



# Board of Trustees

Finance, Audit, Compliance,  
Facilities and Operations  
Committee

*November 10, 2022*

**BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**  
**Finance, Audit, Compliance, Facilities and Operations Committee**  
**10:45 a.m. – Thursday – November 10, 2022**  
**Board of Trustees Room**  
**315 Altgeld Hall**

**AGENDA**

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action*..... i
4. Review and Approval of Minutes of August 18, 2022 ..... *Action*..... 1
5. Chair's Comments/Announcements
6. Public Comment\*
7. Financial Update
  - a. Annual Financial Summary as of June 30, 2022 ..... *Information*.....5
  - b. Quarterly Financial Summary Fiscal Year 2023 First Quarter  
as of September 30, 2022..... *Information*.....9
  - c. Periodic Report on Investments for Period Ending September  
30, 2022..... *Information*.....18
8. University Recommendations
  - a. Fiscal Year 2024 Appropriations Request ..... *Action*.....21
  - b. Fiscal Year 2024 IBHE Capital Budget Request..... *Action*.....24
  - c. U.S. Geological Survey Research Partnership Renovation Project..... *Action*.....33
  - d. Relocation of School of Nursing..... *Action*.....34
  - e. Lorado Taft Campus Wastewater Treatment Plant Replacement..... *Action*.....35
  - f. Recreation Center Locker/Changing Rooms Remodel Capital Project  
Construction Approval..... *Action*.....36
  - g. Yordon Center Room 125 Northwestern Medicine Performance Center  
Flooring Replacement..... *Action*.....37
  - h. DeKalb Campus Summer 2023 Roof Repairs Capital Project Approval ..... *Action*.....38
  - i. Chilled Water Plant Chiller #2 Drive Replacement and Overhaul ..... *Action*.....39
  - j. DeKalb Campus Soccer and Baseball Fields Artificial Turf Installation  
Budget Increase..... *Action*.....40
9. University Reports
  - a. Fiscal Year 2022 Annual Report of Transactions Involving  
Real Property ..... *Information*.....41
  - b. Fiscal Year 2022 Clery Report Update..... *Information*.....43

c. Quarterly Summary Report of Transactions in Excess of \$100,000  
for the Period July 1, 2022 to September 30, 2022..... *Information*.....44

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 or will be available in the Board Room the day of the meeting. For more information contact Crystal Doyle, [ccoppel@niu.edu](mailto: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](mailto:ccoppel@niu.edu) or (815) 753-1273, as soon as possible.**

Minutes of the  
**Board of Trustees of Northern Illinois University**  
**Finance, Audit, Compliance, Facilities and Operations**  
**Committee Meeting**  
August 18, 2022

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 11:30 a.m. by Committee Chair Dennis Barsema in the Board of Trustees Room, 315 Altgeld Hall.

Recording Secretary Christina Doe conducted a roll call of the Trustees.

Trustee Rita Athas: Absent

Trustee John Butler: Absent

Trustee Montel Gayles: Present

Trustee Veronica Herrero: Present

Committee Vice Chair Bob Pritchard: Present

Trustee Tim Moore: Present

Committee Chair Dennis Barsema: Present

Board Chair Eric Wasowicz: Present

Also present: President Lisa Freeman; Committee Liaison and Interim Vice President for Administration and Finance and Chief Financial Officer James Cofer; Vice President and General Counsel and Board Parliamentarian Bryan Perry; Executive Vice President and Provost Beth Ingram; Vice President for Enrollment Management, Marketing and Communications Sol Jensen; Vice President for Research and Innovation Partnerships Gerald Blazey; Vice President for Diversity, Equity and Inclusion and Chief Diversity Officer Vernese Edghill-Walden; Senior Vice President and Chief Human Resource Officer Bill Hodson; Associate Vice President and Chief Information Officer Matthew Parks; University Advisory Council (UAC) Representatives Felicia Bohanan, Brad Cripe and Holly Nicholson.

**VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING**

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

*Trustee Rita Athas joined the meeting at 11:37 a.m.*

**MEETING AGENDA APPROVAL**

Committee Chair Barsema asked for a motion to approve the meeting agenda. Trustee Gayles so moved, and Committee Vice Chair Pritchard seconded.

The motion was approved.

**REVIEW AND APPROVAL OF MINUTES OF MAY 12, 2022**

Committee Chair Barsema asked for a motion to approve the minutes of May 12, 2022. Board Chair Wasowicz so moved, and Committee Vice Chair Pritchard seconded.

The motion was approved.

**CHAIR'S COMMENTS/ANNOUNCEMENTS**

Committee Chair Barsema welcomed everyone and recognized the University Advisory Committee. He asked if anyone had any comments. Brad Cripe presented comments regarding the financial statements and that human capital is not reflected in the statements.

Committee Chair Barsema recognized the university is moving forward four recommendations for approval. Committee Chair Barsema noted that he appreciated the efforts of the university to continue to connect the discussions and establish a thorough understanding of the items moving forward.

It was recognized that this committee reports on the progress toward University Goal #6, Resource Development and Fiscal Responsibility and the Board understands the alignment of actions in support of strategy. It was noted that the quarterly reports provide the Board, and the NIU community, with progress toward financial milestones as the university works through FY23 budgets and in support of multi-year planning. Also incorporated into the conversation at this meeting is an update on Campus Facility Projects.

#### **PUBLIC COMMENT**

Committee Chair Barsema introduced the public comment portion of the meeting. General Counsel Perry stated there were no requests for public comment.

#### **FINANCIAL UPDATE**

Committee Chair Barsema asked Interim Vice President and Chief Financial Officer Dr. James Cofer to present the University Financial Update.

#### **Dr. Cofer presented Agenda Item 7.a. Fiscal Year 2021 Audit and Financial Results**

Dr. Cofer provided some background on the item and invited Shyree Sanan, Associate Vice President for Finance and Treasury Operations, to give the overview of item 7.a.

Committee Chair Dennis Barsema thanked Associate Vice President Sanan for the update and noted that since Agenda Item 7.a. flows into Agenda Item 7.b. Associate Vice President Sanan would proceed with the next item and comments and questions would then be taken.

#### **Dr. Cofer presented Agenda Item 7.b. Fiscal Year 2021 External Audit Corrective Action Plans Update**

Committee Chair Dennis Barsema invited Shyree Sanan, Associate Vice President for Finance and Treasury Operations, to give the overview of item 7.b.

Committee Chair Dennis Barsema thanked Associate Vice President Sanan and provided some comments which recognized the criticality of compliance and supported the university's efforts to prioritize, minimize, and mitigate audit findings where possible.

President Freeman also reported the Legislative Liaisons for the twelve state universities are putting forth a list of suggested legislative changes that would reduce the number of compliance related items that are outdated and that don't create risk through their removal.

#### **Dr. Cofer presented Agenda Item 7.c. Annual Report of Cash and Investments for Period Ending June 30, 2022**

Dr. Cofer once again invited Shyree Sanan, Associate Vice President for Finance and Treasury Operations, to give the overview of item 7.c.

Committee Chair Dennis Barsema commented that the Board recognizes the increase in funds is due in part to funds received from pandemic-related Federal relief funds which are not consistent forms of revenue going forward, as has been mentioned in previous meetings. University leadership was thanked, as was the entire finance team, for their continued hard work, and the Board looks forward to discussing the overall FY22 year-end performance at the November

FACFO meeting.

## UNIVERSITY RECOMMENDATIONS

Committee Chair Barsema asked Dr. James Cofer to present the University Recommendations.

### **Dr. Cofer presented Agenda Item 8.a. Investment and Cash Management Policy**

Committee Chair Barsema asked for a motion to approve item 8.a. Trustee Athas so moved, and Trustee Herrero seconded.

Discussion requested that the board be able to more clearly see what was changed in the Policy as well clarification on any wording updates in the Policy.

*Committee Chair Dennis Barsema noted that Trustee Butler joined the meeting at 11:35 a.m.*

This item was tabled until the September 15, 2022 Board of Trustees meeting to give the Investment Committee time to provide the information requested.

### **Dr. Cofer presented Agenda Item 8.b. Bowl Game Participation Expenses**

Committee Chair Barsema asked for a motion to approve item 8.b. Board Chair Wasowicz so moved, and Committee Vice Chair Pritchard seconded.

The motion was approved.

### **Dr. Cofer presented Agenda Item 8.c. Education Systems Center Early Childhood Transformation Team**

Committee Chair Barsema asked for a motion to approve item 8.c. Board Chair Wasowicz so moved, and Trustee Gayles seconded.

Theresa Hawley, Executive Director of Education Systems Center, was present and gave background information, including the goal of the initiative, potential integration with other campus departments and offerings, and enhancing financial models for early childhood education in other states.

The motion was approved.

### **Dr. Cofer presented Agenda Item 8.d. Education Systems Center Chicago-Based Lease Extension**

Committee Chair Barsema asked for a motion to approve item 8.d. Trustee Athas so moved, and Trustee Herrero seconded.

A brief discussion ensued around affordability of the space and the potential need for future expansion.

The motion was approved.

## UNIVERSITY REPORTS

Committee Chair Barsema asked Dr. James Cofer to present the University Reports.

Dr. Cofer introduced the first item which was a Campus Facility Project Update presentation given by John Heckmann, Associate Vice President for Facilities Management and Campus Services.

### **Information Item 9.a. – Campus Facility Project Update Presentation**

Associate Vice President Heckmann presented Item 9.a. and briefly updated the Board on the timeline and overall project trajectory for two large forthcoming new builds: NICSS and the Health Informatics Technology Center.

For the remaining university reports, Dr. Cofer stated NIU Board regulations stipulate that the university presents regular summaries of designated activities including financial and property transaction, as well as confirmation that state and federal requirements are met. The two reports provided include comprehensive written updates and are submitted in accordance with board regulations.

**Information Item 9.b. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period April 1, 2022 to June 30, 2022**

**Information Item 9.c. – Annual Summary Report on Obligations of Financial Resources for the Year Ended June 30, 2022**

**OTHER MATTERS**

There were no other matters.

**NEXT MEETING DATE**

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be November 10, 2022.

**ADJOURNMENT**

Committee Chair Barsema asked for a motion to adjourn. Committee Vice Chair Pritchard so moved, and Trustee Herrero seconded.

Committee Chair Barsema asked Ms. Doe to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Committee Vice Chair Bob Pritchard: Yes

Trustee Tim Moore: Yes

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

The meeting adjourned at 12:44 p.m.

Respectfully submitted,

Christina Doe  
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 AS OF JUNE 30, 2022**

**Background:** With the completion of the fiscal year in June and progress on the subsequent financial audit, the University may now present its FY22 operating results.

Overall, the University finished the fiscal year with a surplus of \$3.8M, a significant improvement over the original FY22 budgeted deficit of \$10M. These operating results are shaped both by the availability of State and Federal pandemic relief funds and the responsible approach to expense management demonstrated by the NIU community throughout the fiscal year.

A supplemental 5% increase to NIU’s State of Illinois appropriation (\$4.4M) and access to COVID-19 relief funding from both State and Federal sources resulted in total revenues well above budget for the year (\$30.7M, 7.5%). Tuition & Student Fees revenue decreased from the prior year by \$4.1M (2.5%), reflecting enrollment variances at both the undergraduate and graduate levels. Collectively, Sales and Rental & Room Income revenue categories finished 7.6% below budget despite rebounding by \$22.3M (62.3%) from FY21 when campus density was greatly reduced by the COVID-19 pandemic. Gifts, Grants, & Contracts revenues exceeded budget by \$32M (43%) due to the continued availability of pandemic relief funding.

Total expenses for FY22 finished \$16.8M (4%) over budget and \$43.8M (11.2%) above FY21; however, Expenses in the Scholarships category produced both the budget overage and year-over-year increase. The higher-than-budgeted Scholarships expense resulted from the allocation of pandemic relief dollars to student aid and will normalize in FY23. Excepting Scholarships, total expenses for FY22 finished slightly below budget (\$994K, 0.3%). Personnel Services spending finished under budget by \$1.6M (0.7%) but exceeded the prior year by \$16.6M (7.8%). After historically low expenditures in FY21, Contractual Services spending finished near budget, returning to a pre-pandemic level. Debt Service is the only expense category to finish below FY21 totals, a reduction of \$8.5M (34.9%) derived from bond refinancings finalized in FY20 and FY21.

To date, State and Federal pandemic relief funds have provided a buffer to the University’s net revenue for each of the past three years with a total impact of \$39.5M. The following table provides an overview of the impact of the pandemic relief funds on the University’s operating performance:

**3-Year Impact of Pandemic Relief Funds**  
**(\$ in thousands)**

	<u>Net</u> <u>Revenue</u>	<u>Relief Funds</u> <u>Impact</u>	<u>Net Revenue Absent</u> <u>Relief Funds (1)</u>
FY2020	(\$15,252)	\$5,512	(\$20,764)
FY2021	(\$926)	\$15,387	(\$16,313)
FY2022	<u>\$3,815</u>	<u>\$18,573</u>	<u>(\$14,758)</u>
	(\$12,363)	\$39,472	(\$51,835)

(1) Note this assumes that the direct expenses for student emergency grants and other COVID expenses would not have occurred absent the federal relief awarded.



Additional detail regarding FY22 financial performance is displayed in the table that follows. Revenue and expense categories used in the table are briefly described below.

## 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.

Following is a financial summary of the University's operations as of the end of the 2021-22 fiscal year and a comparison the previous fiscal year.

**Northern Illinois University**  
**as of June 30, 2022**  
*(\$ in thousands)*

	<b>FY22</b>			<b>Prior Year FY21</b>	
	<b>YTD Actuals</b>	<b>Full Year YTD Budget</b>	<b>Variance</b>	<b>YTD Actuals</b>	<b>Full Year Variance</b>
<b>Revenue</b>					
Tuition & Student Fees	\$ 164,425	\$ 168,228	\$ (3,803)	\$ 168,548	\$ (4,123)
Gifts, Grants, & Contracts	106,582	74,538	32,044	82,975	23,607
Other Fees and Fines	4,968	3,999	969	3,310	1,658
Sales	26,229	29,863	(3,634)	17,432	8,797
Rental & Room Income	31,850	33,018	(1,169)	18,354	13,496
Gate Receipts & Commissions	2,189	3,535	(1,346)	205	1,984
Miscellaneous & Investment Income	10,649	7,463	3,186	11,893	(1,244)
State of Illinois	92,217	87,804	4,412	87,824	4,393
<b>Total Revenue</b>	<b>\$ 439,108</b>	<b>\$ 408,449</b>	<b>\$ 30,659</b>	<b>\$ 390,540</b>	<b>\$ 48,568</b>
<b>Expenses</b>					
Cost of Sales	\$ 3,818	\$ 4,028	\$ (210)	\$ 2,476	\$ 1,342
Personnel Services	230,845	232,479	(1,634)	214,245	16,600
Contractual Services	79,571	82,513	(2,942)	70,033	9,538
Commodities	5,781	5,836	(55)	3,976	1,805
Travel	3,383	3,225	158	967	2,416
Automotive	953	1,037	(84)	660	293
Scholarships	80,234	62,395	17,839	65,455	14,779
Telecommunications	528	543	(15)	513	15
Equipment & Library Materials	10,506	7,948	2,558	7,961	2,545
Capital Repairs	2,732	1,238	1,494	712	2,021
Debt Service	15,914	16,829	(914)	24,458	(8,544)
Miscellaneous Expense	1,028	378	650	10	1,018
<b>Total Expenses</b>	<b>\$ 435,293</b>	<b>\$ 418,449</b>	<b>\$ 16,844</b>	<b>\$ 391,466</b>	<b>\$ 43,828</b>
<b>Net Revenue</b>	<b>\$ 3,815</b>	<b>\$ (10,000)</b>	<b>\$ 13,815</b>	<b>\$ (926)</b>	<b>\$ 4,740</b>

## QUARTERLY FINANCIAL SUMMARY FISCAL YEAR 2023 FIRST QUARTER AS OF SEPTEMBER 30, 2022

**Background:** With the September 30 conclusion of the first quarter of the 2022-23 fiscal year (FY23), 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.

The following update provides a disaggregated view of NIU's budget and its financial performance, consistent with discussion at the June 16 Board of Trustees meeting. Specifically, this revised format displays the following tables:

- An "All Funds, All Types Financial Summary" similar to the traditional table presented in past quarterly financial summary reports.
- A "Structural Financial Summary" that focuses on recurring revenues and expenses.
- A "Non-Structural Financial Summary" that focuses on short-term or temporary revenues and expenses.
- A Grants Financial Summary that includes sponsored programs and federal financial aid programs, including the Pell Grant.

Each table is discussed in more detail below.

### **All Funds, All Types Financial Summary**

This table is a "roll-up" of the other three tables presented below and includes the structural budget, non-structural budget, and grants budget. The table includes a summary of FY23 activity through Sept. 30 compared to a year-to-date budget, a summary of first quarter activity from the prior fiscal year (FY22), and a comparison to the FY23 budget, including a full-year projection of performance based on the pace of revenues and spending throughout the first quarter of FY23. It is comparable to tables provided in financial summary documents for recent fiscal years.

The intent of the All Funds, All Types Financial Summary is to maintain a familiar, complete view of NIU's budget and financial performance comparable to information from past fiscal years.

### **Structural Financial Summary**

This table identifies recurring revenues and expenses of the University. This structural view of the budget is based on the expertise of more than one dozen NIU senior business managers who provided detailed knowledge of unit-level revenues and FY23 financial commitments. This data was gathered for each budgeted fund of the University and for each revenue and expense category presented in the following tables. In total, 97.6% of non-grants budgeted revenues in FY23 and 98.2% of non-grants budgeted expenses were identified as structural. Examples of structural revenues include Tuition & Fees, Rental & Room Income, and the State of Illinois appropriation to support NIU operations. Examples of structural expenses include 98.8% of Personnel Services spend, Scholarships expense, and Debt Service.

The intent of the Structural Financial Summary is to create a budget framework capable of anchoring a transition to multi-year planning and budgeting. Through this focus on recurring revenues and expenses, a forward-looking understanding of resources and commitments can be leveraged for multi-year planning purposes. This presentation is a first attempt to separate

recurring and non-recurring expenses to enhance transparency and facilitate multiyear planning, and further refinement will be needed to align definitions with recommendations received from the FY22 Budget Planning Work Group and additional leadership feedback.

### **Non-Structural Financial Summary**

The Non-Structural Financial Summary identifies non-recurring or temporary revenues and expenses of the University. This non-structural view of the budget was compiled using a similar approach and data to the structural budget information. In total, 2.4% of non-grants budgeted revenues in FY23 and 1.8% of non-grants budgeted expenses were identified as non-structural. Examples of non-structural revenues include 33% of Gifts, Grants, & Contracts revenue and 23.5% of Sales income. Examples of non-structural expenses include 25.1% of Equipment & Library Materials and 5.8% of Travel. Of special note, Capital Repairs are preliminarily classified as non-structural pending additional analysis of budget and spending reported in this category.

The intent of the Non-Structural Financial Summary is to identify temporary resources that may be available for strategic investment and to identify short-term expenses that may create strain for structural or non-structural resources.

### **Grants Financial Summary**

The final table presented below reports activity and budget of three types:

- Pell Grant scholarship expense: Revenues and expenses attributable to the Pell Grant program are specifically identified in the table. While Pell Grant expense is fully offset by associated revenues, there are often timing differences in the application of aid and receipt of supporting revenue. For this reason, the Pell Grant may at times appear to operate in deficit or surplus for any single fiscal year or quarterly period. For FY23, Pell Grant activity is budgeted at \$24.4M.
- Non-Pell Grant scholarship expense: Some student aid not associated with the Pell Grant appears as grant activity. This is a minority of grants scholarship expense and associated revenues and is subject to similar timing differences as Pell Grant activity, as described above.
- Sponsored Programs: Grants Financial Summary activity not associated with scholarships represents revenues and expenses of grant-based programs, including sponsored research, instruction, and other activities. Similar to the Pell Grant, sponsored programs revenues and expenses may not align in a given fiscal year or quarter because these grant agreements often span multiple fiscal years. As a default assumption, all budgeted FY23 sponsored programs revenue, \$35M in total, is projected to be spent during the fiscal year.

Please note that revenue and expenses in the Grants financial summary are not classified as either structural or non-structural at this time. Additional analysis and consideration may result in the classification of some grants activities as structural.

In addition to presenting multiple views of the FY23 budget, this financial summary also provides an update on the FY23 budget itself. As noted in June, ongoing FY23 budget development activities in the first month of the fiscal year drove sizeable adjustments to the preliminary budget previously presented to the Board of Trustees. This revised budget includes \$425.6M in expected revenues and \$436.9M in planned spending resulting in an \$11.3M deficit. Specific revenue and expense categories are consistent with the following descriptions, which precede the presentation of the FY23 financial summary tables that appear in the order outlined above.

### **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, and Contracts:** Includes on-campus scholarships, research grants and associated indirect cost pools, Pell Grants, and sub-contract fees for research.
3. **Other Fees and Fines:** Includes parking fees, 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 and 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 and Commissions:** Includes athletic ticket sales, performing arts ticket sales, commissions, and concert/event revenues from the Convocation Center.
7. **Miscellaneous and Investment Income:** Includes athletics' game guarantees, NIU share of conference tournament revenues, rental of facilities, 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 and 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 and 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.

**Northern Illinois University**  
**as of September 30, 2023**  
**All Funds, All Types Financial Summary**  
(\$ in thousands)

	Current Year FY23			Prior Year FY22		Current Year FY23		
	First Quarter			First Quarter		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
<b>Revenue</b>								
Tuition & Student Fees	\$ 87,932	\$ 87,749	\$ 182	\$ 89,886	\$ (1,954)	\$ 162,633	\$ 160,517	\$ 2,116
Gifts, Grants, & Contracts	23,847	24,051	(204)	34,641	(10,794)	67,152	66,283	869
Other Fees and Fines	1,987	1,796	191	1,809	178	5,029	4,931	98
Sales	12,663	14,151	(1,487)	9,844	2,819	33,548	37,704	(4,155)
Rental & Room Income	18,141	17,386	754	16,181	1,960	35,685	34,222	1,463
Gate Receipts & Commissions	562	602	(40)	307	255	4,288	4,288	-
Miscellaneous & Investment Income	3,343	3,877	(534)	1,624	1,719	12,034	25,422	(13,388)
State of Illinois	33,735	32,927	807	32,935	800	92,217	92,195	22
<b>Total Revenue</b>	<b>\$ 182,210</b>	<b>\$ 182,540</b>	<b>\$ (329)</b>	<b>\$ 187,228</b>	<b>\$ (5,018)</b>	<b>\$ 412,585</b>	<b>\$ 425,560</b>	<b>\$ (12,975)</b>
<b>Expenses</b>								
Cost of Sales	\$ 938	\$ 899	\$ 39	\$ 594	\$ 345	\$ 4,967	\$ 5,787	\$ (820)
Personnel Services	50,765	52,602	(1,836)	48,215	2,550	231,697	243,302	(11,605)
Contractual Services	17,043	17,393	(350)	16,992	51	84,031	84,276	(244)
Commodities	1,310	1,532	(222)	1,179	131	6,626	7,514	(889)
Travel	815	698	118	560	255	4,124	4,217	(92)
Automotive	165	297	(132)	245	(80)	726	1,154	(428)
Scholarships	34,153	33,052	1,101	45,088	(10,935)	60,117	58,815	1,302
Telecommunications	47	72	(25)	79	(32)	346	481	(136)
Equipment & Library Materials	1,286	1,581	(295)	1,808	(522)	9,922	9,185	738
Capital Repairs	232	142	89	100	132	3,982	3,907	74
Debt Service	3,047	4,708	(1,660)	4,162	(1,115)	17,812	18,001	(189)
Miscellaneous Expense	437	6	431	27	410	1,011	220	791
<b>Total Expenses</b>	<b>\$ 110,238</b>	<b>\$ 112,981</b>	<b>\$ (2,743)</b>	<b>\$ 119,048</b>	<b>\$ (8,810)</b>	<b>\$ 425,361</b>	<b>\$ 436,859</b>	<b>\$ (11,498)</b>
<b>Net Revenue</b>	<b>\$ 71,973</b>	<b>\$ 69,559</b>	<b>\$ 2,414</b>	<b>\$ 68,181</b>	<b>\$ 3,792</b>	<b>\$ (12,776)</b>	<b>\$ (11,299)</b>	<b>\$ (1,477)</b>



**Northern Illinois University**  
**as of September 30, 2023**  
**Structural Financial Summary (Non-Grants)**  
*(\$ in thousands)*

	<u>Current Year FY23</u>			<u>Current Year FY23</u>		
	<u>First Quarter</u>					
	<u>YTD Actuals</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>YTD Forecast</u>	<u>Annual Budget</u>	<u>Variance</u>
<b>Revenue</b>						
Tuition & Student Fees	\$ 87,932	\$ 87,749	\$ 182	\$ 162,633	\$ 160,517	\$ 2,116
Gifts, Grants, & Contracts	1,390	6,378	(4,987)	6,377	5,508	869
Other Fees and Fines	1,971	1,772	198	4,988	4,866	122
Sales	9,685	12,037	(2,352)	27,588	32,070	(4,483)
Rental & Room Income	18,141	17,386	754	35,685	34,222	1,463
Gate Receipts & Commissions	484	563	(79)	4,010	4,010	-
Miscellaneous & Investment Income	3,297	3,288	9	11,913	21,557	(9,644)
State of Illinois	33,735	32,927	807	92,217	92,195	22
<b>Total Revenue</b>	<b>\$ 156,634</b>	<b>\$ 162,100</b>	<b>\$ (5,466)</b>	<b>\$ 345,410</b>	<b>\$ 354,944</b>	<b>\$ (9,534)</b>
<b>Expenses</b>						
Cost of Sales	938	\$ 899	\$ 39	\$ 4,967	\$ 5,787	\$ (820)
Personnel Services	44,123	46,135	(2,012)	205,148	216,640	(11,492)
Contractual Services	16,241	16,469	(228)	76,561	76,712	(151)
Commodities	1,224	1,426	(202)	5,945	6,821	(876)
Travel	695	639	55	3,612	3,713	(101)
Automotive	155	272	(116)	643	1,071	(428)
Scholarships	17,715	17,149	566	35,717	34,415	1,302
Telecommunications	42	57	(14)	204	304	(100)
Equipment & Library Materials	929	1,229	(299)	6,794	6,102	692
Capital Repairs	-	-	-	-	-	-
Debt Service	3,047	4,708	(1,660)	17,812	18,001	(189)
Miscellaneous Expense	239	(17)	256	461	(331)	791
<b>Total Expenses</b>	<b>\$ 85,350</b>	<b>\$ 88,966</b>	<b>\$ (3,616)</b>	<b>\$ 357,863</b>	<b>\$ 369,235</b>	<b>\$ (11,372)</b>
<b>Net Revenue</b>	<b>\$ 71,284</b>	<b>\$ 73,134</b>	<b>\$ (1,850)</b>	<b>\$ (12,453)</b>	<b>\$ (14,290)</b>	<b>\$ 1,838</b>

**Northern Illinois University**  
**as of September 30, 2023**  
**Non-Structural Financial Summary (Non-Grants)**  
*(\$ in thousands)*

	Current Year FY23			Current Year FY23		
	First Quarter					
	YTD Actuals	YTD Budget	Variance	YTD Forecast	Annual Budget	Variance
<b>Revenue</b>						
Tuition & Student Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts, Grants, & Contracts	677	1,592	(915)	1,375	1,375	-
Other Fees and Fines	16	24	(7)	41	65	(24)
Sales	2,978	2,114	864	5,961	5,633	327
Rental & Room Income	-	-	-	-	-	-
Gate Receipts & Commissions	78	39	39	278	278	-
Miscellaneous & Investment Income	46	589	(543)	121	3,865	(3,744)
State of Illinois	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 3,797</b>	<b>\$ 4,359</b>	<b>\$ (562)</b>	<b>\$ 7,775</b>	<b>\$ 11,216</b>	<b>\$ (3,441)</b>
<b>Expenses</b>						
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Services	556	565	(9)	2,541	2,654	(113)
Contractual Services	325	358	(33)	1,576	1,669	(93)
Commodities	36	40	(4)	176	189	(13)
Travel	43	33	10	199	190	9
Automotive	-	-	-	-	-	-
Scholarships	-	0	(0)	-	0	(0)
Telecommunications	-	7	(7)	-	36	(36)
Equipment & Library Materials	312	185	126	967	921	46
Capital Repairs	259	171	88	2,640	2,566	74
Debt Service	-	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,530</b>	<b>\$ 1,359</b>	<b>\$ 172</b>	<b>\$ 8,098</b>	<b>\$ 8,224</b>	<b>\$ (126)</b>
<b>Net Revenue</b>	<b>\$ 2,267</b>	<b>\$ 3,000</b>	<b>\$ (733)</b>	<b>\$ (323)</b>	<b>\$ 2,992</b>	<b>\$ (3,314)</b>

**Northern Illinois University**  
**as of September 30, 2023**  
**Grants Financial Summary**  
*(\$ in thousands)*

	Current Year FY23			Prior Year FY22		Current Year FY23		
	First Quarter			First Quarter		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
<b>Revenue</b>								
Tuition & Student Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts, Grants, & Contracts - Pell Grant	\$ 11,629	\$ 7,672	3,957	\$ 11,293	\$ 336	\$ 24,400	\$ 24,400	\$ -
Gifts, Grants, & Contracts - Non Pell Grant	10,150	11,005	(855)	17,003	(6,852)	35,000	35,000	-
Other Fees and Fines	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Rental & Room Income	-	-	-	-	-	-	-	-
Gate Receipts & Commissions	-	-	-	-	-	-	-	-
Miscellaneous & Investment Income	-	-	-	-	-	-	-	-
State of Illinois	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 21,780</b>	<b>\$ 18,678</b>	<b>\$ 3,102</b>	<b>\$ 28,296</b>	<b>\$ (6,516)</b>	<b>\$ 59,400</b>	<b>\$ 59,400</b>	<b>\$ -</b>
<b>Expenses</b>								
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Services	6,086	5,897	189	5,433	653	24,008	24,008	-
Contractual Services	476	548	(72)	505	(29)	5,895	5,895	-
Commodities	50	73	(23)	67	(18)	505	505	-
Travel	78	29	49	27	51	313	313	-
Automotive	9	25	(16)	23	(14)	84	84	-
Scholarships - Pell Grant	13,408	14,757	(1,349)	13,168	239	24,400	24,400	-
Scholarships - Non Pell Grant	3,031	-	3,031	15,845	(12,814)	-	-	-
Telecommunications	5	5	(1)	5	(0)	141	141	-
Equipment & Library Materials	45	102	(57)	94	(49)	2,162	2,162	-
Capital Repairs	(27)	-	(27)	-	(27)	1,342	1,342	-
Debt Service	-	-	-	-	-	-	-	-
Miscellaneous Expense	198	-	198	-	198	550	550	-
<b>Total Expenses</b>	<b>\$ 23,358</b>	<b>\$ 21,436</b>	<b>\$ 1,922</b>	<b>\$ 35,166</b>	<b>\$ (11,809)</b>	<b>\$ 59,400</b>	<b>\$ 59,400</b>	<b>\$ -</b>
<b>Net Revenue</b>	<b>\$ (1,578)</b>	<b>\$ (2,758)</b>	<b>\$ 1,180</b>	<b>\$ (6,871)</b>	<b>\$ 5,293</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **All Funds, All Types Financial Summary**

For the first quarter, the All Funds, All Types Financial Summary shows revenues consistent with budget while expenses were lower than expected, resulting in a net \$2.4M improvement over the quarterly budget. Current trends suggest that a full year of activity will produce a deficit of \$12.8M resulting from factors evident in the Structural, Non-Structural, and Grants Financial Summaries.

## **Structural Financial Summary**

Through the first quarter of the fiscal year, structural performance is projected to trail budget in both total revenues and expenses but improve upon the budgeted deficit by \$1.8M. Several factors may alter this projection as the fiscal year progresses, including:

- Tuition & Fee Revenue was better than budget through the start of the year, benefitting from strong freshman enrollment. Similarly, Rental & Room Income is projected to exceed budget for the full year. Spring enrollment will be critical to maintaining this positive revenue momentum.
- Personnel Services spending projections will be revised throughout the fiscal year as collective bargaining agreements are ratified and implemented. The current projection is based on current rates and commitments.
- Contractual Services spending rebounded to pre-pandemic levels in FY22, a trend that continued in early FY23. Brisk spending in this category may be the result of supply-chain bottlenecks in FY21 and FY22 and may slow as the fiscal year progresses. Currently, Contractual Services spending is trending right at budget.

## **Non-Structural Financial Summary**

The Non-Structural Financial Summary shows revenues trailing expectations in the first quarter and expenses exceeding budget. Overall, this segment of the FY23 budget is expected to produce a surplus of \$2.9M but is on pace to record a small deficit (\$323K). This variance may be explained by revenues that trail expenses necessary to generate associated income.

## **Grants Financial Summary**

The Grants Financial Summary reports that revenues and expenses were greater than expected in the first quarter. As noted earlier, the full-year projection assumes that all expenses in this segment of the budget will be offset by current year revenues. The exhaustion of pandemic relief grants in FY23 may create some imbalance as the year progresses.

Consistent with prior fiscal years, quarterly financial summaries will continue throughout FY23. The format and information in this report will evolve throughout the year, consistent with an iterative approach to producing and reporting a structural budget framework.

## PERIODIC REPORT ON INVESTMENTS FOR PERIOD ENDING SEPTEMBER 30, 2022

In accordance with the University's 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, 2022
- Investment Earnings for the quarter ended September 30, 2022

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

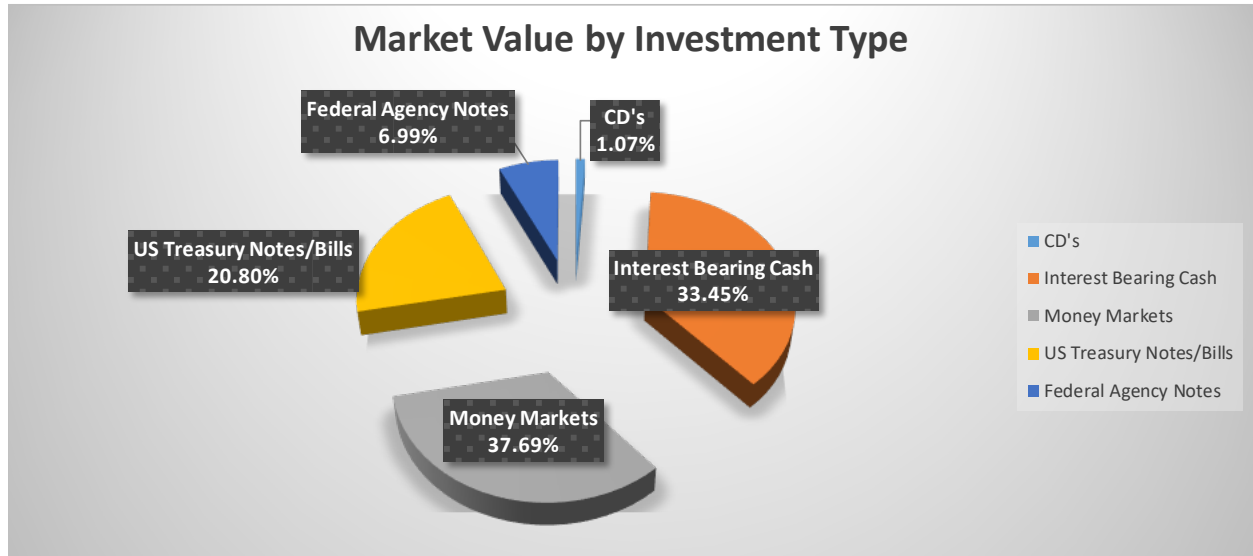
The *Cash and Investment Holdings Summary* at September 30, 2022 shows NIU's total holdings at just over \$142M. Of the total holdings balance, approximately \$91M is available for daily operations providing for approximately 90 days cash on hand. The remaining balance is restricted per collateralization requirements and contractual obligations. The total holdings balance is up \$6M from the balance at September 30, 2021. This increase is primarily a result of continued receipt of additional pandemic-related Federal relief funding as well as timing differences in federal aid cash receipts.

The *Investment Earnings* report shows income of \$661K and an overall annualized rate of return of 2.07% for the first quarter. This represents an increase in interest earned of approximately \$639K when compared to the same quarter of FY22. The increase in interest earned is primarily due to increasing market investment yields. Operating funds are primarily invested in money markets, fixed income investments, and interest-bearing savings accounts to balance liquidity needs with investment earnings.

Indicators of economic activity point to modest growth, while job gains have been strong, and the unemployment rate remains low. Inflation continues to remain elevated, however, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures. To combat the high inflation, the Federal Open Market Committee decided to raise the target range for the federal funds interest rate again, from 3% to 3.25%, and anticipates ongoing increases in the target range will be appropriate. Management is continuously monitoring market changes that will affect the university's cash management and investment goals. Management is committed to the fiscal sustainability of the university and is reviewing all available options for strengthening the university's cash position.

**NORTHERN ILLINOIS UNIVERSITY**  
**CASH and INVESTMENT HOLDINGS SUMMARY**  
September 30, 2022  
For Fiscal Year 2023

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
<b>CD's:</b>			
Local Funds	\$ 1,517,844	\$ 1,517,844	\$ 1,517,844
<b>Federal Agency Notes:</b>			
Local Funds	\$ 9,921,460	\$ 9,973,818	\$ 9,942,220
<b>Interest Bearing Cash Accounts:</b>			
Local Funds	\$ 47,570,374	\$ 47,570,374	\$ 47,570,374
<b>Money Markets:</b>			
Contributory Trust	\$ 9,839,000	\$ 9,839,000	\$ 9,839,000
Local Funds	43,773,835	43,773,835	43,773,835
	<u>\$ 53,612,835</u>	<u>\$ 53,612,835</u>	<u>\$ 53,612,835</u>
<b>US Treasury Notes/Bills:</b>			
Local Funds	\$ 29,550,586	\$ 29,707,951	\$ 29,586,815
<b>TOTAL INVESTMENT HOLDINGS</b>	<b>\$ 142,173,099</b>	<b>\$ 142,382,822</b>	<b>\$ 142,230,088</b>
Non-interest Bearing Cash	\$ 326,080	\$ 326,080	\$ 326,080
<b>TOTAL CASH &amp; INVESTMENT HOLDINGS</b>	<b>\$ 142,499,179</b>	<b>\$ 142,708,902</b>	<b>\$ 142,556,168</b>
<b>TOTAL REPORTED FOR 9/30/2021</b>	<b>\$ 136,477,708</b>	<b>\$ 136,698,916</b>	<b>\$ 136,401,282</b>



\* 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 2023**  
**July 1, 2022 - September 30, 2022**

	September 30 Ending Balance	Qtr 1 Average Daily Balance	Percent of Portfolio	Qtr 1 Income Earned	Annualized Rates of Return				
					FY2023	FY 2022			
					1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	
<b>Short-Term Investment Accounts</b>									
Illinois Funds	\$ 43,773,835	\$ 38,440,123	30.29%	\$ 204,874	2.114%	0.764%	0.151%	0.038%	
Investment Accounts - Financial Institutions	\$ 47,570,374	\$ 37,656,361	29.67%	\$ 192,031	2.023%	0.778%	0.228%	0.132%	
Contributory Trust	\$ 9,839,000	\$ 9,838,742	7.75%	\$ 50,095	2.020%	0.651%	0.063%	0.026%	
Investment Accounts - Project Funds	\$ -	\$ 7,889	0.01%	\$ 28	1.408%	0.235%	0.006%	0.006%	
CD's	\$ 1,517,844	\$ 1,516,106	1.19%	\$ 4,609	1.206%	0.206%	0.010%	0.010%	
<b>ST Investment Accounts Total</b>	<b>\$ 102,701,053</b>	<b>\$ 87,459,221</b>	<b>68.91%</b>	<b>\$ 451,637</b>	<b>2.049%</b>	<b>0.753%</b>	<b>0.177%</b>	<b>0.072%</b>	
<b>Fixed Income Securities</b>									
Local Funds	\$ 39,472,046	\$ 39,450,941	31.09%	\$ 209,022	2.102%	0.567%	0.365%	0.040%	
<b>Fixed Income Securities Total</b>	<b>\$ 39,472,046</b>	<b>\$ 39,450,941</b>	<b>31.09%</b>	<b>\$ 209,022</b>	<b>2.102%</b>	<b>0.567%</b>	<b>0.365%</b>	<b>0.048%</b>	
<b>Non-interest Bearing Cash</b>	<b>\$ 326,080</b>	<b>-</b>	<b>-</b>	<b>-</b>				<b>-</b>	
<b>COMBINED TOTAL</b>	<b>\$ 142,499,179</b>	<b>\$ 126,910,162</b>	<b>100.00%</b>	<b>\$ 660,659</b>	<b>2.07%</b>	<b>0.71%</b>	<b>0.20%</b>	<b>0.07%</b>	

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

## FISCAL YEAR 2024 APPROPRIATIONS REQUEST

**Summary:** Each year, staff seeks the Board’s approval of the overall level of state funding to request for the upcoming fiscal year (FY24). This total request amount is recognized as the University’s budget request throughout the State of Illinois budget development process, including submissions to the Illinois Board of Higher Education (IBHE) and the Governor’s Office of Management and Budget (GOMB). Staff also use this request when developing the University’s detailed internal budget for FY24 and other budgetary reports for the Illinois General Assembly.

For FY24, Northern Illinois University (NIU) requests a funding level of \$108.6M.

**Background Information:** Last November, the University submitted a Board-approved FY23 budget request of \$98.6M to the IBHE and received \$92.2M in total operating support from the State of Illinois. For FY22, a \$98.9M request initially received an appropriation of \$87.8M, which was later supplemented by 5% (\$4.4M) to \$92.2M.

While State General Funds appropriations provided to NIU have increased recently, the last fully funded appropriations request came in FY17. Since FY15, \$167.2M in inflation-adjusted appropriations requests have gone unfunded. The table below shows each year’s request and appropriation, adjusted to FY23 dollars using the Higher Education Price Index (HEPI).

Year	NIU Request	State General Funds Awarded	Unfunded Request
FY15	\$135.4M	\$116.7M	(\$18.7M)
FY16	\$132.9M	\$33.3M	(\$99.6M)
FY17	\$111.6M	\$111.6M	N/A
FY18	\$108.7M	\$97.8M	(\$10.9M)
FY19	\$108.6M	\$97.0M	(\$11.6M)
FY20	\$106.4M	\$99.9M	(\$6.5M)
FY21	\$103.7M	\$97.3M	(\$6.4M)
FY22	\$104.1M	\$97.0M	(\$7.2M)
FY23	\$98.6M	\$92.2M	(\$6.4M)
			<b>(\$167.2M)</b>

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. For example, in FY23 NIU made the difficult decision to increase tuition for only the second time in seven years. The entire 1.9% undergraduate tuition increase is funding desperately needed for student support services.

This FY24 state appropriations request reflects the University’s commitment to and advocacy for the students, faculty, and staff at NIU. This FY24 request for \$108.6M attempts to secure a more adequate level of state funding support to responsibly advance University’s mission through operating funding, student support services, and academic program priorities.

### **FY24 Budget Request Detail**

TOTAL BUDGET REQUEST: \$108,628,297



A State funding level of \$108.6M will offset increases in expected and known costs to the NIU

Income and Appropriated Funds, which account for 71% of NIU's budgeted personnel services expenditures and 43% of the University's budgeted contractual services spend, based on the current fiscal year budget (FY23). The Appropriated Fund is reliant on revenues from State appropriations while the Income Fund includes tuition and some fees.

In addition to this maintenance funding request, the \$108.6M appropriations request includes funding for the following initiatives and work that will not be possible without this additional State support:

- **Enhanced Pandemic Response to Meet Student Needs (\$1M)** - Student academic success and wellbeing is a top priority at NIU. NIU continues to respond to the emotional, financial, and academic stresses experienced by students because of the pandemic. While NIU continues to use its resources in both time and money to support its students, the following initiatives require additional resources to provide enhanced support to current and future students. NIU will invest in the following student services and initiatives:
  - Academic services to include a summer bridge program with capacity to serve all eligible first-year students, centralized advising for entering students, and a robust and expanded tutoring and support coaching program.
  - Academic services that meet the unique needs of transfer students and students with prior learning credit, to include more efficient and effective transcript analysis and dedicated academic advising support.
  - Social support services including expansion of dedicated activities for transfer and graduate students, increased student programming to promote engagement and belonging, and generalized emotional and physical wellness programming.
  - Career readiness for undergraduate and graduate students that addresses equity issues in providing for internships, career counseling, and labor market transition; academic support for diverse students who seek further education as graduate or law students.
- **Cluster Hire to Support Transdisciplinary Research (\$800K)** - Funding will support development of transdisciplinary initiatives in the areas of social, racial, and ethnic inequities (including environmental justice), STEM education, or artificial intelligence/machine learning (AI/ML). Such initiatives may include research, scholarly and creative activities as well as community engagement. Support will generate transdisciplinary opportunities for student engagement and learning and may include cross-disciplinary coursework, credentials, capstone experiences for both graduate and undergraduate students, extended research opportunities for students and proposals for academic programs that intersect with these themes. This initiative asks for funding for the hiring of a group of eight faculty members ("cluster hire") whose research interests coincide with the transdisciplinary focus of the project and, in addition, would increase the diversity of the faculty.
- **Health Professions Education (\$600K)** - Funding would provide the resources needed to expand health programs to meet key work force needs in the State of Illinois in the health care sector. Funding would support academic support services specific to these majors, the adoption of cutting-edge pedagogies and technology (such as virtual reality anatomy labs and clinical training) and hiring of faculty to support student success. In particular, funding would support interprofessional health care education for students.

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

**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 special meeting on November 10, 2022.

## **FISCAL YEAR 2024 IBHE CAPITAL BUDGET REQUEST**

**Summary:** The Illinois Board of Higher Education (IBHE) Capital Budget Request is submitted in October 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. Including the partially released Health Informatics Technology Center Project (Health IT Center), there are eleven capital projects, totaling approximately \$703M, and 14 capital renewal projects totaling approximately \$138M. No projects were included in the third category as part of the submission.

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

Priorities for capital projects are determined through reviews and discussions within a capital planning group which consists of the Provost, Research and Innovation Partnerships, the Chief Financial Officer, the Chief of Staff, and applicable representatives from Facilities Management and Campus Services. The group takes in consideration mission and 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 FY23 budget included re-appropriation of capital projects which includes the University's priority capital project, Health IT Center, and \$52.9M of capital renewal funding for deferred maintenance. Initial funds (\$7.7M) have been released to the Capital Development Board (CDB) to proceed with the planning for the Health IT Center. The Northern Illinois Center for Community Sustainability (NICCS) also has funds released (\$15M) to CDB, however, this project is funded separately from this state capital program.

Approximately \$16M has been released from the \$52.9M capital renewal authorization to proceed with three repair projects (Visual Arts structural repairs, Swen Parson roof repairs, and Gabel and Music roof repairs). Additionally, projects originally authorized in FY19 continue to be funded and executed via CBD. 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 special meeting on November 10, 2022.

Regular Capital Project Priorities for FY24 IBHE Budget Submission		
Priority	Project Title	Total Estimated Cost (\$K)
<b>1</b>	<b><i>Health Informatics Technology Center</i></b>	77,000*
2	Wirtz Hall Renovation	42,446
3	Williston Hall Renovation	49,901
4	Still Hall & Still Gym Renovation	69,402
5	Gabel Hall & Graham Hall Complex Renovation	145,652
6	Davis Hall Renovation	64,600
7	McMurry Hall Renovation	27,254
8	Reavis Hall Renovation	32,795
9	Watson Hall Renovation	33,939
10	Psychology/Computer Science Building Renovation	71,890
11	Montgomery Hall Renovation	88,650
	Total Regular Capital Projects	\$703,529

\* Note: \$7.7M already released for planning/design.

Capital Renewal Project Priorities for FY24 IBHE Budget Submission		
Priority	Project Title	Total Estimated Cost (\$K)
R1	Anderson Hall Structural and Still Hall/Still Gym Masonry Repairs	7,212
R2	Altgeld Hall Building Automation System Upgrades	3,899
R3	DeKalb Campus HVAC & Hood Exhaust Repairs	4,931
R4	Campus-Wide Boiler Replacement Phase II	14,639
R5	Academic Building General Upgrades Phase I	4,855
R6	East Campus Chilled Water System Reconfiguration	19,133
R7	DeKalb Campus Fire Protection Upgrades	8,255
R8	East Campus Electrical Infrastructure Upgrades	4,451
R9	DeKalb Campus Heating System Piping Conversions	16,437
R10	DeKalb Campus ADA Assessment & Repairs Phase I	4,775
R11	Academic Buildings General Upgrades Phase II	9,269
R12	Campus-Wide Electrical Infrastructure Upgrades	6,636
R13	Campus-Wide Boiler Replacement Phase III	29,659
R14	DeKalb Campus Elevator Upgrades	3,642
	Total Capital Renewal Projects	\$137,793

## **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 learning labs and single classes. 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. NIU is currently preparing to begin programming and schematic design with a consultant team selected through the Capital Development Board (CDB). With a partial budget release of \$7.7M to facilitate planning/design, it is hoped that the remaining budget will be released when we are ready to proceed with construction.

### **2. Wirtz Hall Renovation**

This structure was originally constructed in 1964 and connected to NIU’s second oldest building, McMurry Hall built in 1911. Together these buildings house the College of Health and Human Sciences. With planning for the new Health Informatics Technology Center (Health IT Center) moving ahead, it is the intent that some programs currently located here will be moved to the new facility once completed. This will allow for opportunities to make use of this existing central campus space to consolidate and improve efficiencies with other programs and functions from elsewhere, ultimately working towards right sizing the overall campus footprint. With no major renovations since original construction, both buildings are in need of building envelope, infrastructure and finishes upgrades to bring 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 women’s dormitory. Converted to administrative office space in 1969, the building has had no other major renovations over the last 52+ 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 perform major renovations on Williston Hall to improve space functionality of the building and the overall building structure and systems.

### **4. Still Hall & Still Gym Renovation**

The Still Hall & Still Gym buildings were built in 1928 and were converted into office and classroom space in 1964, they currently support the College of Engineering and Engineering Technology. No other major renovations have occurred in the buildings over the last 57+ 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 tuckpointing have caused significant concerns for water intrusion and structural deterioration as the exterior walls

are deflecting outward. This project seeks to update the building structures and their 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 Hall & Graham Hall Complex Renovation**

Gabel Hall was constructed in 1958, and Graham Hall was constructed in 1964. The buildings are interconnected, 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 classroom and faculty use, improvements need to be made to achieve a more optimal learning environment, with a more modern, student-focused, technology-oriented teaching experience. The roof system is in critical need of replacement which is addressed under a separate capital renewal request. The buildings incorporate large amounts of asbestos containing materials and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current teaching methods.

#### **6. Davis Hall Renovation**

This Gothic style building was built in 1942 and constructed with steel and steel reinforced concrete which is sheathed with Joliet Limestone. Davis Hall was constructed as the institution's first science building and now houses the Earth, Atmosphere and Environment department (formerly the departments of Geology and Geographical Sciences and Geography). Other than the installation of a telescope in 1965 and air conditioning 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 roofs are failing, and two sides of the building need major repairs to the stonework including overall tuckpointing. To remain functional, the building requires several comprehensive infrastructure updates. Existing fume hoods are not able to satisfactorily accommodate the needs of the instruction and research assigned to Davis. There is no elevator service to the sixth and seventh floors and restroom locations are not compliant with current 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 tuckpointing of all exterior masonry/stonework and several comprehensive infrastructure updates, including an upgraded electrical system and a new 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, improvements need to be made 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 classroom and faculty use, improvements need to be made to achieve a more optimal learning environment, with a more modern, student-focused, technology-oriented teaching experience. The building incorporates significant quantities of asbestos containing materials, the roof system needs replacement and many of the mechanical and electrical systems are inefficient, antiquated, and inadequate for current 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 improvements need to be made to achieve a more optimal learning environment, with a more modern, student-focused, technology-oriented teaching experience. The building incorporates 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 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 classroom and faculty use, additional improvements need to be made to achieve a more optimal learning environment, with a more modern, student-focused, technology-oriented teaching experience. The building incorporates 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 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 classroom and faculty use, additional improvements need to be made to achieve a more optimal learning environment, with a more modern, student-focused, technology-oriented teaching experience. The building incorporates 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 teaching methods.

## **Capital Renewal Projects**

### **R1. Anderson Hall Structural and Still Hall/Still Gym Masonry Repairs**

Anderson Hall, Still Hall, and Still Gym all have structural deterioration which has contributed to water infiltration and overall concern for the stability of the buildings structural systems. Anderson Hall was originally constructed in 1964 and has deterioration to areas involving the swimming pool and associated natatorium space and west side exterior concrete deck. Both areas are in a state of major disrepair allowing water infiltration, loss of treated pool water, and structural integrity concerns. Additionally, the building HVAC system for the natatorium space is also in need of a major overhaul to adequately maintain proper climate and humidity control. Still Hall & Still Gym are brick and stone historic buildings dating back to the 1920's which are showing signs of significant sagging and bowing in the exterior walls. A temporary measure was

implemented in 2014 to slow the progression of the deflection, yet water infiltration continues to deteriorate the integrity of the structure and causes interior water damage. The exterior envelope of both of these buildings needs a detailed assessment to determine necessary repairs.

**R2. Altgeld Hall Building Automation System Upgrades**

This project will replace the once state-of-the-art building automation system in Altgeld Hall. This system now considered obsolete and is deteriorating at an alarming rate. Replacement parts have become difficult, and in some cases impossible, to source and procure. Service costs continue to increase as it becomes harder and harder to locate technicians who can be trained and certified to work on the older control system. The outdated system also results in inefficient building operation as it lacks the ability to meet current energy standards. Continued operation in its current state will only accelerate the time to critical component failure and thus overall system failure which will result in a complete lack of control of building systems.

**R3. DeKalb Campus HVAC & Hood Exhaust 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 which predominantly includes Davis, Faraday, LaTourette, and Montgomery Halls. In many cases, buildings are 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 is needed improvements to 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 deterioration issues such as failing fireproofing, duct insulation mold issues, mold growth in stairwells and closets, inadequate condensate drains and resulting excessive corrosion to mechanical units.

**R4. Campus-Wide Boiler Replacement Phase II**

Phase I of this project was authorized in FY19 legislation and will begin the process of replacing the outdated heat generation capacity for the University. This second phase will add another 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. The project will also expand the building to allow for the future addition of a cogeneration unit. 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. This phase is required to reduce reliance on the existing over-aged boilers. The risk of campus-wide impact will not be adequately mitigated until all phases are complete.

**R5. Academic Buildings General Upgrades Phase I**

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 were constructed in the 1960's and 70's or earlier. As a result, there is a significant imbalance between the newest spaces on campus and older buildings. The goal of this phased 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. This first phase is intended to focus on the buildings with the most need.

**R6. East Campus Chilled Water System Reconfiguration**

This project includes the expansion of the chilled water generation capacity of the existing East Chiller Plant to accommodate the connection of Anderson Hall, Engineering Building, Barsema Hall, Holmes Student Center Tower, Still Gym, Still Hall, and McMurry Hall to the east campus chilled water loop. These buildings have stand-alone cooling systems which are nearing end of life and becoming costly to maintain. Based on preliminary evaluations, consolidating these buildings with the existing chilled water distribution would be more cost and energy efficient than replacing the stand-alone equipment at each building. The plant currently houses four chillers and four associated cooling towers along with all other associated equipment with space for expansion. The project scope will also include replacement of the undersized chilled water lines serving Montgomery Hall and installation of chilled water booster pumps in various buildings to rectify issues stemming from inadequate system flow.

**R7. DeKalb Campus Fire Protection Upgrades**

This project will assess, prioritize, and address fire protection improvements to various campus buildings. While fire protection systems are built to code requirements at the time of construction, systems can become outdated and antiquated with limited feasibility for repair. Systems may require complete replacement to ensure continued service and updates to adhere to evolving code requirements.

**R8. East Campus Electrical Infrastructure Upgrades**

This project will replace and upgrade critical electrical improvements for the east portion of the campus involving Swen Parson, Davis Hall and the Health Services Building. Portions of the existing electrical infrastructure constructed in the 1940's, 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 which serves as the data backbone for the entire campus. Significant failures to the infrastructure supporting this system would expose the campus to significant risk for loss of IT data and emergency communication capability.

**R9. DeKalb Campus Heating System Piping Conversions**

The primary focus for this project will be to upgrade the heating and cooling systems in five central campus academic buildings, specifically Gabel Hall, Graham Hall, Still Hall, Still Gym, and Anderson Hall. Still Hall and Still Gym were originally constructed in 1928, Gabel Hall in 1958, and Graham Hall and Anderson Hall in 1964. The existing 'two-pipe' heating systems are largely original to the buildings with cooling added at a later date. The systems have extremely limited capabilities for adjustment, and incidents of rotted piping causing system failures are becoming increasingly frequent. The intent is to convert the systems to a four-pipe system, replacing the aged and degraded piping and update other system equipment as needed to provide more energy efficient and reliable heating and cooling systems for these buildings which are central to several major academic programs for the University.

**R10. DeKalb Campus ADA Assessment & 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 few decades. While the University has addressed many accessibility concerns through focused efforts or indirectly with some building 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 begin to address accessibility deficiencies and enhancements across campus.

#### **R11. Academic Buildings General Upgrades Phase II**

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 were constructed in the 1960's and 70's or earlier, therefore there is a significant imbalance between the newest spaces on campus and older buildings. The goal of this overall project is to update teaching and shared spaces across campus academic buildings 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. This second phase is intended to focus on prioritized buildings following behind Phase I.

#### **R12. Campus-Wide Electrical Infrastructure Upgrades**

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

#### **R13. Campus-Wide Boiler Replacement Phase III**

Phase I was authorized during the FY19 legislation and Phase II is a pending higher priority project in this submission. This phase of the project will finalize the process of replacing the outdated heat generation capacity for the University by the provision of an energy efficient cogeneration unit to the expanded centralized plant. The project will also decommission and remove all existing boilers and associated equipment in both the West Heating Plant and the East Heating Plant. The completion of this phase of the project will reduce the University's reliance on aging equipment in the district heating system. The risk of campus wide impact from heating generation failure will be greatly diminished with the completion of this project.

#### **R14. DeKalb Campus Elevator Upgrades**

The focus for this project will be upgrades to nine elevators located in five central campus buildings, specifically Swen Parson (1952-63), Engineering Building (1995), Montgomery Hall (1967), Williston Hall (1951) and Founders Memorial Library (1975). The controls, motors and associated equipment for these existing elevators are approaching the end of

their useful life and all are largely original to when the buildings were constructed except for Williston Hall, where the elevator was added in 1994. These elevator upgrades are necessary to ensure reliable service for students, faculty, and staff in these academic-focused buildings. Additionally, several of the elevators are categorized as freight elevators and therefore necessary for the day-to-day operations of the buildings.

## U.S. GEOLOGICAL SURVEY RESEARCH PARTNERSHIP RENOVATION PROJECT

**Summary:** The university is requesting to establish a long-term partnership arrangement with the U.S. Geological Survey's (USGS) Central Midwest Water Science Center involving collaborative research objectives and shared space on the university campus. To facilitate interaction with university researchers, the DeKalb field office is proposed to be relocated to space previously supporting the former NIU print shop operations on the western side of campus.

Renovation costs to reconfigure the space for USGS requirements is estimated at \$500K and will be funded by USGS via grant reimbursement orchestrated through NIU's Sponsored Program Administration office. The ten-year cooperative agreement is estimated to generate approximately \$130K of grant funding annually and may be adjusted for inflation in future years.

**Background:** Discussions with USGS representatives are underway to develop the cooperative agreement details, space renovation plans, and grant funding arrangements. The USGS DeKalb Field Office, currently located at 650 Peace Road, DeKalb, will occupy a combination of office and warehouse space in addition to exterior storage for vehicles and larger equipment. Annual grant funding support was developed based on local lease market conditions and is considered fair and reasonable.

**Funding:** Renovation costs - \$500,000 (funded by USGS)

*Cooperative agreement to be revenue-generating and anticipated to be approximately \$1,300,000 over the potential ten-year term.*

**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 8, 2022.

## **RELOCATION OF SCHOOL OF NURSING**

**Summary:** Referencing the surplus determination of the Nursing Building at the September 2022 board meeting, this project proposes to temporarily relocate the School of Nursing (Nursing program) from its current location at 1240 Normal Road, DeKalb to the Wellness and Literacy Building (WL) located at 3100 Sycamore Road, DeKalb. While the Nursing program will be eventually housed in the new Health Informatics Technology Center (Health IT Center), a temporary relocation will allow for the program to collocate with other health programs in advance of this ultimate consolidation and allow an opportunity to repurpose the Nursing building.

The scope of work for this project will include renovating a portion of the second floor of WL to create needed classrooms, labs, and office spaces for Nursing program activities. Renovation work is planned for spring 2023 with an estimated total project cost of \$950K.

**Background:** This relocation will allow the Nursing faculty, staff, and students to be in close proximity to healthcare and other health-related programs such as audiology, physical therapy and speech-language pathology along with the associated on-site Speech-Language-Hearing and Physical Therapy Clinics. This collocation will facilitate increased synergies and interdisciplinary collaborations between the programs.

As part of the planning, classroom scheduling for the WL Building is being evaluated to maximize efficiencies of both existing and newly constructed classrooms. Common spaces are planned to be shared among the various programs to help contribute towards efficient use of space and limit renovation expenses.

**Funding:** Institutional Funds - \$950,000

**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 special meeting on November 10, 2022.

## **LORADO TAFT CAMPUS WASTEWATER TREATMENT PLANT REPLACEMENT**

**Summary:** The university is requesting to replace the Lorado Taft campus wastewater treatment plant after a recent condition assessment determined the plant to be near the end of its useful life. Replacement is also necessary to remain compliant with treatment code requirements. The project is eligible for an Illinois EPA (IEPA) low interest loan program which will allow the \$3.5M estimated cost to be more affordable as payments (~\$175K annually) may be spread across 20 years.

Tentative plans are to develop design details and loan applications by fall of 2023 followed by construction in summer of 2024.

**Background:** Located near Oregon, Illinois, along the Rock River, the 140-acre campus was home to the Eagle's Nest Art Colony which began in 1898 and led by the renowned sculptor, Lorado Taft. In 1951, NIU acquired the property and offers conference and outdoor education programs. Over 6,000 elementary and middle school students annually attend the outdoor programs which commonly involve overnight stays on the campus.

The existing wastewater treatment plant was installed in 2007 and is beyond the intended design life of 15 years. While various options were considered in the condition assessment, a replacement of the plant was considered the most economical from a life-cycle perspective. The replacement treatment plant is expected to be more resilient with a 60-year design life and will require less maintenance.

The scope of work for this project will include all costs for a complete replacement of the plant including preparation of finalized design and construction documentation, IEPA permit revisions and loan application and construction costs.

**Funding:** Institutional Funds - \$3,500,000 total (via IEPA financing terms)

**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 8, 2022.

## **RECREATION CENTER LOCKER/CHANGING ROOMS REMODEL CAPITAL PROJECT CONSTRUCTION APPROVAL**

**Summary:** The university is requesting to move forward with the previously approved renovation of the locker rooms in the Recreation Center. This project was initially approved to proceed with design at the September 2019 Board of Trustees meeting. In 2020, the project was put on hold due to financial uncertainties caused by the start of the pandemic. The return of campus activities in the post-pandemic environment has resurrected the need to make renovation updates to the locker room areas and help influence student recruitment and retention. The estimated project cost is \$1.37M.

**Background:** The locker rooms in the Recreation Center are largely unchanged since the building's original construction in 1983. The existing plumbing and electrical fixtures are energy inefficient, and existing lockers are in a state of disrepair.

To minimize impact of cost on one fiscal year, the intent is to carry out the scope of work in phases over multiple fiscal years. The first phase is intended to be completed over the 2023 summer for a cost of approximately \$700K. The first phase scope of work will include replacement of approximately 2/3 of the lockers within both locker rooms along with painting, ceiling upgrades and flooring replacement and reconfiguration of the men's shower room to individual stalls. Subsequent phases will include replacement of the remaining lockers along with general refresh of the associated restroom spaces.

**Funding:** Institutional Funds - \$1,370,000

**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 8, 2022.

**YORDON CENTER ROOM 125  
NORTHWESTERN MEDICINE PERFORMANCE CENTER  
FLOORING REPLACEMENT**

**Summary:** The Northwestern Medicine Performance Center, located at the east end of the Yordon Center, has been supporting strength and conditioning training for 16 teams within Intercollegiate Athletics since 2007. The rubberized flooring for this area is at the end of its useful life, is showing signs of significant wear and tear, and patch repairs are no longer a viable solution. Through the support of donation funding, the university is requesting a complete flooring replacement immediately following the end of the 2023 spring semester to minimize down time of the space for athlete use. The estimated project cost is \$350K.

**Background:** The existing flooring is comprised primarily of a rubberized sheet material for weight training activities, including a sprint track surface located along the south wall of the space. The scope of work for this project will include removal of the existing flooring materials and replacement with a new more heavy-duty rubberized product along with a turf spring track section of similar size to existing. Existing weight equipment in the space will be removed and reinstalled as required to accommodate the flooring replacement.

**Funding:** Foundation Donation Funds - \$350,000

**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 8, 2022.



## **DEKALB CAMPUS SUMMER 2023 ROOF REPAIRS CAPITAL PROJECT APPROVAL**

**Summary:** The university is requesting to move forward with identified critical roof repairs following systematic aerial scanning to assess roof conditions. The roofs of several buildings across campus should be addressed in summer 2023 to prevent further water infiltration and deterioration. Packaging of these common roof repairs across multiple buildings into one project and contract effort will create efficiencies for improved contract pricing, not to exceed \$3.5M.

**Background:** Roof assessments are conducted through regular monitoring of leak reports and augmented with thermography scanning to identify, assess and prioritize repair deficiencies.

The scope of work will include a second phase of repairs at Faraday Hall to replace the balance of the roof following an initial phase of work completed in summer of 2022, replacement of the asphalt shingles on Williston Hall, replacement of the acrylic panel roof on the Montgomery Hall greenhouse, and restoration or replacement of roofs on Neptune East and Grant Towers A & B.

All roofs have experienced significant leaks and or roof system failures which has put them at the highest priority for work to be completed during the next available construction season. Specifications and bidding are to be finalized over the winter/spring to ensure competitive pricing, minimize supply chain delays, and to be ready for roof work to begin as soon as warmer weather arrives in 2023. The project scope may be adjusted to capture emergent roof repair priorities if considered affordable under the \$3.5M budget authorization.

**Funding:** Institutional Funds - \$3,500,000

**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 8, 2022.

## **CHILLED WATER PLANT CHILLER #2 DRIVE REPLACEMENT AND OVERHAUL**

**Summary:** The university is requesting to repair and inspect a water chiller at the east chilled water plant after it was recently discovered that a variable frequency drive has failed. While the fall season cooling load can be handled by the other available chillers in the plant, the failed chiller is critical to meet the overall summer cooling demands for the east campus. Due to limited availability and long lead time for necessary parts, this project is planned to be executed over the winter and early spring to allow the plant to support the next cooling season. The total project cost is estimated not to exceed \$420K.

**Background:** The east chilled water plant was originally opened in 2010 and is the primary source of chilled water production for the east half of campus. There are four centrifugal chillers in the plant. During high cooling loads during the summer months, the plant must run all four of the chillers to meet the campus demand.

The scope of work for this project will be to replace the failed drive and perform a comprehensive overhaul and inspection, and calibration of the chiller including installation of new motor bearings and gaskets. The work will be completed by the chiller manufacturers technicians with support from internal trades.

**Funding:** Institutional Funds - \$420,000

**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 special meeting on November 10, 2022.

## DEKALB CAMPUS SOCCER AND BASEBALL FIELDS ARTIFICIAL TURF INSTALLATION BUDGET INCREASE

**Summary:** This project was originally approved at the March 24, 2022 Board meeting. While replacement of the soccer turf was completed on time and under budget, recently identified unforeseen site conditions with the baseball field is causing project estimated costs to exceed the authorized amount by \$195K. The unforeseen issue was created by the inability to locate the field's subsurface drainage system which was presumed to exist based on available drawings. As a result, a new drainage system is required to be installed to support the artificial turf field.

Contingency amounts are routinely included in all project estimates and normally are sufficient to accommodate unforeseen conditions. Unfortunately, a scope change for improved ADA accessibility near the bleachers, which also necessitated installation of a new backstop system, was considered important enhancements for the baseball field and a calculated risk was made to use the available contingency for this purpose before the unforeseen drainage condition was realized.

The proposed budget increase will allow required work to be completed and includes some contingency amount for any remaining unforeseen issues.

**Background:** The original project summary follows:

Replacement of the existing artificial turf at the NIU Soccer Field and installation of new artificial turf at Ralph McKinzie (baseball) Field are considered necessary improvements for the fields to remain appropriate and competitive for collegiate level sports. The current soccer field turf is past useful-life, and the benefits of artificial turf are needed to improve the playability of the baseball field. Due to industry lead-time requirements, project approval is necessary by March to facilitate summer work prior to the fall soccer season. Work on the baseball field will be completed this fall prior to the spring playing season.

<b>Funding:</b>	Institutional and Foundation Funds	\$1,260,000	(Original budget)
	Institutional and Foundation Funds	\$ 195,000	(Increase)
	<b>REVISED TOTAL</b>	<b>\$1,455,000</b>	

**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 special meeting on November 10, 2022.

## FISCAL YEAR 2022 ANNUAL REPORT OF TRANSACTIONS INVOLVING REAL PROPERTY

This report is structured around four categories of real property transactions: surplus real property sales, in-leases, out-leases, and facility purchasing arrangements.

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 previous Board meetings 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 purchasing arrangements are long-term payment agreements with interim leases where the final objective is University ownership of the property.

<b>Transaction Type</b>	<b><u>Number of Transactions</u></b>	<b><u>Transaction Percentage</u></b>	<b><u>Dollar Volume</u></b>	<b><u>Dollar Percentage</u></b>
-----------------------------	--	--	---------------------------------	-------------------------------------

**Surplus Real Property:** Two surplus real property sales were transacted in FY22 with the net proceed reflected below. This included eleven acres sold to the City of Sycamore and the former Art Annex warehouse sold to a private party. Efforts are underway in FY23 with the Hoffman Estates campus.

Sycamore land	1	50%	\$149,053	39%
Art Annex	1	50%	\$233,562	61%
<b>Total</b>	<b>2</b>	<b>100%</b>	<b>\$382,615</b>	<b>100%</b>

**In-leases (NIU as lessee):** Includes support for academic activities (e.g. steel drum workshop, art studios, law clinics), outreach activities (e.g. NPR towers, downtown Chicago offices), and research (e.g. robotic submarine).

Under \$100K	17	94%	\$322,725	71%
\$100K to \$250K	1	6%	\$128,934	29%
Over \$250K	0	0%	\$0	0%
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>\$451,659</b>	<b>100%</b>

**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. HSC bookstore, farmland, Northwestern Medicine clinic), and research.

Under \$100K	19	90%	\$319,863	32%
\$100K to \$250K	1	5%	\$126,700	12%
Over \$250K	1	5%	\$563,071	56%
<b>Total</b>	<b>21</b>	<b>100%</b>	<b>\$1,009,634</b>	<b>100%</b>

**Facility purchasing arrangements:** Includes the annual payments for the Illinois Association of School Business Officials Building.

IASBO Building

- Payments made in FY22	\$69,926.52
- Payments to date	\$1,614,138
- Remaining debt	\$134,025
- Ending date of term	May 2024

## **FISCAL YEAR 2022 CLERY REPORT UPDATE**

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (commonly known as the Clery Act; formerly the Campus Security Act) is a federal law that requires institutions of higher education participating in federal financial aid programs, in part, to disseminate an annual security report (ASR) to current and prospective employees and students by October 1. The ASR must include crime statistics for the preceding three calendar years for crimes that occurred on-campus, in certain off-campus buildings or properties owned or controlled by the university, and on the public property within, or immediately adjacent to and accessible from, university property. The ASR must also include the university's policy statements related to safety and security. Responsibilities related to Clery Act compliance have transitioned to the Ethics and Compliance Office (ECO) as of FY22. ECO collaborates with the Department of Police and Public Safety, local law enforcement agencies, Housing and Residential Services, Student Conduct, Human Resource Services, and other campus security authorities to develop and publish the ASR, in addition to satisfying other Clery Act requirements, such as the issuance of timely warnings, emergency notifications, and training.

Clery reportable statistics from calendar years 2019-2021 are publicly available in the Annual Security Report at [www.niu.edu/clery](http://www.niu.edu/clery).

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF  
\$100,000 FOR THE PERIOD JULY 1, 2022 TO SEPTEMBER 30, 2022**

In accordance with *Board of Trustees Regulations* (Section V, Subsection B.5), this report of all obligations of financial resources greater than \$100,000 but less than \$250,000 is submitted at the end of each calendar quarter to the Board of Trustees. This quarterly report does not include commercial card obligations. Following is a summary of the number of transactions, fund source, total dollar amount, and transaction details for obligations incurred during the quarter ended September 30, 2022.

<b>Purchase Amount</b>	<b>No. of Transactions</b>	<b>Appropriated*</b>	<b>Non-Appropriated</b>	<b>Total</b>
Over \$100,000	21	\$1,026,499	\$2,420,969	\$3,447,468

TRANSACTIONS DETAIL:

Purchases:

1. The Division of Information Technology requested permission to issue an FY23 open order for Illinois Century Network 10 Gig NIU Internet connectivity for the period July 1, 2022 through June 30, 2023. (Dept. of Innovation & Technology, Sterling, IL) 180,000
2. A renewal was required of the 10 Gig ISP link for ISP services to DeKalb Wellness and Literacy Center for the period July 1, 2022 through June 30, 2023. This is the seventh of nine 1-year renewal options based on a bid opened September 29, 2015 (#CAB156820). (Syndeo Networks, St. Charles, IL) 129,600
3. The Bursar Office requested permission to issue an FY23 open order for collection agency commissions for commercial accounts receivable for the period July 1, 2022 through June 30, 2023. (National Credit Management, St. Louis, MO) 148,000
4. The Bursar Office requested permission to issue an FY23 open order for collection agency commissions for commercial accounts receivable for the period July 1, 2022 through June 30, 2023. (Conserve Commissions, Fairport, NY) 132,000
5. The Law Library requested permission to issue an FY23 open order for library books and materials for the period July 1, 2022 through June 30, 2023. (West Group, St. Paul, MN) 125,000
6. Finance and Treasury requested permission to pay FY21 Financial Reporting Audit costs for the period ending June 30, 2021. (Office of the Auditor General, Springfield, IL) 241,659

- |     |  |          |
|-----|--|----------|
| 7.  | Housing and Residential Services requested permission to renew cable service for the period July 1, 2022 through June 30, 2023. This is the eighth year of nine renewal options allowed in the Invitation to Bid opened on December 31, 2016 (Bid #BML110112). Renewal award was dated July 1, 2020. (Apogee, Austin, TX)  | 133,856  |
| 8.  | Athletics requested permission to purchase courtside tables and equipment to be used during home games. (Daktronics Inc., Brookings, SD)   | 139,130  |
| 9.  | Continuing and Professional Education requested permission to issue an FY23 open order for consulting services for injury prevention for the period July 1, 2022 through June 30, 2023. (Construction Safety Council, Hillside, IL)  | 200,000  |
| 10. | The Division of Outreach, Engagement, and Regional Development requested permission to renew the software for on-campus and off-campus camps for conference registration, memberships, inventory tracking, facility booking, abstract paper submission, and reporting for the period July 1, 2022 through June 30, 2023. This is the third year of eight renewal options under KMC053118. (UngerBoeck Systems Intl., Chesterfield, MO)           | 200,000  |
| 11. | The Division of Information Technology requested permission to renew the Dell storage software (formerly EMC) for the period July 1, 2022 through June 30, 2023. This includes storage for the entire university's virtual infrastructure, backup infrastructure, and much of their departmental data. This also included hardware replacement should anything go wrong, software updates, and support for the storage. (CDWG, Vernon Hills, IL) | 233,652* |
| 12. | Athletics requested permission to issue an FY23 open order for the Student Athlete Book Loan Program for the period through June 30, 2023. This item was processed under the authority of RFP #JMT05012018 (Follett Bookstore Management award) and was previously advertised in the <i>Illinois Procurement Bulletin</i> . (Follett Higher Education Group, Westchester, IL)  | 112,420  |
| 13. | The department of IL Interactive Report Cards requested permission to issue a purchase order for data analyst services for the Data Warehouse project for the period through June 30, 2023. (WAFTS Solutions Inc., Farmington Hills, MI)   | 112,420  |
| 14. | The Provost Office requested permission to renew the software license subscription for Explorance Blue for the period July 1, 2022 through June 30, 2023. This is the course/instructor evaluation software used by academic units throughout campus. (Explorance Inc., Chicago, IL)   | 109,209* |
| 15. | Founders Library requested permission to purchase the SciFinder Academic Unlimited Access Plan, which provides unlimited anytime, anywhere access to substances, reactions, literature references and more all in one place. (Chemical Abstracts Services, Columbus, OH)   | 141,605* |
| 16. | Holmes Student Center requested permission to issue an FY23 open order for food and non-food items needed to operate Einstein Bagels for the period July 1, 2022 through June 30, 2023. (Kuna Foodservice, Dupo, IL)   | 122,500  |
| 17. | Athletics requested permission to issue an FY23 open order for athletic officials for the period through June 30, 2023. (Refpay LLC, Sandy, UT)  | 146,000  |



- |  |         |
|--|---------|
| 18. Division of International Affairs requested permission to issue an FY23 open order program costs for students participating in the IBS study abroad programs for the period July 1, 2022 through June 30, 2023. (Intl. Business Seminars, Phoenix, AZ) | 140,000 |
| 19. Athletics requested permission to issue a purchase order for the annual MAC bowl assessment for FY23. The assessment is charged to each MAC school toward partial funding of bowl participation. (Mid-American Conference, Cleveland, OH)              | 130,000 |

Capital Improvement Projects:

- |  |                     |
|--|---------------------|
| 1. Swen Parson suite renovation: Project remodels two suites and allows for the expansion of the NIU Business Law Innovation Clinic which has seen increased demand for legal services from the community. Scope also includes the relocation of the NIU Law Student Organization space. | 200,000*            |
| 2. Recreation Drive repair: Project includes repair and repaving for degraded section of Recreation Drive along the north side of the Convocation Center which experiences heavy traffic from transit buses. Project will be split-funded between Appropriated and Bond Revenue Funds.   | 122,500*<br>122,500 |

\*Appropriated Funds