to replace the roofing and skylights on the single story south west wing of this 1950's vintage building. The most recent roofing installed on this section of Gabel Hall was installed in 1984 and has deteriorated in 36 years to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is increasingly occurring within the building creating concerns for mold development. Leaking skylights and water damaged asbestos plaster ceilings are also a significant issue. Roof replacement is necessary to correct the problem.

R8. Academic Buildings – Teaching and Shared Space Improvements

With a few exceptions, a large majority of the academic buildings on campus have seen minimal refresh, remodeling, or renovation since their original construction. As a point of reference, of the 22 main academic buildings on campus, 17 date back to the 1960's and 70's or before, therefore there is a significant imbalance between the newest spaces on campus and older buildings. The goal of this project is to update teaching and shared spaces across campus academic buildings, in order to create more inviting and flexible teaching and collaboration spaces for an enhanced student learning environment. The intended modernization improvements include furniture, finishes, lighting, power, and technology upgrades to meet the needs and expectations of today's students.

R9. Campus Wide Boiler Replacement – Phase II

Phase I was authorized in FY19 legislation and will begin the process of replacing the outdated heat generation capacity for the University. A three phased project in total, Phase II will add an additional boiler to the new centralized plant location and allow the University to become less reliant on the existing 50+ year-old boilers which are well past life expectancy. As the existing nine boiler steam system ages, many of its components have been decommissioned due to severe deterioration of the interior boiler tubes and apparatuses. Two boilers have already been taken out of service due to operational safety concerns. The complete phased replacements will allow the new heat generation to be more energy efficient and capable of varying to seasonal demand fluctuations. Phase III will be refined as Phase II gets completed and will complete the entire process of replacing the outdated heat generation capacity for the University. All three phases then, are required to completely remove reliance on the existing over-age boilers. While each phase reduces the risk presented by a catastrophic boiler failure during peak of winter demand, the risk of campus wide impact will not be adequately mitigated until all three phases are complete and existing boilers can be demolished.

R10. East Campus Chilled Water System Reconfiguration

Several buildings located on the Northern Illinois University campus are operated by stand-alone HVAC systems. The equipment comprising these systems have or will reach the end of their recommended lifespan relatively soon. Due to equipment age, these systems have become costly to maintain and operate. This project seeks to expand the chilled water generation capacity of the East Chiller Plant and connect Anderson Hall, Engineering Building, Barsema Hall, Still Gym, Still Hall, and McMurry Hall to the east campus chilled water loop. Based on preliminary

evaluation, this would be the more cost and energy efficient method of cooling than replacing the existing stand-alone equipment. The plant currently houses four chillers with space for expansion. The project scope will also include the addition of a sediment and air separator to improve the efficiency and sustainment of the system.

R11. DeKalb Campus HVAC and Hood Repairs

A primary focus of this project will be to address mechanical system repairs particularly related to safe ventilation support for laboratory spaces in various buildings on campus. In many cases, buildings may be 60-80 years of age where component repairs may no longer be feasible, and replacement of the system is required. A specific example to be addressed include improvements for outdated components of the HVAC and fume hood system in the LaTourette/Faraday complex. The interrelated HVAC fume hood systems provide for safe ventilation for both special laboratory spaces and regular classrooms/offices in the buildings. Additionally, the building HVAC system is failing to provide adequate humidity control causing deteriorating issues such as failing fireproofing, duct insulation mold issues, mold growth in stairwells and closets, condensate drains being inadequate, and excessive corrosion to mechanical units.

R12. DeKalb Campus – Fire Protection Upgrades – Phase I

While fire protection systems are built to code requirements at the time of construction, systems can become antiquated with limited feasibility for repair and other systems may require improvements or replacement to meet evolving code requirements. This project will assess, prioritize, and address fire protection improvements to various campus buildings with available project funding.

R13. Campus-wide Electrical Infrastructure Upgrades

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

R14. DeKalb Campus – ADA Assessment and Repairs – Phase I

The majority of campus buildings were built prior to the 1990 Americans with Disabilities Act (ADA). In 1994, a campus accessibility study was completed which highlighted deficiencies that existed at that time and guided the university's physical accessibility improvements over the past decades. While the University has addressed many accessibility concerns through focused efforts or indirectly with occasional renovations, ADA code requirements have continued to evolve and opportunities for further enhancements remain to support both students and employees. This project will assess, prioritize, and address accessibility deficiencies and enhancements within available funding.

DEKALB CAMPUS – CENTRAL CAMPUS ROADWAY IMPROVEMENTS

Summary: The project takes advantage of available Federal Highway Administration grant funding requiring 20% matching funds. Eligible work is limited to roadway improvements, and three campus locations present a current need for road improvements supporting bus routes and crosswalk Americans with Disabilities Act (ADA) improvements. These locations include roadway improvements for the Holmes Student Center (Carroll Avenue) bus turnaround and the DuSable complex (University Circle Drive) bus turnaround, and crosswalk improvements at the intersection of Lucinda Avenue and Normal Road. Should construction commence as planned in FY22, design expenditures would be necessary in FY21.

Background: In early 2004, NIU received the first allocation of a substantial Federal Department of Transportation (DOT) highway grant to construct roads on the property west of the Convocation Center. The total Federal Highway Grant was \$8,320,000. The far west campus road project was completed and left a remaining balance of \$234,000 in the available grant funding.

In recent discussions with Illinois Department of Transportation (IDOT) representatives administering the grant funding, the identified scope for this project has preliminary support and could be executed in summer/fall of FY22. The budget for all three projects combined approximate the remaining funds and the required NIU funding for design and 20% of construction costs. Design efforts would be executed in FY21 and construction scheduled for early FY22.

Funding:	Federal Highway Grant Funds:	\$234,000
	NIU local funding:	<u>\$123,600</u>
	Total project cost:	\$357,600

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its Special Meeting on November 12, 2020.

INTERCOLLEGIATE ATHLETICS BOWL GAME PARTICIPATION EXPENSES

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

Due to COVID-19, details surrounding the football season and bowl scenario are unclear at this time. However, should the National Collegiate Athletic Association (NCAA) permit bowl games and NIU qualify, the University is requesting approval for acquired expenses now as there will be a quick turn-around necessary to secure logistics.

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

Funding: Institutional – Local Funds, Intercollegiate Athletics

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on December 10, 2020.

Amount Paid in FY20:	Not Applicable
Amount Paid in FY19:	\$550,000
Amount Paid in FY18:	\$460,000
Amount Paid in FY17:	Not Applicable
Amount Paid in FY16:	\$875,000

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF
\$100,000 FOR THE PERIOD JULY 1, 2020 TO SEPTEMBER 30, 2020**

Purchase Amount	No. of Transactions	Appropriated *	Non-Appropriated	Total
Over \$100,000	14	\$588,719	\$1,972,019	\$2,560,738

TRANSACTIONS DETAIL:

Purchases:

1. Continuing Professional Education requested permission to contract with this vendor as part of a consortium that makes up the National Safety Education Center. The services include the planning and presentation of Occupational Safety and Health Administration (OSHA) courses to be taught during the period July 1, 2020 through June 30, 2021. (Construction Safety Council, Hillside, IL) 200,000
2. Utilities/Facilities requested permission to issue an open order for the removal of solid waste and recycling for the NIU campus for the period July 1, 2020 through June 30, 2021. This was the third year of a five-year renewal option. This item was advertised under Request for Proposal (RFP)#SMO040318. (Waste Management, Batavia, IL) 225,000
3. Renewal was required of the contract for Identify Management Software that is used to programmatically manage computing accounts for the entire University involving students and staff. The period of coverage is August 1, 2020 through July 31, 2021. This purchase was exempt from posting on the Illinois Procurement Bulletin as it is covered by a Midwestern Higher Education Compact (MHEC) contract. (Micro Focus Software, Provo, UT) 105,318*
4. Renewal was required of an electronic research administration system for the period July 1, 2020 through June 30, 2021. This system can cover all facets of research administration and compliance within one software package from one vendor. This was the first of nine one-year renewal options. This item was advertised on the Illinois Procurement Bulletin – RFP #KMC21544 on 4/4/19. (InfoEd International Inc., Albany, NY) 129,360

5. The Division of Research and Innovation Partnerships requested permission to enter into a contract with Northern Illinois Research Foundation (NIRF), established as a not-for-profit 501(c)(3) in Illinois, for the principal purpose of aiding and assisting Northern Illinois University in advancing its economic development, public service, research and educational mission. This contract is for the period July 1, 2020 through June 30, 2021. This order was exempt from advertising per IL Code 30 ILC1-10(b)(1). (Northern Illinois Research Foundation, DeKalb, IL) 186,625
6. Integrated Media Services requested permission to issue an open order for Standard Mail postage and annual permit fees for DeKalb permit #120 for the period July 1, 2020 through June 30, 2021. This vendor is a government entity and therefore exempt from advertising. (United States Postal Service (USPS), DeKalb, IL) 233,275
7. The Division of Research and Innovation Partnerships requested permission to enter into an agreement for an umbrella service plan for the Core Facilities instruments through Shimadzu Scientific Instruments to support the university's research and Core facilities mission. The service agreement ensures the instruments can be maintained and serviced. This is the second year of a Sole Source (kef165505) that included four one-year renewal options. The intent to award this contract was advertised in the Illinois Public Higher Education Cooperative (IPHEC) Procurement Bulletin. (Shimadzu Scientific Instrument, Addison, IL) 217,404*
8. Renewal was required for copy paper for use across campus in connection with Anywhere Prints for the period July 1, 2020 through June 30, 2021. This was the sixth of nine annual renewal options. The original order was advertised (KMC146496) on May 15, 2014. IPHEC renewal award was dated June 12, 2020. (Lindenmeyer Munroe, Carol Stream, IL) 245,000
9. Campus Dining requested permission to issue an open order for food and non-food related items needed to operate the Starbucks HSC Retail Store for the period July 1, 2020 through June 30, 2021. Sole Source Authority for Starbucks Coffee Co. - #Starbucks NIUHSC19-7/1/2018-6/30/28, in the amount of \$1,380,000.00 (inclusive of license, royalties, food, and non-food). (Starbucks Coffee Co., Chicago, IL) 150,000
10. The Division of Information Technology requested permission to issue an open order for voice-trunking services, local and domestic long-distance service, inbound toll-free service, and associated fees and taxes during the period July 1, 2020 through June 30, 2021. This was a Sole Source under #PSCMAB123119, published on 4/24/20, with a term 3/1/20-6/30/20, and a one-year renewal option. (Frontier North Inc., Sycamore, IL) 235,000
11. The Division of Information Technology requested permission to purchase Adobe User license to be used by faculty and staff and includes Document Cloud storage and services for the period September 1, 2020 through August 31, 2021. This is an IPHEC vendor and therefore exempt from advertising. (CDWG, Chicago, IL) 160,855*

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| 12. The Division of Information Technology requested permission to purchase laptops to be deployed to NIU students, faculty, and staff as needed for the fall semester. This is an IPHEC vendor and is exempt from advertising.
(Dell Marketing LP, Round Rock, TX) | 105,142* |
| 13. Facilities Management requested permission to make an emergency COVID-19 purchase of HEPA Air Filter Machines and filters to be used in various classrooms across campus. IPHEC vendors have been reviewed and they either had less availability, greater cost, or a combination of the two.
(Occupational Training & Supply Inc., Willowbrook, IL) | 248,859 |

Capital Improvement Projects:

- | | |
|---|---------|
| 1. The Stevenson residential complex hot domestic water booster pumps located in the south mechanical room have exceeded their expected lifespan. Electrical issues have severely impacted the normal operation of these pumps and limits operation at full capacity only regardless of demand. Replacement of the hot water pumps will be performed over winter break to least impact residents and allow for the purchase of long lead time equipment.
Work will be completed by outside contractors with internal trade workforce assistance under the coordination of a NIU project manager. | 118,900 |
|---|---------|

*Appropriated/Income Funds

**FY20 ANNUAL REPORT OF
TRANSACTIONS INVOLVING REAL PROPERTY**

This report is structured around four categories of real property transactions – surplus property sales, in-leases, out-leases, and capital leases.

Surplus real property sales include properties previously approved by the Board under the authority granted by the Illinois Property Control Act (30 ILCS 605). Other disposition efforts for properties determined as surplus at the September 2019 Board meeting have been slowed by the pandemic and will resume as priorities allow.

In-leases, where NIU acts as the lessee, serve to provide support when either there is insufficient or inadequate space for the requirement within University-owned property. Annual reviews are conducted to verify the continuing need for in-lease arrangements before renewals are executed.

Out-leases, where NIU acts as the lessor, serve to effectively leverage under-utilized property either financially and/or through compatible support to the University mission. Annual reviews are conducted to evaluate the out-lease value to the University prior to renewal.

Facility capital leases are long-term payment agreements with interim leases where the final objective is University ownership of the property.

Transaction Type	Number of Transactions	Transaction Percentage	Dollar Volume	Dollar Percentage
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Surplus Real Property: Reflects proceeds from the sale of the President’s residence in March 2020.

Total	1	100%	\$252,267	100%
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In-leases (NIU as lessee): Includes support for academic activities (e.g. steel drum workshop, art studios), law clinic, outreach activities (e.g. NPR operations), and research (e.g. robotic submarine).

Under \$100K	15	88%	\$327,901	43%
\$100K to \$250K	1	6%	\$112,452	15%
Over \$250K	1	6%	\$319,000	42%
Total	17	100%	\$759,353	100%

Out-leases (NIU as lessor): Includes support for government organizations (e.g. IL Board of Examiners, IL Dept. of Agriculture, State University Retirement System), commercial operations (e.g. ATM machines, bookstore in HSC farmland rental), and research (e.g. American Institute for Research in the Biological Sciences*).

Under \$100K	10	84%	\$409,339	49%
\$100K to \$250K	1	8%	\$156,014	19%
Over \$250K	1	8%	\$264,951	32%
Total	12	100%	\$830,304	100%

Facility capital leases: Includes the annual payments for the Illinois Association of School Business Officials Building, and the New Hall/Northern View Residential Complexes. The Chessick/Yordon structures were incorrectly listed as capital leases in past year reports.

IASBO Building

- Payments made in FY20		\$69,926
- Payments to date	\$1,474,284	
- Remaining debt	\$273,879	
- Ending date of term	May 2024	

New Residence Hall Complex/Northern View Residential Complex

- Payments made in FY20	\$10,620,128	
- Payments to date	\$86,889,630	
- Remaining debt	\$252,003,382	
- Ending date of term	April 2043	

FY20 REPORT ON FACILITIES AND INFRASTRUCTURE CAPITAL INVESTMENT ACTIVITIES

Background: While the pandemic has placed a value on remote learning and virtual interactions for the sake of limiting the virus spread, the benefits of face to face instruction, experiential learning, student interactions, etc. continue to remain important factors. Most universities have physical campuses to create these enhanced learning opportunities in a welcoming and inclusive environment. Sustaining the physical campus to provide an enriched learning environment continues to be viewed as critical for the university mission. With this premise, the campus must be sustained to ensure the buildings and infrastructure can be effectively and efficiently used for the intended life span.

This report reviews and summarizes a holistic capital investment perspective based on the layered investment strategy of maintenance, major repairs, and mission enhancement capital improvement projects. A historical view is presented from information collected from FY00 through FY20. This view is also categorized by the two major classifications of campus buildings as noted below. This differentiation is critical to understanding the source of funds required to support each type of building and the supported University operation.

- **General Revenue:** Consists predominantly of academic and administrative operations, associated buildings and proportional supporting infrastructure. This conservatively represents about \$1.2B of Plant Replacement Value (PRV) which serves as a common denominator for comparing buildings.
- **Auxiliary Revenue:** Consists predominantly of athletics, housing/dining, recreation, and Holmes Student Center operations, associated buildings, and proportional supporting infrastructure. This also conservatively represents about \$1.2B of PRV.

The format of this report is consistent with previous capital investment reports with the intent to (1) provide a strategic view of all investments made in facility assets, (2) present an indication of the level of investment required, and (3) continue to illustrate the overall health of the campus physical plant. A traditional reporting description of capital projects is provided in appendix A showing highlights of significant actions approved between FY11 and FY20. Appendix B is the semi-annual accounting of all current active projects >\$100,000. These appendices do not provide strategic perspective with the information provided but help illustrate examples for the types of work supported by the various investment categories.

Information presented represents a best effort at collecting and interpreting historical financial data into a meaningful format and developing an investment strategy/model to guide future focus. Improvements and refinements are anticipated for subsequent reports as data is better characterized with future investments. The facility sustainment investment model, initially described in the FY17 report, continues to be utilized as a method of comparison to industry standards and a required investment level. The basis of this model is built on the premise that about 2% of PRV is the required maintenance and repair investment to keep up with the expected rate of deterioration. Industry facility management experts have concluded that investment levels of between 2% and 4% are generally required depending on the type of facility, level of use, and current state of deferred deficiencies. If investments levels are too low, the backlog of deferred requirements continues to build as deficiencies accumulate, and overall repairs become more costly to restore to acceptable conditions as deficiencies worsen. Like with any valuation criteria, this PRV calculation will vary by time. For the sake of simplicity when illustrating this budget model, a

conservative \$2B PRV total was used for this report and is considered a reasonable representation of average value for this 21-year time span.

This sustainment investment model has gained some recognition and influence for the financial modeling being done by the Illinois Board of Higher Education (IBHE) and helped some state politicians improve their overall understanding for the capital investment issue beyond the overly simplistic metric of a deferred maintenance backlog. Recognizing that a minimum annual investment level is required just to stop a deferred maintenance backlog from growing is a significant step towards understanding this complicated capital investment issue.

Key updates in this report compared to past years:

- **Rebuild Illinois Capital Plan:** In FY20, the State authorized a six-year investment plan for public infrastructure requirements. Since revenue sources had not yet materialized and State fiscal demands were further complicated by the pandemic, these investment authorizations were placed on hold.
- **Comparison of Preventive Maintenance and Corrective Repair efforts:** While the multi-year effort to build a formal preventive maintenance program continued, accomplishing all preventive maintenance efforts continue to be challenged by the need to repair failed systems to keep buildings operational.
- **Building Inventory summary:** As the pandemic drives uncertainty with revenue flows supporting facility sustainment, buildings and infrastructure continue to age with 55% of building spaces being greater than 50 years.

Maintenance Investments

Maintenance is fundamental investment required to keep facilities operational and functional. The actions represented in this investment category include (1) preventive maintenance (PM) which helps ensure building systems function for the intended life, and (2) corrective repairs which allow for smaller critical (and sometimes interim) repair actions to keep the building functioning on a daily basis. A key strategy continuing to be implemented to help ensure available funding is utilized in the most effective manner is the implementation of a formal PM program. The effort that began in FY17 to document PM requirements and track accomplishment for about 8,465 individual items represents the steady progress planned to continue through FY21, as shown in Figure 1 below.

To be clear, the chart represents PM requirements that should be accomplished to best maintain building systems; how much PM work can be accomplished depends on the available sustainment funding and on the amount of corrective repairs which may be necessary to keep building systems functioning. The magnitude of corrective repairs required to be addressed reflects the level of major repair investment. As major repairs continue to be deferred, corrective repair demands increase and become more significant. Consequently, PM efforts often must be deferred/not performed to accommodate unavoidable corrective repairs.

Preventive Maint. Implementation Planning

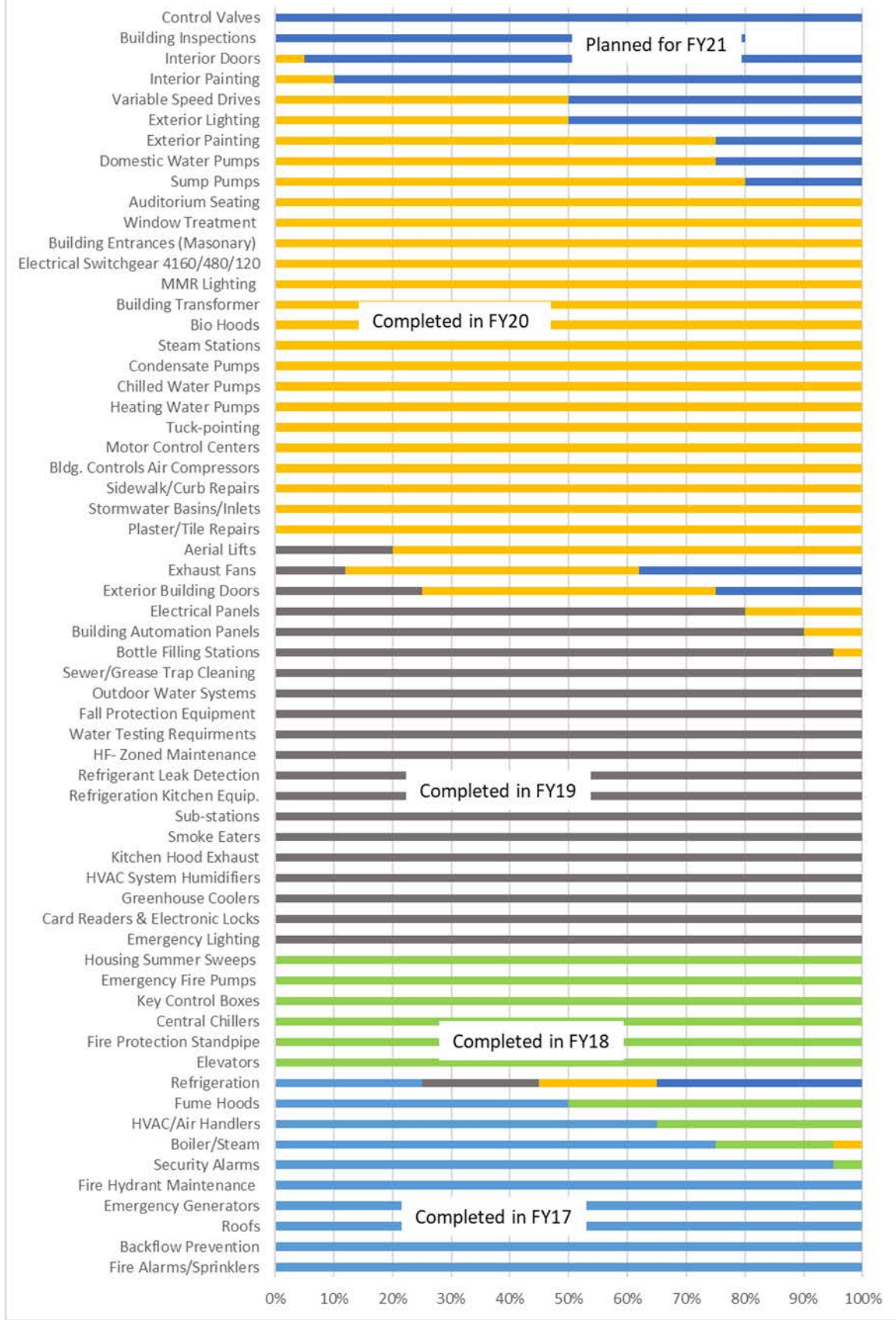


Figure 1

Figure 2 reflects the amount of preventive maintenance and corrective repairs performed over the past few years. In well maintained systems, the ratio between PMs and corrective repairs should be about 80/20 where more preventive maintenance efforts are expended and suppressing the need for unplanned corrective repairs. Unfortunately, this balance is reversed for NIU due to decades of under investment in facility sustainment. Realizing the \$53M of capital renewal authority appropriated by the State under the Rebuild Illinois Capital Plan will go a long way towards assisting NIU in addressing this PM to corrective repair imbalance.

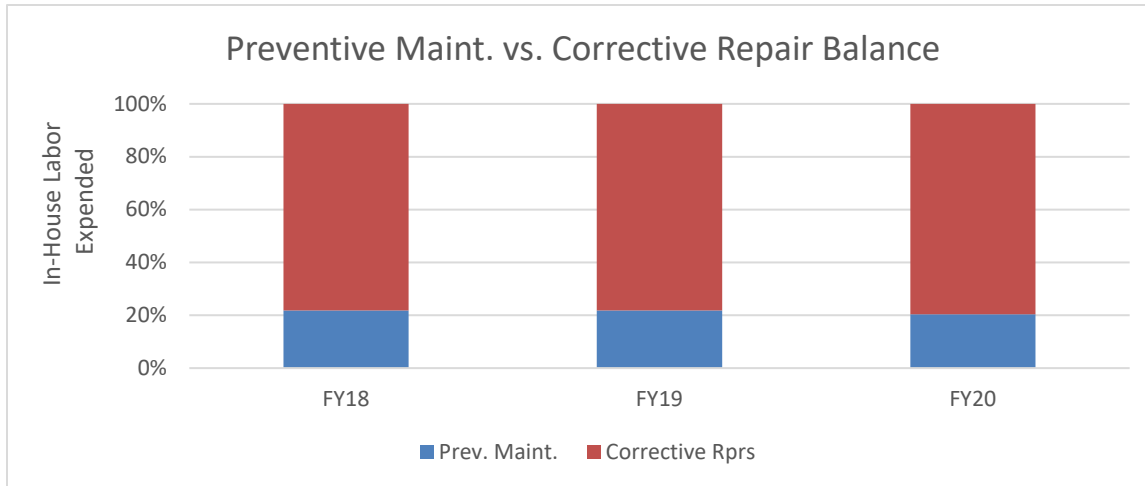


Figure 2

How much should be invested in maintenance depends on the necessary PM actions and historic levels required to address smaller corrective repairs. Presented in Figure 3 below is a historical view of maintenance investment made on general revenue facilities/infrastructure between FY00 through FY20. While 2% of PRV is the overall investment target for both maintenance and repair, 0.5% is the approximate target for maintenance only. This investment level is particularly important as larger repair investments continue to be deferred.

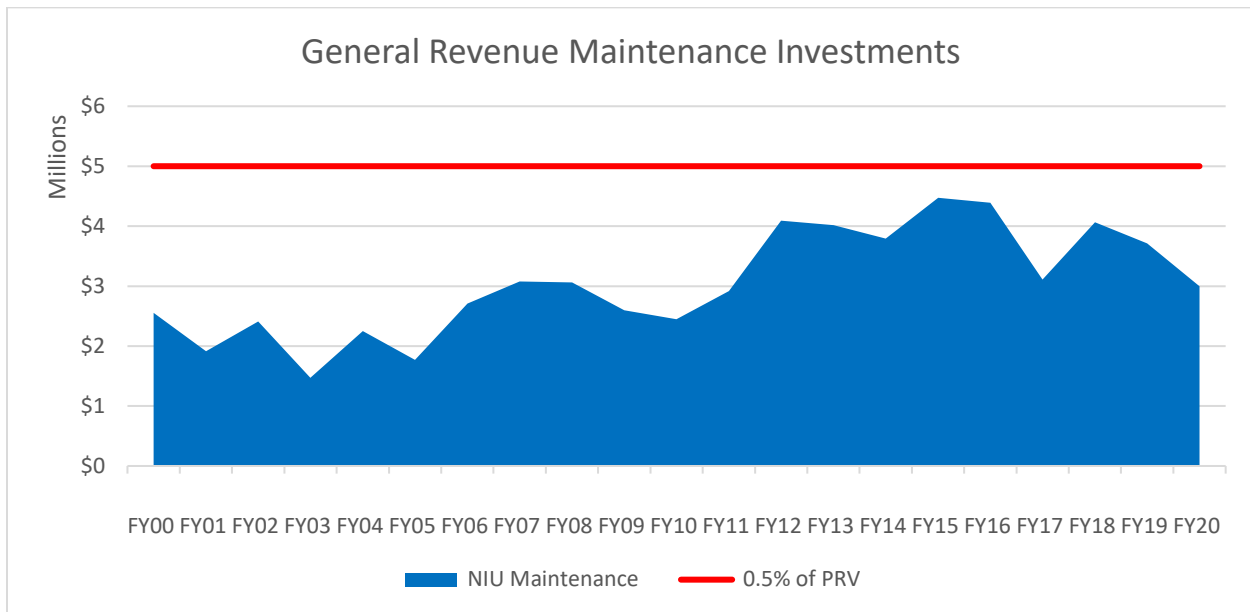


Figure 3

In general, the University has succeeded in increasing General Revenue maintenance investments over the past 21 years. From a low point in FY03 of just under \$1M, this investment has increased nearly four times to create a respectable investment level for this fundamental layer of facility sustainment. In FY17, this funding level dipped to \$3M due to the need to weather the uncertainty

of state funding between FY16 and continuing into FY17. Unfortunately, the maintenance investment declined again to \$3M in FY20 particularly due to the onset of the pandemic and the need to preserve cash for the uncertainties in this period.

In a similar manner, the facility maintenance investment supporting Auxiliary Operations was plotted in Figure 4. This shows an overall improved level of investment between FY00 and FY15 which may be due to less volatility in funding support as the typical bond-based financing terms require more attention to protecting these facility assets. However, a significant decline has been seen in this investment profile since FY15 due to overall budgetary pressures caused by enrollment decline. In FY20, this suppressed investment level continued particularly due to the onset of the pandemic.

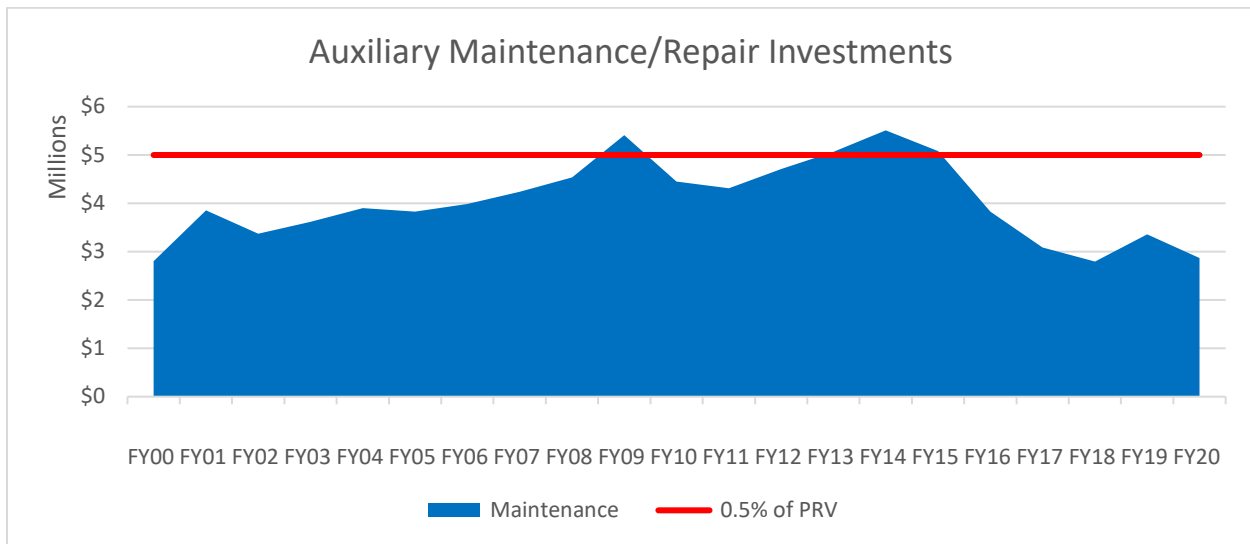


Figure 4

Major Repair Investments

Major repairs are the next critical investment priority after maintenance. Major repairs commonly include significant restoration/replacement of building components to return the system to near original operating capability. The combined investment of both maintenance and repair is key to maximizing a facility’s service life.

Viewing the campus under the General Revenue and Auxiliary portions as shown previously, each portion of the campus represents about \$1B of PRV for a conservative total of \$2B. A 2% investment in maintenance and repair would amount to a total of \$40M, or \$20M for each portion. In Figure 5, the maintenance and repair General Revenue investment history is presented since FY00, and, on average, the investment level has been only 0.5% despite the inclusion of sporadic support of State repair funding. The void between the investment levels made over these years and the 2% of PRV target represents over \$315M in under-investment in this 21-year period alone.

Since deferred maintenance is a very imprecise measurement and has no comparison standard to indicate acceptable levels, the investment level trending shown by this PRV sustainment model is

NIU’s average investment level only reaches 25% of the model recommendation.

a better indication of the overall campus condition. In this case, NIU’s average investment level only reaches 25% of the model recommendation. This clearly indicates that the campus is not keeping pace with deterioration and is at higher risk of unplanned system failures which could affect the university mission.

Framing the University’s facility investment requirements in this clear manner has helped to bring recognition to the plight faced by Illinois’ public universities and started to generate additional funding support. In FY19, approximately \$11.8M of state funds were identified to support critical boiler replacements and steam line distribution repairs. Entering FY20, NIU had been authorized \$77M for constructing a new Health Informatics and Technology Center and \$52.9M for miscellaneous capital renewal improvements under the Rebuild Illinois capital plan. While the availability of these funds was known to be dependent on new tax revenue generation, the pandemic created an additional challenge to realize these revenue gains for state capital investments. In Figure 5, an assumption is made that funds may not be available until FY22 and, optimistically, renewal funds may be distributed evenly over the following six-year period. While disappointing to see this intended capital investment delayed in actual appropriation, the authorization continues to demonstrate the state’s recognition for increased capital investments. Until these funds can be realized, there will continue to be significant pressure on maintenance funding and increased risk for keeping facilities operational.

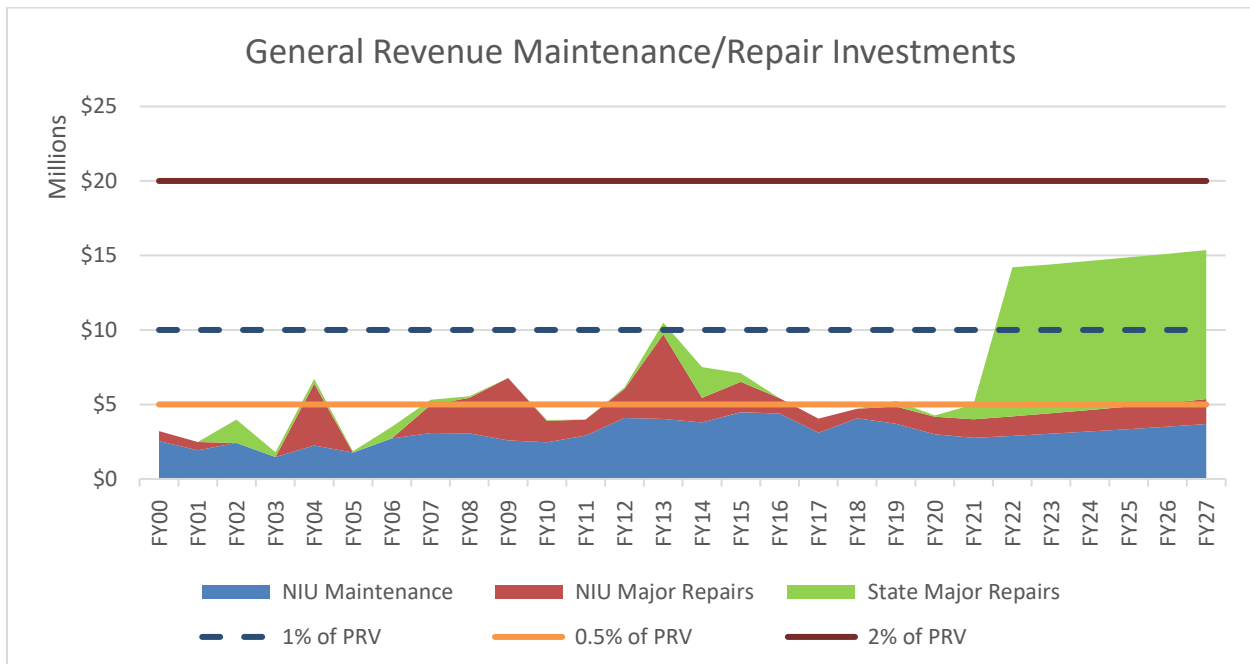


Figure 5

While the level of historic and current investments has not been sufficient to keep up with the constant accumulation of facility deficiencies, the anticipated improved investment level for FY22-FY27 might reach approximately 1.5% of PRV which is a respectable investment level compared to the past. Sustaining this investment level combined with periodic capital/mission enhancement investments (as noted later in this report) and the demolition/sale of surplus structures, may stop the backlog of deferred deficiencies from growing and possibly start to reduce the backlog.

In a similar manner, the total facility maintenance/repair investment supporting Auxiliary buildings was plotted in Figure 6. On average, particularly with an investment spike in FY13-FY14 supported by Build America Bond financing, this investment level comes to 0.6% which is slightly above the average General Revenue investment level of 0.5%. As previously addressed under the construct of the 2% of PRV investment model, FY20 Auxiliary investments fell short of the 2% industry standard by \$15M. When considered cumulatively over this 21-year period, the under-investment from the 2% of PRV objective represents over \$289M. As discussed previously, this cumulative deferred maintenance amount is not as informative as understanding the long-term trend of investing, on average, only 25% of the recommended level for maintenance and repair

needs. As noted for the General Revenue portion, the Auxiliary portfolio of buildings is also not keeping pace with deterioration rates and will be under increased risk of unplanned building failures.

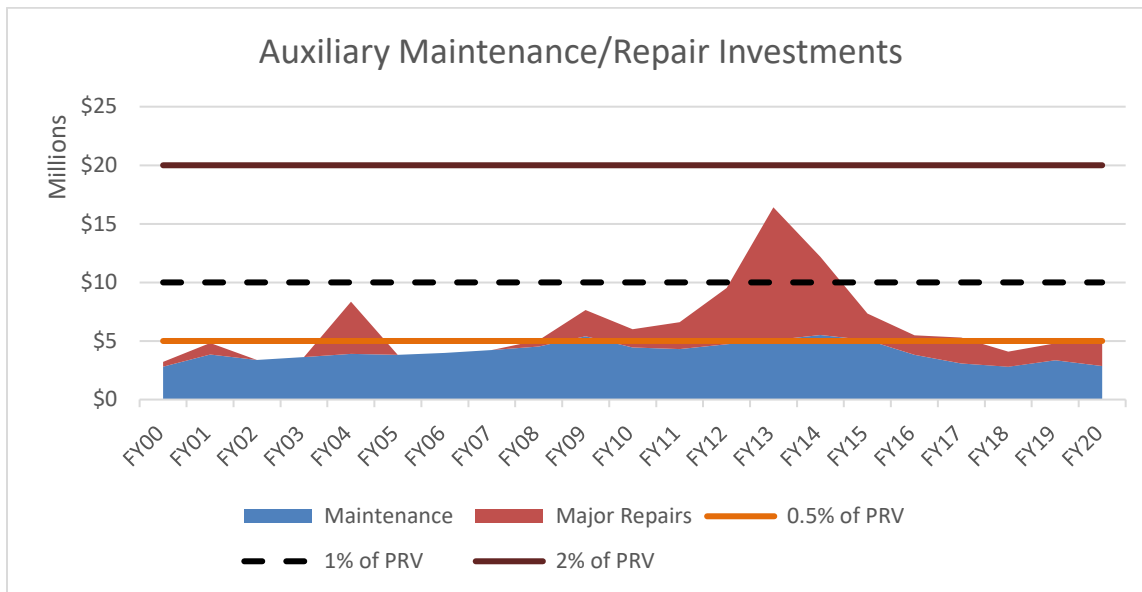


Figure 6

Mission Enhancement Investments

Mission enhancement investments in facilities are defined as improvements that are new or add to an existing capability. As such, these investments may or may not have a direct impact on sustaining a building for its intended life span. This could include modernization updates to a building’s appearance, reconfiguring spaces to better accommodate the supported mission, or adding other capabilities not previously present in the structure. While still important investments for enhancing a building’s appeal and general functionality, this category is differentiated from the maintenance/repair investments which are meant to sustain facilities.

Mission enhancement investments in General Revenue buildings are plotted in Figure 7 below. The 2% of PRV investment model is shown as a reference for the magnitude for this investment, but the entirety of the mission enhancement investment should not be construed as contributing towards achieving this sustainment investment target. Major renovation projects may address facility deficiencies in a portion of the project scope. However, new construction would not address existing facility deficiencies unless accompanied by demolition.

Assuming for a moment that the entirety of mission enhancement investments did contribute towards a building’s sustainment, the combination of maintenance, repairs, and mission enhancement investments over this 21-year period averaged to only 1% of the PRV (50% of target level). This cumulative gap of over \$217M from reaching the 2% investment target further illustrates the magnitude of under-investment for the General Revenue facilities and infrastructure. Mission enhancement investments for FY20 consisted mostly of smaller NIU-funded projects which totaled about \$1M.

The Figure 7 chart also forecasts the authorizations from the Rebuild Illinois Capital Plan, specifically pertaining to the construction of the Health Informatics & Technology Center project. Following the previous discussion for state funding, an assumption is made that funding for this project may not be available until FY22, at best, and may be distributed over a three to four year period.

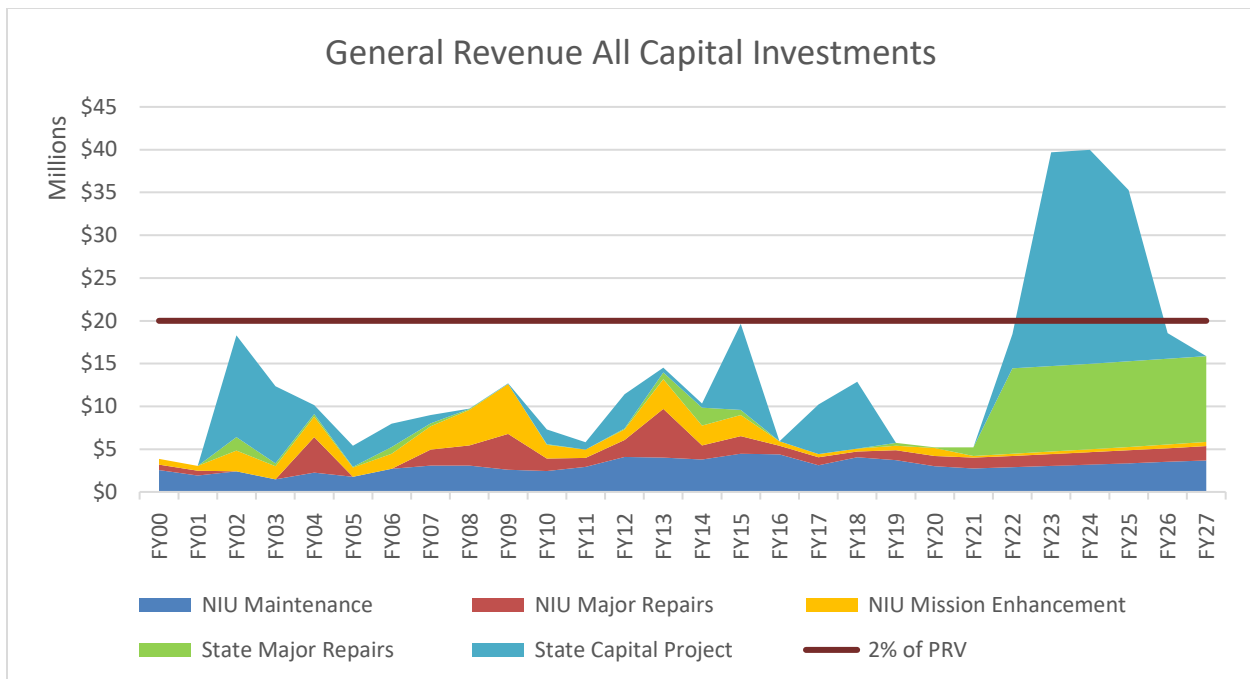


Figure 7

Mission enhancement investments in Auxiliary/Bond Revenue buildings are plotted in Figure 8 below¹. Again, the percent of PRV investment model is shown as a reference only to illustrate the magnitude for this investment. Assuming for a moment that the entirety of maintenance, repair, and mission enhancement investments would contribute towards sustaining a building/infrastructure, the total investments over this 20-year period would average to 1.2% of PRV. While slightly better than the General Revenue side, this cumulative gap of over \$162M from reaching the 2% investment target also further illustrates the magnitude of under-investment in Auxiliary buildings/infrastructure.

The largest period of investment in the Auxiliary portion of the campus occurred during the FY11-FY16 period and was spurred by the financing from the Build America Bonds. This supported projects such as the Gilbert Hall renovation, Grant North Towers renovation, Outdoor Recreation Center construction, fire sprinkler installation for Stevenson Hall, and the Lucinda Ave extension following the Douglas Hall demolition. The remaining Build America Bond funding was expended mostly in FY19 and FY20 for the Holmes Student Center ground floor renovation.

¹ The financed construction investment of the New Residential Hall was not able to be incorporated into this historical assessment at this time and will be evaluated in future assessment reports as more information is gathered.

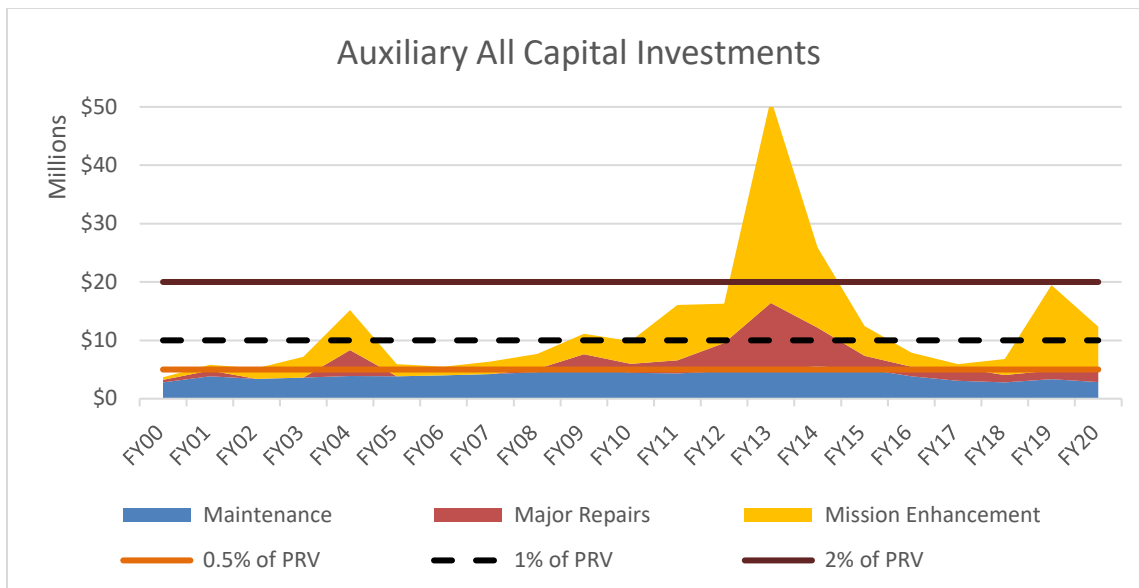


Figure 8

Building Inventory

This is a new section added to this year’s report intended to provide a high-level overview of the campus buildings. The university campus is comprised of approximately 85 major buildings with an average age of 48 years. Sixty-four (64) buildings are considered General Revenue support and twenty-one (21) buildings are considered Auxiliary support.

While the number of buildings differs between the two financial systems, the space contained is roughly equal with the General Revenue buildings holding about 3.95 million square feet and the Auxiliary buildings holding about 3.84 million square feet. Of the entire approximately 7.8 million square feet of university buildings, 55% (44 buildings) is greater than 50 years of age and at a higher rate of deterioration.

Of the entire approximately 7.8 million square feet of university buildings, 55% (44 buildings) is greater than 50 years of age and at a higher rate of deterioration.

The combination of aging infrastructure and continuing under investment for facility sustainment requirements, as addressed earlier in this report, is creating a growing financial liability. This liability can only be addressed by increasing investments, reducing the facility inventory, or a combination of both actions. Reducing the inventory could be accomplished through consolidation and disposing of excess structures. Disposal actions may be through demolition or sale of buildings and property determined to be surplus to the university needs.

In FY20, the former President House on Woodlawn Drive had been sold under the relatively new authority provided by the State Property Control Act (30 ILCS 605). The intention of the revised Act was to further address deferred maintenance liabilities by requiring sale proceeds to be used only for this purpose. Other properties such as the Art Annex along Sycamore Road is in the process of consolidating supported functions and preparing the property for sale. Structures not appropriate for sale and situated best for demolition would include the Lincoln Hall residential complex and Adams Hall. Both buildings are vacant and awaiting demolition possibly in combination with the new construction associated with the Health Informatics & Technology Center project authorized under the Rebuild Illinois capital program. Further opportunities to consolidate and right-size functions will be evaluated to identify additional structures which may

be disposed. In the long term, this action will allow the university to place more resources towards remaining structures and other operations enhancing the university mission.

Conclusion

This report continues to highlight the extended period of past systematic underinvestment which has created a dire need for repair and modernization investments. While the anticipated increase in state funding has been delayed awaiting tax revenue realizations and economic impacts from the pandemic, the intention for increased investment remains hopeful for future years. The immediate challenge will be mitigating the most critical deficiencies in the most efficient manner possible until larger repairs and modernization improvements can be supported.

While political attention will be naturally focused on pandemic impacts and recovery, the need for infrastructure investment efforts to convince political leaders to continue this improved investment beyond the current Rebuild Illinois initiative will be critical. Buildings and infrastructure have been stressed literally to the breaking point and repeated cycles of underinvestment in the future will not be as tolerable and will likely lead to more failures impacting the University mission to a greater degree than experienced in the past.

In the meantime, the University will need to continue to systematically prioritize facility investments and look for opportunities to reduce the sustainment liability through reduced facility assets. For FY20, as shown in Figure 9, this has focused more General Revenue funding towards maintenance/repair requirements. For Auxiliary operations, FY20 investments were skewed by the completion of the major Holmes Student Center renovation project.

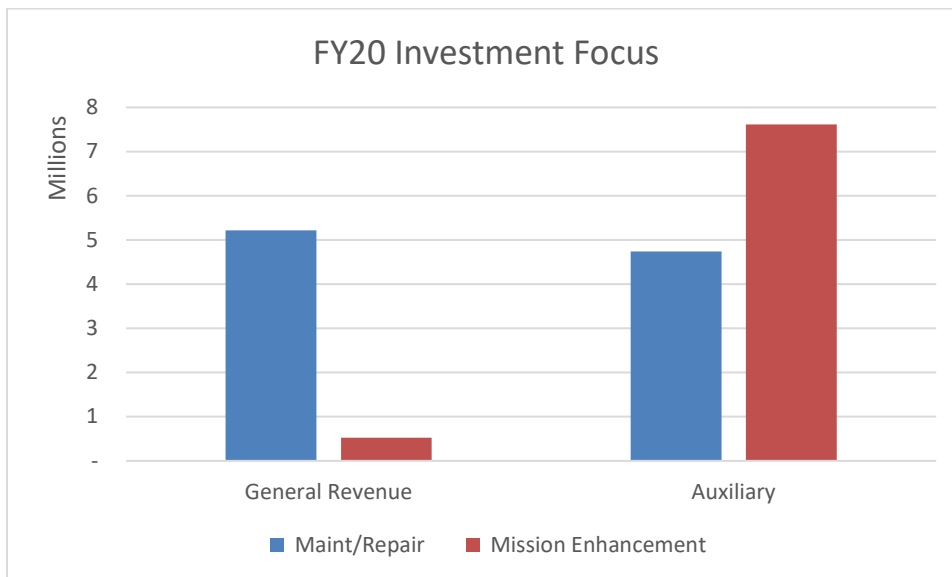


Figure 9

Appendix A Historical Highlights of Approved Projects

In Fiscal Year 2011, the Board approved seven projects in excess of \$1M: \$85.76M for projects related to Campus Non-Instructional Modernization and Capacity Improvement; \$7M for the renovation of parking facilities; \$5.24M for a new outdoor recreation facility; \$3M for Grant Tower Renovation Phase I; \$2.88M for electrical infrastructure upgrades; \$2.69M for Stevenson Fire Sprinkler System; and \$1.74M approval of Capital Development Board (CDB) funds for roof replacement on seven general revenue buildings. There was one project between \$500K and \$1M: \$970K was approved for the roof replacement at Holmes Student Center. There were two project approvals between \$250K and \$500K that totaled \$692K: \$365K for campus alert phase II; and \$327K to repair the building envelope at Lincoln Hall. There were three project approvals between \$100K and \$250K that totaled \$602K, and twenty-seven projects under \$100K were approved. There were ten repair and remodeling projects approved for research, learning, classroom, and support spaces.

In Fiscal Year 2012, the Board approved two projects in excess of \$1M: \$3.3M for Huskie Stadium scoreboard; and \$1.8M for campus 100% wireless coverage. In addition, the CDB approved a budget increase of \$2.9M for Stevens Building Renovation. There was one project between \$500K and \$1M: the CDB approved a budget increase of \$572K for roof replacements on seven campus buildings. There was one project approval between \$250K and \$500K: \$385K for campus alert phase III. There were ten project approvals between \$100K and \$250K that totaled \$1.8M, there were twenty-seven projects under \$100K approved, fourteen of which were under \$25K. There were eight repair and remodeling projects approved for research, learning, classroom, and support spaces. Notable projects include the new Department of Defense (DOD) supercomputer for Department of Computer Science, 100% wireless coverage for campus, three smart classrooms, and a new laboratory for Department of Computer Science.

In Fiscal Year 2013, the Board approved two projects in excess of \$1M: \$2.58M for electrical infrastructure; and \$1.25M for campus alert systems. In addition, campus maintenance projects totaled \$1.65M for general campus improvements. There was one item between \$500K and \$1M approved by the Board: \$650K for new electronic advertising fascia boards at Huskie Stadium. There was one project between \$250K and \$500K: \$271K for emergency repairs of the entry plaza/mechanical room deck at Montgomery Hall. There were fifteen project approvals between \$100K and \$250K that totaled \$2.4M, and there were twenty-three projects under \$100K approved, nine of which were under \$25K. There were ten repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include the new entry door system for Founders Memorial Library, four smart classrooms, and a renovated temporary Anthropology lab space for use during the renovation of Stevens Building.

In Fiscal Year 2014, the Board approved two projects in excess of \$1M: \$2.25M for a new Public Safety radio system; and \$1.38M for electrical infrastructure. In addition, campus maintenance projects totaled \$1.59M for general campus improvements. There was one project between \$250K and \$500K: \$450K for new “beta version” small bus transit system for central campus. There were ten project approvals between \$100K and \$250K that totaled \$1.7M, and there were fifty projects under \$100K approved, thirty of which were under \$25K. There were twenty repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include three smart classrooms, the new walk-in cooler for Geology research in Davis Hall, and a new computerized video message board system for the College of Education.

In Fiscal Year 2015, the Board approved one project in excess of \$1M: \$1.5M for planning the renovation of Holmes Student Center and Neptune Residential Complex. There were two projects over \$500K: Grant Central roof replacement at \$812K; and renovation of the Animal Research Facilities located in Psychology/Computer Science and Montgomery Hall at \$850K. Maintenance project approvals totaled \$3.03M for general campus improvements with an additional \$373K approved for two emergency repairs. There were five projects between \$250K and \$500K, most notably two projects at Huskie Stadium: \$460K for a new turf field; and \$300K for additional Light-emitting diode (LED) advertising ribbon boards. There were twenty-one project approvals between \$100K and \$250K that totaled \$4.76M and there were forty-nine project approvals under \$100K, thirty were under \$25K. There were seventeen repair and remodeling projects approved for academics, research, smart classrooms, and support spaces. Notable projects include the renovation of the Animal Research Facilities for Psychology and Biology, nine smart classrooms and classroom upgrades, additional compact storage for the Anthropology Museum, the first electric car charging station on campus, and this year one new facility was added, a new salt shed for Grounds Department to help manage purchasing and storing of winter de-icing salt.

In Fiscal Year 2016, the Board approved three projects in excess of \$1M: the reallocation of \$20M in Build America Bonds for the renovation of Holmes Student Center; \$1.9M for renovation of New Hall Dining and Residence; and \$1.25M for a phased roof replacement of Gabel Hall. There were five projects over \$400K: \$750K for Grant Steam Vault, \$700K for the Boiler Assessment and Phase I Design; \$625K for Stevenson Towers (A & D) Roof Replacement; \$440K for Lucinda Avenue Realignment; and \$400K for DuSable Steam Vault Repairs. There were four projects between \$200K and \$400K. Most notable was the repair of the heating system for the Child Development Lab for \$246K. There were twenty-three project approvals between \$25K and \$200K that totaled \$1.5M, and there were twenty-eight projects under \$25K approved. There were twelve projects approved for General Revenue buildings. The majority of these projects were major repairs to critical building systems such as heating, ventilating, air conditioning, leaking roofs, and deteriorated walls.

In Fiscal Year 2017, the State Budget impasse and the University's budget constraints played a major role in the number and dollar value of capital projects approved in FY17. The Board approved only one project over \$1M: the reallocation of \$5.4M in Build America Bonds to begin remodeling, maintenance, repairs, and updates to Neptune Residential Complex. There were only two projects over \$250K: \$750K for Grant South Steam Vault replacement; \$625K for Stevenson Towers (B & C) Roof Replacement; and \$500K to facilitate and complete the move-in to Stevens Building. The anticipated completion of Stevens by the State of Illinois Capital Development Board is spring 2018. There were six projects between \$100K and \$250K that totaled \$1.1M and six projects between \$50K and \$100K that totaled \$424K. There were 52 projects less than \$50K totaling \$850K. Total investment in FY17 was 67 projects totaling \$9M in approvals. There were nine boiler, heating plant, steam tunnel, steam piping, and valve related repairs. Five other projects also related to mechanical systems and equipment on campus were completed. There was one major emergency repair to the water main at Neptune Residential Complex.

In Fiscal Year 2018, continuing enrollment and budget uncertainties played a role in the number and dollar value of capital projects approved in FY18. The Board reconfirmed approval of the budget and use of Build America Bond funds for Holmes Student Center renovation at \$20M. The Board approved only one additional project over \$1M: \$1.27M to replace the video boards and scoreboards at the Convocation Center. There were only two projects approved over \$250K: \$468K for the renovation of Founders Café and \$275,000 for the renovation of the Nelson Suite at Convocation Center. There were eight projects between \$100K and \$250K that totaled \$1.26M and six projects between \$50K and \$100K that totaled \$449K. In addition, there were approximately 75 other projects totaling \$1.7M. There was one major emergency repair to the steam tunnel on Normal Road at LaTourette Hall.

In Fiscal Year 2019, increased attention for state capital renewal funding began to produce additional investments for the University. The first phase of the boiler replacement project had been authorized with about \$6.2M of state funding which was augmented with about \$9.8M of funds from the University Auxiliary Reserves. Additionally, about \$5.5M of state funding authorization was provided for steam line repairs. To compensate for higher than expected construction bids responding to the Holmes Student Center renovation project, the Board approved an increase of the budget from \$20M to \$20.9M. The Board also approved moving forward with design of the Northern Illinois Center for Community Sustainability (NICCS) a \$22.9M partially State/grant funded project of which \$7.9M is to be provided by NIU. There were no other projects approved over \$1M approved by the board. There were four projects approved over \$250K: Convocation Nelson Suite remodel for \$300K; steam isolation valve and expansion joint replacement project for \$501K of which \$476K is funded through Capital Development Board (CDB); Yordon Performance Center remodel for \$275K; and Stevenson Dining Area remodel for \$450K. There were twelve projects between \$100K and \$250K, totaling \$2.1M. There were eleven projects approved between \$50K and \$100K totaling \$734K. In addition, there were 101 other smaller projects approved totaling \$1.2M.

In Fiscal Year 2020, the year began with the optimism for significantly increased state funding for both capital and capital renewal investments stemming from the Rebuild Illinois capital investment initiative. However, the timing for anticipated tax revenues which were further impacted by the pandemic hitting mid fiscal year delayed this expected investment boost. The previously FY19-approved and in-process capital renewal-funded projects for Campus Boiler Replacements and Steam Tunnel repairs were both delayed a few months but continued progressing with the CDB. In the first half of the year, the Board approved two NIU-funded projects. The first was the \$1.1M Recreation Center changing room remodeling. This project proceeded through the design phase but was put on hold due to budget uncertainties resulting from the pandemic. The second was \$1.5M for the Holmes Student Center tower elevator upgrades. This project was also put on hold due to the same budget uncertainties. In the second half of the fiscal year, the Board approved two projects: a \$350K renovation for a Burma Art Collection storage area in the Founders Memorial Library and a \$400K renovation for the College of Business Creativity and Empathy Lab in Barsema Hall. These projects were mostly grant/donation funded and were not impacted financially by the pandemic.

Appendix B
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 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 State Comptroller office. As the pandemic began to emerge and revenue streams planned to support the Rebuild Illinois efforts failed to materialize, this project was placed on hold. While reappropriated in the FY21 state budget, it continues to remain on hold pending improvements in tax revenues.

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 executed by the CDB. Funds have not yet been released due to fiscal implications caused by the pandemic.

II. Projects in the Design Phase

1. DeKalb Campus – Repair Steam Tunnel Distribution

Total Project Budget: \$5,024,000

Funding Sources: FY19 - CDB State Appropriated

Authorization Date: September 2018

Status: The University was notified by CDB in May 2019 that funds were pending release from the State Comptroller office for this project. In March 2020, CDB contracted with a consultant engineering firm to develop design and construction documents. The project was on a brief hold during the early stages of the pandemic but resumed in May 2020. Finalized scope has been confirmed and preparation of construction documents for the procurement process will begin shortly. Completion is targeted for summer of 2021.

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

Total Project Budget: \$16,000,000

Funding Sources: Institutional – Auxiliary Reserves
& FY19 – CDB State Appropriated

Authorization Date: August 2017

Status: The University entered into an inter-governmental agreement with CDB to manage the project using a “design/build” project delivery method and contribute \$9.6M of Auxiliary funding towards the project. CDB contracted with a firm to develop bridging documents to select a design/build contractor. While delayed initially by the pandemic, the design/build contractor selection process is underway with an award anticipated in early 2021. Completion is projected for summer 2022.

III. Projects in the Construction Phase

1. Stevens Building – Addition & Renovation

Total Project Budget: \$37,300,135

Funding Source: FY10 – CDB Amended FY17
& FY17 – 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 classes were hosted for fall semester 2018. Design oversight with Heating, Ventilation, Air Conditioning (HVAC) humidity control is currently being addressed with an anticipated completion by fall 2020.

B. NORTHERN ILLINOIS UNIVERSITY PROJECTS

I. Projects in the Planning Phase

None at this time.

II. Projects in the Design Phase

1. Recreation Center – Changing Room Remodel

Total Project Budget: \$1,100,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: September 2019

Status: Design development was completed March 2020. Project is on hold due to pandemic funding uncertainties.

2. Stevenson and Grant Residence Halls - Building Envelope Repairs

Total Project Budget: \$525,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: December 2016

Status: Project was previously (pre-pandemic) on hold due to limited funding availability. As plans were made to begin assessment and design efforts in FY20, the pandemic uncertainties again placed this project on hold. Plans will be made to resume efforts in FY22.

3. Holmes Student Center Hotel Tower - Building Envelope Repairs

Total Project Budget: \$250,000

Funding Source: Institutional - Auxiliary Reserves

Authorization Date: December 2016

Status: Project was previously (pre-pandemic) on hold due to limited funding availability. As plans were made to begin assessment and design efforts in FY20, the pandemic uncertainties again placed this project on hold. Plans will be made to resume efforts in FY22.

III. Projects in the Construction Phase

1. East Plant-Summer Repairs 2020

Total Project Budget: \$201,700
Funding Source: Institutional Auxiliary Reserve Funds
& Appropriated Income Funds
Authorization: June 2020
Status: Project in process and is approximately 15% complete.

2. Neptune Complex – Security Camera Upgrade

Total Project Budget: \$120,000
Funding Source: Bond Series 2010 Project
Authorization: May 2020
Status: This DoIT led project is in process and is approximately 70% complete.

3. East Campus-2020 Steam Outage Repairs

Total Project Budget: \$132,050
Funding Source: Institutional Auxiliary Reserve Funds
& Appropriated Income Funds
Authorization: May 2020
Status: Project in process and is approximately 85% complete.

4. West Campus-2020 Steam Outage Repairs

Total Project Budget: \$176,750
Funding Source: Institutional Auxiliary Reserve Funds
& Appropriated Income Funds
Authorization: May 2020
Status: Project in process and is approximately 85% complete.

5. College of Business – Creativity and Empathy Lab

Total Project Budget: \$400,000
Funding Source: Donor Funds
Authorization Date: March 2020
Status: Under NIU Foundation executed design and construction contracts, construction was able to proceed over the summer and completed in October. This will be the final report on this project.

6. Holmes Student Center – Restroom Upgrades

Total Project Budget: \$104,760
Funding Source: Bond Series 2010 Project
Authorization Date: March 2020
Status: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by September. This will be the last report on this project.

7. Convocation Center – Passenger Elevator Controls Upgrade

Total Project Budget: \$172,400
Funding Source: Bond Series 2010 Project
Authorization Date: March 2020
Status: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by September. This will be the last report on this project.

8. Convocation Center – Cooling Tower Fans – Drive Upgrades

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

Status: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by June. This will be the last report on this project.

9. 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 is complete and final payments are in process. This will be the last report on this project.

10. 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 is complete and final payments are in process. This will be the last report on this project.

11. Holmes Student Center – Huskie Den Bowling Center Upgrades

Total Project Budget: \$248,600

Funding Source: Bond Series 2010 Project

Authorization Date: December 2019

Status: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by August. This will be the last report on this project.

12. 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: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by August. This will be the last report on this project.

13. Holmes Student Center Tower Elevator - Controls Upgrade

Total Project Budget: \$1,500,000

Funding Source: Institutional Auxiliary Reserve Funds

Authorization Date: December 2019

Status: Due to the fiscal magnitude of these repairs and funding uncertainties during the pandemic, this project was placed on hold and deferred to the spring/summer of 2021.

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

Total Project Budget: \$1,400,000

Funding Source: Institutional Auxiliary Reserve Funds

Authorization Dates: March 2020

Status: Construction bids were received November 2019. As the construction contract was being prepared for award, the pandemic onset and fiscal uncertainties required this project to be placed on hold and deferred to spring/summer of 2021.

15. Holmes Student Center South Entrance Elevator – Controls Upgrade

Total Project Budget: \$198,950

Funding Source: Bond Series 2010 Project

Authorization Date: February 2020

Status: Initially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by July. This will be the last report on this project.

16. Soccer Field Complex - Press Box Replacement

Total Project Budget: \$129,000

Funding Source: Institutional Local Funds

Authorization Date: June 2019

Status: Partially delayed by the pandemic, efforts were able to proceed over the summer and were substantially completed by July. This will be the last report on this project.

17. Neptune Complex Upgrade

Total Project Budget: \$5,400,000

Funding Source: Bond Series 2010 Project

Authorization Date: March 2017

Status: Renovation efforts to improve building systems and living/common spaces were systematically executed during academic break periods between FY18 through early FY21. Final work items to provide air conditioning in Neptune East student lounges was initially delayed by the pandemic but was able to proceed over the summer and complete by October. This is the last report for this project.

18. 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 before being placed on hold due to past year funding concerns and competing priorities. Due to the project's overall age, limited remaining critical scope will continue while other requirements will be prioritized with subsequent projects. Final items are expected to be complete before the next report.

FACILITIES UPDATE

The following is a quarterly update intended to provide an overview on major facility projects at some active stage of execution. This report is not a complete listing of all projects as typically shown in the semi-annual report of active projects >\$100K, nor does it provide a strategic overview for facility investments as contained in the annual report of capital investments. Organized around funding sources, this report highlights significant projects recently completed, underway, in development, or temporarily placed on hold due to fiscal uncertainties. Due to the current pandemic, many previously planned capital investments have been deferred unless there is an unavoidable critical need to sustain a building system or structure.

- Active state-funded projects administered by the Capital Development Board (CDB):
 - o Capital projects:
 - Health Informatics (*In Development*): While \$7.7M was released to the CDB to begin planning/design efforts for this project, pandemic delays have caused this effort to hold. NIU will be working with CDB to develop a project narrative that will be used to solicit design consultant services to begin this effort.
 - Stevens humidity control improvements (*Underway*): This is a latent defect correction following the substantial completion of the Stevens building reconstruction in summer 2018 to address problems experienced with high humidity levels in the building. Although this work, estimated at approximately \$155,000, experienced some delay in execution due to the pandemic it was able to be completed over the summer, commissioning and final punch list items are anticipated to be complete by end of October.
 - o Capital Renewal projects:
 - Boiler Replacement Phase I (*Underway*): A two-phased selection process for awarding a design-build contract was delayed while in process due to the pandemic. The first phase selection effort to determine finalists to compete in the second phase with detailed price and technical proposals was completed and the second phase began in late September with proposals due at the end of October. A design-build contract award estimated at approximately \$16M may be made this winter depending on cash flow implications.
 - Steam Tunnel Repair (*Underway*): Design efforts for this project were delayed due to the pandemic but the scope was able to be finalized to fit within the \$5M budget for this project. Construction documentation in preparation for bidding has been delayed due to the pandemic but is anticipated to restart before the end of the calendar year. Construction may be targeted for summer 2021.
- State grant-based projects administered by the Capital Development Board (CDB):
 - o Northern Illinois Center for Community Sustainability (NICCS) (*On Hold*): CDB has not yet received funding to proceed with this approximately \$15M project. Project scope development has been prepared internally within NIU to better define

and align the program with intended facility features, ready for when this project moves forward.

- Donor/Grant funded projects:

- Barsema Hall Creativity & Empathy Lab remodel (*Underway*): A Construction contract was executed in late June for \$295,344 and renovation work was substantially completed by the end of September. Several longer lead time items are anticipated to be received by the end of October, once installed construction will be complete. Schedule for opening of the newly renovated spaces is to be determined at this time. Below is a photo of the nearly completed project.





- Major NIU-funded projects:
 - o Auxiliary funded:
 - Neptune Renovation (*Underway*): Final renovation efforts (\$180,000 of the larger \$5M project) to install air conditioning within the student lounge areas of the east and west wings of the complex began over the summer but were delayed due to the pandemic, this work is anticipated to be completed by November.
 - Security camera upgrades in Holmes Student Center (HSC) and Neptune Residential Complex totaling \$156,000 progressed over the summer and are anticipated to be completed by November.
 - Infrared scanning of various flat roofs on campus were carried out for Auxiliary buildings and a structural assessment of the Stadium west stands is underway at a combined cost of \$46,000. These efforts are aid planning for future repair projects.
 - The following projects totaling \$4.7M have continued to be on hold pending improved financial resources or the next available construction window: Stevenson, Grant and HSC exterior envelope repairs, HSC tower elevators, Stevenson towers roofs and Recreation Center locker room remodeling.
 - o Appropriated Funds:
 - Two smaller repair projects previously on hold but now proceeding ahead due to urgent need include an initial phase of humidity control upgrades for the Fay Cooper Cole Hall Museum and Davis Hall masonry repairs with a combined cost of \$116,000 have been initiated and are targeted to be completed as soon as possible before winter.
 - Infrared scanning of various flat roofs on campus were carried out to assist with planning for future necessary repair projects at a cost of \$18,000 for General Revenue buildings was completed.
 - The following projects totaling approximately \$250,000 have remained on hold pending improved financial resources or the next available

construction window: Broadcast Center building automation system (BAS) upgrades, Wellness & Literacy (Monsanto) building automation system (BAS) assessment, Faraday and Zulauf exterior façade assessments.

- Utility Reserve Funds:
 - Previously put on hold, Altgeld building automation system (BAS) assessment is in process of being initiated at a cost of \$34,000.

FY20 CLERY REPORT UPDATE

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) requires NIU to publish crime statistics each year by October 1. The Department of Police and Public Safety prepared statistics concerning reported Clery crimes within NIU Clery Geography with information collected from local law enforcement agencies, Ethics and Compliance Office, Housing and Residential Services, Student Conduct, Human Resource Services, Counseling and Consultation Services, and other Campus Security Authorities. Early each year these statistics are audited, and in October they are submitted to the Department of Education and published in the Annual Security Report. The statistics from the 2019 calendar year are below:

Reported Crimes against Persons Incidents

- Murder/Non-Negligent Manslaughter – 0
- Manslaughter by Negligence - 0
- Rape - 13
- Fondling – 6
- Incest – 0
- Statutory Rape -0
- Robbery -1
- Aggravated Assault - 6

Reported Crimes against Property Incidents

- Burglary - 5
- Motor Vehicle Theft - 0
- Arson - 2

Reported Violence against Women Act Offenses

- Domestic Violence - 7
- Dating Violence - 21
- Stalking - 4

Weapons Arrests and Referrals

- Weapons Arrests - 5
- Weapons Referrals - 0

Alcohol Arrests and Referrals

- Alcohol Arrests - 8
- Alcohol Referrals - 87

Drug Arrests and Referrals

- Drug Arrests - 6
- Drug Referrals - 5

*As of January 1, 2020, possession and recreational use of small quantities Cannabis and Cannabis infused products is legal under State law for adults over 21 years of age. However, due to provisions of the Illinois Cannabis Regulation and Tax Act, Illinois Compassionate Use of Medical Cannabis Program Act, and the Federal Drug Free Schools and Communities Act, possession and use of Cannabis on colleges or Universities in Illinois remains prohibited. We are continuing to work with the Department of Education regarding the impact of changes in State law and potential statistical implications under the Clery Act.

Clery reportable statistics from 2017-2019 are available in the Annual Security Report at www.niu.edu/clery.