AGENDA

NIU Board of Trustees
FINANCE, AUDIT, COMPLIANCE, FACILITIES AND OPERATIONS COMMITTEE
10:30 a.m. – Thursday – November 16, 2017
Board of Trustees Room
315 Altgeld Hall

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 17, 2017 ........................................... Action ........... 1
5. Chair’s Comments/Announcements
6. Public Comment *
7. University Recommendations
   a. Intercollegiate Athletics and Division of Administration & Finance IHSA State Football Championship Ticket Agreement ......................................................................................... Action ........ 6
   b. Fiscal Year 19-23 Intercollegiate Athletics Athletic Apparel Sponsorship Package..... Action ........ 7
   c. Fiscal Year 2018 Intercollegiate Athletics Athletic Apparel Amendment ................. Action ........ 9
   d. Division of Research and Innovation Partnerships Multi-Disciplinary Scientific Instrumentation for “Shimadzu Program for Academic Research and Quality of Life” (SPARQ) ......................................................................................... Action ........ 10
   e. DoIT Voice Trunking Services and Local Domestic/Long Distance Service Contract Renewal .................................................................................................................... Action .... 11
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8. University Report
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   b. Fiscal Year 2017 Annual Report of Transactions Involving Real Property ......... Information ............. 43
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9. Other Matters

10. Next Meeting Date

11. Adjournment

*Individuals wishing to make an appearance before the Board should consult the Bylaws of the Board of Trustees of Northern Illinois University, Article II, Section 4 – Appearances before the Board. Appearance request forms will be available in the Board Room the day of the meeting. For more information contact Kathleen Carey, (kjahns@niu.edu) Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-756-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Kathleen Carey at (815)753-1273, as soon as possible.
CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:58 p.m. by Committee Chair Tim Struthers in the Board of Trustees Room, 315 Altgeld Hall.

Chair Struthers began, before we formally open this committee meeting Chair Coleman would like to make an introductory comment.

Board Chair Wheeler Coleman addressed the room explaining that there was an error online indicating that this committee has five members, however, Coleman cited that he actually appointed all eight board members to this committee.

Recording Secretary Vicky Rippberger conducted a roll call of the trustees. Members present were Trustee Dennis Barsema, Trustee Bob Boey, Trustee John Butler, Trustee Veronica Herrero, Trustee Giuseppe LaGioia, Trustee Eric Wasowicz, Board Chair Wheeler Coleman, and Committee Chair Tim Struthers. Also present were Acting President Lisa Freeman, Acting Vice President and Provost Chris McCord, Committee Liaison Larry Pinkelton, Deputy General Counsel Greg Brady, and Board Liaison Matt Streb.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Board Chair Coleman; seconded by Trustee Herrero. All were in favor. The motion passed.

REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the May 18, 2017 meeting was made by Trustee Barsema; seconded by Trustee Butler. All were in favor. None were opposed. The motion passed.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Struthers recognized members of the University Advisory Committee.

Linda Saborio mentioned she would like to see continued collaboration between the joint University Council, Faculty Advisory Senate, Resource, Space and Budget Committee, and the joint Executive Budget Committee as well as continued transparency during the fiscal hangover.

Barb Andre introduced herself as the Office Manager in the College of Education stating this was her first meeting and was just absorbing everything.
PUBLIC COMMENT

General Counsel Greg Brady indicated that there were no requests for public comment.

UNIVERSITY RECOMMENDATIONS/REPORTS

Chair Struthers mentioned that the board had a revised item 7c which replaces the one in the book.

Action Item 7.a. – Fiscal Year 2019 Budget Request Guidelines

Larry Pinkelton explained, this is the item that starts the communication with the IBHE regarding the annual state appropriation. We have established a base of $91M, which is intended to reflect the starting point based on the FY15 budget. We are bringing forth four programs, totaling an additional $2,535,900, bringing the total recommendation to the Board of $93,628,600 for the FY19 budget.

A motion was made by Trustee Barsema; Seconded Trustee Wasowicz. All were in favor. None were opposed. The motion carried.

Action Item 7.b. – Fiscal Year 2019 IBHE Capital Budget Request

Mr. Pinkelton indicated that this report is broken down into multiple components which include regular capital projects, representing major investments for new construction, renovation, and repairs as well as capital renewal projects, representing repair and renovation projects, with an estimated budget in excess of $100,000. Upon Board approval, this request is submitted to the IBHE for consideration and inclusion in the statewide FY19 Capital Budget Recommendation.

A motion was made by Trustee Butler; Seconded Trustee Herrero.

A conversation ensued where Mr. Pinkelton explained that this information is submitted by all state universities and is then scrutinized and prioritized. The ranking of projects and how long they’ve been on the request was also discussed.

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

Action Item 7.c. – Fiscal Year 2018 Internal Budget Amendment

Larry Pinkelton indicated the need for an amended FY18 Internal Budget, which was originally brought before the Board and approved in June.

Chair Struthers provided further insights. Specifically, citing expected adjustments between the internal reports and budgets and the final audit reports. With the expected adjustments (~$12MM), the budget being presented would yield a loss even with the state appropriation at a pretty high level.

A motion was made by Trustee Barsema; Seconded Trustee Wasowicz. All were in favor. None were opposed. The motion carried.

Action Item 7.d. – Investment and Cash Management Policy

Mr. Pinkelton explained that the current investment and cash management policy was approved by the Board on September 17, 2015. This revised policy has been updated to include a table of contents, define
roles and responsibilities, summarize authorized investments, and identify specific reporting requirements. This policy mirrors the state statute.

A motion was made by Trustee Barsema; Seconded Trustee Butler.

A conversation ensued regarding the asset allocation portion, which is not defined in this policy. Mr. Pinkelton explained, there is an Investment Committee that meets quarterly which evaluates the composition of our current investment portfolio.

A request was made to have a line item on the investment holdings report that would cite that we are in compliance with the investment policy.

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

**Action Item 7.e. – Student Internship Partnership/Lease or License Proposal**

Mr. Pinkelton indicated that this item is to enter into an on-campus internship with Discover Financial Services and was originally proposed to the Board at the March 2017 meeting. The start of the program is now being extended to the January 2018 timeframe as opposed to the August 2017 originally envisioned. This partnership will provide NIU students valuable internships that will contribute to student career success. It was noted that if the terms and conditions of the proposed arrangement deviate substantially from the program goals and framework, this matter will return to the Board for further approval.

A motion was made by Trustee Herrero; Seconded Trustee Wasowicz.

It was brought to the attention of the Board by Trustee Butler that the wording in the recommendation was confusing in regards to when the execution of the agreement can commence. An amendment to the recommendation was enacted to change the wording in the third sentence to read 'If a final agreement is not executed within the above contemplated parameters by the meeting of the Board scheduled for December 2017, the Board shall re-assess the matter.’ Mr. Brady clarified that this item was going to be voted on at the Special Meeting this afternoon, and if passed, the University would have authority to enter into the contract until the December full Board meeting.

A motion to approve the amendment to the wording was made by Trustee Wasowicz; seconded by Board Chair Coleman. All were in favor. None were opposed. The motion carried.

A motion to approved the amended item was made by Trustee Wasowicz; seconded by Board Chair Coleman. All were in favor. None were opposed. The motion carried.

**Action Item 7.f. – Bowl Game Participation Expenses**

Mr. Pinkelton, on behalf of the University, requested Board of Trustees approval for expenditure authority for a post-season Bowl Game competition and delegation of approval authority to the President, or designee, for all related necessary transactions.

A motion was made by Trustee Butler; Seconded Trustee Wasowicz.

A conversation ensued regarding the financial responsibility involved when accepting a bowl bid. Matt Streb explained that although we often lose money, the Athletics Department has what they call a guaranteed game fund which offsets some of the cost, and we’ll receive a payout from the MAC. Q2 funds are never used. It presents an opportunity to be on national television to get our name out. President Freeman added that this is also a philanthropic opportunity as it’s a donor/alumni engagement event that has a positive return as well.
All were in favor. None were opposed. The motion carried.

**Information Item 8.a. – Fiscal Year 2017 Report of Tuition and Fee Waivers**

Larry Pinkelton began the University Report portion by asking if there were any questions on items 8a through 8d.

A question was raised by Trustee Barsema regarding whether we have an ESG policy or any ESG language relative to cash investments (i.e. environmental, social, etc), and what’s customary in Higher Ed. The direction the University takes in terms of acceptable investments was discussed citing nearly all investments are in domestic bonds and bank deposits.

Chair Struthers commented that the report on Tuition and Fee Waivers indicates $25.7M in the total amount of waivers, which has been very consistent over the last four years. Also, in the context of disclosure, on the Report of Depositories, I’m pleased to see that our trend over the years is to do less business with First National Bank, which I am a Director of.

**Information Item 8.b. – Fiscal Year 2017 Annual Report of Cash and Investments**

**Information Item 8.c. – Quarterly Summary Report of Transactions in Excess of $100,000**

**Information Item 8.d. – Annual Summary Report Obligation of Financial Resources**

**Information Item 8.e. – Facilities Update**

John Heckmann presented an update on facilities activities which included maintenance/repair investments and major discretionary investments. An in-depth update on the Holmes and Neptune projects as well as the Stevens Building were provided. Mr. Heckmann offered to meet individually with the trustees to provide more details on Holmes and view a 3D virtual reality sort of walk-through of the facility. He also mentioned that he will be providing a more strategic look at the overall condition of the campus at the November committee meeting, as previously requested by the Board.

A brief conversation ensued regarding the curve in Lucinda and whether that is the best use of the limited funding we have. Mr. Heckmann agreed to come back at a future meeting with more detail but it was clear there was waning support of this project. Discussion continued regarding the level of deferred maintenance issue and a desire to quantify such. John Heckman is working on a report to provide relative context.

**Information Item 8.f. – NIU Telephone System Update**

Brett Coryell gave a presentation on the NIU telephone system as requested by the Board in a previous committee meeting. The presentation included information on the current system and the issues relating to the age of the system as well as the search for a new phone system and what that might look like.

Mr. Coryell was encouraged to continue down the path to where the least amount of phones are installed on campus as well as the use of soft phones in the future.
OTHER MATTERS
There were no other matters.

NEXT MEETING DATE
The next meeting of the Finance, Facilities and Operations Committee will be November 16, 2017.

ADJOURNMENT
A motion was made to adjourn by Trustee LaGioia; seconded by Trustee Barsema. The motion passed.

Meeting adjourned at 2:05 p.m.

Respectfully submitted,

Vicky Rippberger
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.
INTERCOLLEGIATE ATHLETICS & DIVISION OF ADMINISTRATION AND FINANCE
IHSA STATE FOOTBALL CHAMPIONSHIP TICKET AGREEMENT

Summary: On November 24 and 25, 2017, Northern Illinois University in partnership with the DeKalb County Community Foundation will be hosting the 2017 IHSA State Football Championship games and related events at NIU’s Huskie Stadium. This agreement covers the transfer (i.e. pass through) of ticket revenues to the IHSA for the 2017 games. NIU does underwrite basic operating expenses to facilitate this event, which has led to a modest operating loss in recent years. However, the Athletics function is actively engaged with NIU Marketing and Communications in the development of branding strategy, which could affect future enrollment from this target audience.

Background: This year is the third out of five championships to be hosted on NIU’s campus according to an agreement that was entered into in 2013. The remaining years in the agreement are 2019 and 2021. The University of Illinois will continue to host the games in Champaign on the alternate years. To facilitate this event, NIU incurs modest operating costs (e.g. high school sanctioned goal post installation, grounds maintenance/cleaning etc.), in addition to having opportunities to generate auxiliary revenue. The expectation is to operate this event as a breakeven proposition.

Funding: Agency Funds

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY18 as follows:

Illinois High School Association ............................................. Not to Exceed $400,000

FY16 Approval: $400,000
INTERCOLLEGIATE ATHLETICS
ATHLETIC APPAREL SPONSORSHIP PACKAGE (FY19-FY23 WITH OPTIONS)

Summary: NIU Intercollegiate Athletics requires team athletic apparel, footwear and accessories for its 17 men’s and women’s sports programs, coaches, administrative staff and support staff on an annual basis, and wishes to enter into an exclusive athletic apparel sponsorship agreement with an apparel provider who can outfit all 17 sports programs, who can offer the University the best quality merchandise at the most advantageous pricing structure, and who can offer the University the best overall athletic apparel sponsorship package.

To ensure our best-discount pricing and the most advantageous sponsorship package offering from the awarded vendor, the initial agreement would be for a five-year period of coverage, from FY19 through FY23, with up to an additional five renewal-year options (through FY28). NIU Board of Trustees approval is being sought only for the initial five-year period of coverage. In the event the University wishes to renew the agreement beyond that time frame, additional Board approval would be sought at that time.

Background: NIU Athletics would be granting a yet-to-be-determined sports apparel vendor the exclusive rights to outfit the University’s designated sports teams and staff, and would grant the vendor exclusive licensing rights to have their brand (logo) on all designated athletic apparel, footwear and accessories provided by the vendor related to this apparel sponsorship agreement. In exchange for these vendor-benefitting NIU offerings of exclusive licensing rights; NIU purchases of designated apparel, footwear, and accessories; and opportunities for vendor-brand-exposure and advertising, NIU Athletics, in turn, will be receiving its best and most competitive discounted pricing structure as well the best and most beneficial-to-NIU sponsorship package that the vendor can provide. NIU Athletics is also requesting that as part of the vendor’s apparel sponsorship package agreement that resulting discounted pricing would also be extended to other NIU Departments as requested.

The most advantageous apparel sponsorship package vendor will be determined as a result of a bid/RFP competitive selection process currently being initiated. Bid/RFP results, however, will not be determined until later this year, at which time a master agreement would need to be executed and purchase orders would need to be issued. Sports apparel industry vendors also typically require sports-team apparel orders to be submitted in October and November for the following fiscal year. Therefore, to allow time to complete the competitive selection process and to select the most advantageous-to-NIU sports apparel provider and athletic apparel sponsorship package, and to meet ordering time-frames, NIU Athletics is seeking NIU Board of Trustees “project” approval to enter into an athletic apparel sponsorship agreement with a vendor yet to be determined. If the contracted vendor is a corporate conglomerate with various divisions, subsidiaries, and/or licensees, purchase orders (or possibly sub-agreements, if required) may be issued to any of the various company names under the bid/RFP-awarded vendor’s corporate umbrella.

NIU Athletics’ anticipated spend is approximately $500,000 annually. For the initial five-year period of coverage, Athletics’ anticipated approximate spend is $2.5 Million. Other Department’s anticipated spends are unknown at this time. Therefore, we are requesting a combined five-year estimated approval amount of $3.0 Million for this project. This bid/RFP competitive selection will be advertised in the Illinois Procurement Bulletin.
**Funding:** Institutional – Local Funds

**Recommendation:** The University requests Board of Trustees approval of expenditure authority for FY19-23 as follows:

*Vendor yet to be determined* .................................................. $3,000,000

FY14-FY18 Original Approval: $2,000,000 (plus an additional $1,000,000 amendment in FY18)
FY18 INTERCOLLEGIATE ATHLETICS
ATHLETIC APPAREL AMENDMENT

Summary: An amendment is required to increase the approval amount for the purchase of team athletic apparel, footwear and accessories for its men’s and women’s sports programs, coaches, administrative staff and support staff. Original project approval, which was an estimate to cover five years, was received in the September 20, 2012, Board Report. In the fifth year of this five-year initial term, actual orders placed require an amendment to the original estimated approval amount. The Request for Proposal, RFP #BML102312, was opened on October 23, 2012. The change order has been advertised on the Illinois Procurement Bulletin and has been waived by the Procurement Policy Board.

Funding: Institutional – Local Funds

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY18 as follows:

Adidas America Inc. – Spartanburg, SC

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<thead>
<tr>
<th>Original Approval Amount</th>
<th>$2,000,000</th>
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<tr>
<td>Amendment Amount</td>
<td>$1,000,000</td>
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<td>New Approval Amount</td>
<td>$3,000,000</td>
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FY14-FY18 approval amount: $2,000,000
DIVISION OF RESEARCH AND INNOVATION PARTNERSHIPS MULTI-DISCIPLINARY SCIENTIFIC INSTRUMENTATION FOR “SHIMADZU PROGRAM FOR ACADEMIC RESEARCH AND QUALITY OF LIFE” (SPARQ)

Summary: The NIU vision and mission includes a commitment to engaged learning, research, application of current technology, and a commitment to public purpose that addresses regional, state, national and global challenges and opportunities. To fulfill this mission and to build research capacity, the University must maintain a broad spectrum of analytical scientific instruments that can support student training, faculty and staff research, and facilitate collaboration with, and service to, public and private partners across the region and world. With this request, we are seeking permission to obtain a suite of modern analytical scientific instruments that will replace aging or recently surplused instruments, or which will be completely new to our campus.

Background: We are seeking to purchase over a 5-year period scientific instruments that will enable us to train our students in cutting edge scientific analysis methods that cannot currently be conducted on campus, but which are essential in the 21st century, global marketplace. The order was advertised as a sole source in the Illinois Procurement Bulletin.

Funding: Institutional – Local Funds, 41 EZ34901 & Appropriated/Income Funds, 02 EA35069

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY18-22 as follows:

Shimadzu Scientific Instrument – Addison, IL ........................................... $2,500,000

FY17 approval: zero – new project
Agenda Item 7.e.  
November 16, 2017

DIVISION OF INFORMATION TECHNOLOGY – VOICE TRUNKING SERVICES AND LOCAL DOMESTIC/LONG DISTANCE SERVICE CONTRACT RENEWAL

Summary: The Division of Information Technology requests the purchase of voice trunking services, local and domestic long distance service, inbound toll free service, and associated fees and taxes during the period April 1, 2018 – March 31, 2019. This purchase is to continue service while NIU goes through the RFP evaluation process for a new telephony solution. This is the only renewal option available based on a sole source purchase posted on the Illinois Procurement Bulletin under reference #CAB022817.

Funding: Institutional – Local Funds, 41 UE58184

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY18-19 as follows:

  Frontier North – Sycamore, IL                                     $305,000

Amount Approved for FY12-17 (Nov 2011 – Nov 2016): $1,500,000
Amount Approved for FY17 (Dec 2016 – Mar 2017): $79,900
Amount Approved for FY17-18 (Apr 2017 – Mar 2018): $305,000
Summary: The Illinois Critical Access Hospital Network (ICAHN) provides supplemental direct assistance to Medicaid providers and extends coverage of support across the state of Illinois. NIU Outreach has subcontracted with ICAHN to work on an Illinois Department of Healthcare and Family Services (HFS) grant project titled NIU Illinois Health Information Technology Regional Extension Center. The project provides support to Illinois Medicaid providers in achieving meaningful use and earning Electronic Health Record Medicaid Incentive Payment Program (eMIPP) incentive payments. The HFS grant was delayed due to additional time needed for review by State House leadership, and as a result the contract must be amended in the amount of $20,000.00.

Background: ICAHN provides subject matter expertise to assist critical access hospitals, clinics and physician practices in the process of adopting, implementing or upgrading a certified electronic health record system and reaching meaningful use of electronic health record systems. Based on the original anticipated contract period which was subject to the start of the HFS grant, President’s approval was given on October 2, 2015 which originally stated the contract period as 7/1/2015 – 6/30/2017 (24 months). However, the HFS grant was not activated until 1/1/16 and runs through 11/30/17 (23 months). Because of the 6-month delay in starting the HFS grant, additional work was required by ICHAN which increased the total contract amount from $240,000 to $260,000. The duration of the contract period was reduced by 1 month, however, additional approval is requested to increase the total to $260,000 through November 30, 2017. ICAHN costs are 100% covered by the HFS grant. This order is exempt from the Illinois Procurement Code according to 30 ILCS 500 / 1-13(b)(8) [activities under grants].

Funding: Sponsored Projects, G4B67550

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY16-18 as follows:

Illinois Critical Access Hospital Network – Princeton, IL

Original Approval Amount .................................................. $ 240,000
Amendment Amount ............................................................. $ 20,000

New Approval Amount ........................................................ $ 260,000

FY16-18 Approval Amount: $240,000
HOLMES STUDENT CENTER - PHASE I RENOVATION CAPITAL PROJECT

Summary: Since receiving approval to proceed with the design for the Holmes Student Center renovation design in June 2016, significant effort has been expended to (1) assemble a team of architects, engineers, specialty consultants, and University student and staff representatives, and (2) develop an affordable and impactful design for the ground floor area. After numerous meetings, discussions, and review sessions, the design is essentially complete with a focused concentration on restructuring the ground floor area to create a welcoming open space for traffic flow and lounge areas. The additional reconfiguration of the food and retail operations, opening up the south wall to MLK Commons, and reintroduction of Student Association activities will help reinvigorate student involvement in the student center.

Background: An accompanying presentation will provide a visual of the final design layout and similar information is being advertised at http://niu.edu/hsc/renovation/index.shtml to help build excitement for the upcoming improvements. The contracted design team is beginning to shift work effort towards the development of the contractual solicitation documents to advertise for the construction phase of the project. The intended timeline is to be able to begin construction activities as the space can be vacated at the end of the spring semester (May 2018).

To help ensure the project remains affordable within the limits of the available total $20M authorized, about $1.2M of improvements have been identified as optional bid items. These items may or may not be executed during the construction phase depending on the bidding climate for the project.

Funding: Bond Series 2010 Funds – Build America Bonds

Recommendation: The University requests Board of Trustees authorization to proceed with construction advertising, contract awards, and subsequent construction activities for the project. Updates will be provided with subsequent progress reports.
Agenda Item 7.h.  
November 16, 2017

HOLMES STUDENT CENTER RENOVATION  
NATIONAL RETAIL FOOD VENUES  
FRANCHISE APPROVAL

**Summary:** Leveraging the popularity and attraction of national food/coffee brands is an important element for revitalizing and reactivating the ground floor under the Holmes Student Center renovation project. These food offerings will enhance the atmosphere and environment of the newly renovated space, and will improve retail food options in central campus. Additionally, these new upgraded food operations will be integrated with the campus-wide dining strategy and become meal plan options for patrons.

**Background:** The brand/food types for Holmes Student Center retail operation will be selected to best conform to a campus-wide dining strategy which strives to balance the best mix of food options across the various dining halls and retail food locations. Surveys conducted during the conceptual design efforts for the Holmes Student Center renovation indicated desires for a mix of national and unique/local food brands, as well as a mix of food options. The concept envisioned for the Holmes Student Center will feature two national brands venues in addition to transforming the Blackhawk Café into a Sports Grill concept. The resulting dining options will be synergistic with the renovated environment encouraging patrons to relax, interact, and recreate. All necessary equipment and construction costs are part of the overall budget approval granted for the renovation project.

| National brand coffee franchise license | $30,000 |
| Estimated royalties (8% on estimated $650K annual sales) over 10-year term | $520,000 |
|                                      | $550,000 |

| National brand food franchise license | $15,000 |
| Estimated royalties (6% on estimated $500K annual sales) over 10-year term | $300,000 |
|                                      | $315,000 |

**Funding:** Institutional – Bond Revenue Operating Funds

**Recommendation:** Board of Trustees approval is requested for authority to enter into franchise agreements with selected firms for a term not to exceed ten (10) years. While actual franchise royalty payments will depend on sales, the overall magnitude of this initiative over the agreement term is estimated to be $550,000 for the coffee shop and $315,000 for the food venue.
NAPERVILLE OUT-LEASE WITH AMERICAN INSTITUTES FOR RESEARCH  
(NIU as LESSOR)

**Summary:**  American Institutes of Research had leased space at the Naperville satellite campus since 2012. The University would like to continue the long-standing relationship with this tenant by executing a temporary extension of the existing lease terms until a new multi-year lease agreement can be negotiated which will include provisions to renovate the space to better accommodate this organization’s requirements.

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

The AIR organization currently occupies approximately 30,000 square feet of office space on the second floor of the Naperville building and desires to reduce this footprint to about 20,000 square feet to accommodate their current staffing requirements. To accomplish this reduction, renovations are required to sufficiently separate the space to be returned for potential leasing to other tenants. The AIR organization is willing to fund the necessary renovation work.

**Funding:**  Potential annual revenue of $597,000 based on continued occupancy of 30,000 square feet. Potential annual revenue of $398,000 based on revised occupancy of 20,000 square feet.

**Recommendation:**  The University requests Board of Trustee authorization to (1) extend the current lease terms until a new lease can be negotiated, and (2) enter into a new multi-year lease agreement with the American Institute of Research accommodating their revised requirements. Lease terms negotiated to be consistent with current market conditions.
FISCAL YEAR 2019 PRICING RECOMMENDATION

Executive Summary: The following item presents a comprehensive pricing recommendation that addresses Northern Illinois University’s tuition, fees, and room and board rates for Fiscal Year 2019. These recommendations were developed with the goals of maintaining fiscal responsibility and addressing affordability concerns - by keeping the total cost of attendance for full-time students as low as possible. The recommendations include no increase in tuition, a minimal increase in room and board rates of 2% and a 0.5% decrease in fees for undergraduate students. Overall, the recommendations result in an increase in the total cost of attendance for undergraduate students of 0.9%, 0.5% for graduate students, and 0.2% increase for law students.

Background and Summary: Establishing an FY19 pricing decision is a critical step in accomplishing an annual timetable that permits a more effective, efficient, and transparent annual budget development process. With pricing decisions made in December, the annual budget planning and development process for the next fiscal year can begin in January, thus permitting a final budget for both the operating budget (and an annual capital budget) in June. Further transparency and opportunity for interactive discussion during an expanded budget development phase will permit a continued focus on enrollment issues and fiscal sustainability within the academic responsiveness/fiscal responsibility oversight model and reflecting our Guiding Principles for Financial Planning and Budgeting, and will thus allow for better informed decision-making.

In the next several sections, we describe the specific Fiscal Year 2019 recommendations for each major component of pricing that drives the total cost of attendance.

I. Tuition Recommendations:

Undergraduate Tuition
The following tuition recommendations reflect Truth-in-Tuition legislation, which took effect Fall 2004 for Illinois residents seeking an undergraduate degree. Under the provisions of the law, the entering degree-seeking undergraduate class for each fiscal year, beginning in FY05, is guaranteed the same tuition rates for four continuous years. NIU policy adds one additional semester to this four year guarantee. NIU’s current policy is that after nine continuous semesters, the guaranteed undergraduate tuition rate adjusts to the fixed tuition rate paid by students who entered the university one fiscal year after the date of original entry for two years (in accordance with Senate Bill 3222 which was passed effective July 1, 2010). The fixed tuition rates for such students are maintained consistent with that cohort. At the special meeting of the Board of Trustees in October, the University discontinued the Midwest rate in favor of an overall domestic rate strategy applicable to all states within the United States. In conjunction with the domestic rate strategy, effective FY19, Truth-in-Tuition guidelines will now be applied to all domestic undergraduate students in an effort to align our recruiting, enrollment, and retention strategies with the student affordability objective of the university.

In FY18, the Administration recommended establishing an undergraduate differential rate for students enrolled in the College of Engineering. Data still shows a very high demand for engineering and technology graduates in Chicago, Rockford and the Northern Illinois area. This year in addition to the College of Engineering undergraduate differential, the university is recommending a $40 per credit hour differential for the Bachelor of Computer Science undergraduate degree program. Computer Science as well as Engineering and Technology programs are highly lab intensive and the skill sets needed by industry are rapidly changing. Therefore, considerable resources need to be directed towards continuous improvement and upgrading of laboratories, and infrastructure capacity building for maximizing student success.
Graduate and Law Tuition
In FY16, the Administration implemented one consolidated tuition rate for graduate students and law students consisting of instructional and institutional charges. Charging graduate and law students a consolidated tuition in each semester will aid in attracting to NIU students with employer reimbursement. This change was done with the objective in mind of either easing burdens that fall on graduate and law students or of providing pathways to enrollment growth and additional revenue production. While the instructional charge is remaining constant, the institutional charges are increasing slightly.

At the special meeting of the Board of Trustees in October, the University discontinued the out-of-state rate in favor of an overall domestic rate strategy applicable to all states within the United States. In addition, the Administration is asking for continuation of the differential tuition rates as previously approved with changes as noted in the Graduate differential table, as well as establish differential rates for the following programs:

- Executive EdD in Adult & Higher Ed Weekend Cohort *online*
- Master of Science in Digital Marketing *online*

The recommendation also includes the elimination of differential rates for the following programs:

- Educational Research & Evaluation (MSED) *online*
- Literacy Education Bilingual/ELS *online*

Online Tuition
The Administration recommends maintaining a minimum tuition rate of $500 per credit hour and a maximum tuition rate of $1,000 per credit hour for both graduate and undergraduate online programs. The components of the minimum online tuition rate are illustrated below in Figure 1. This recommendation relies on approval of a consolidated tuition charge and differential tuition, where the minimum differential charge will be $30 per hour and the maximum differential charge will be $530. NIU’s efforts to develop budget and pricing models to stimulate growth of online programs and enrollment has been discussed for many years. Coupled with the efforts of the Office of Online Program Development and Support, this recommendation paves the way for that growth.

<table>
<thead>
<tr>
<th>Components of Tuition</th>
<th>FY18 Per Hour Charge</th>
<th>FY19 Per Hour Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Charge</td>
<td>$357</td>
<td>$357</td>
</tr>
<tr>
<td>Central Services Charge</td>
<td>$69</td>
<td>$69</td>
</tr>
<tr>
<td>Outreach Charge</td>
<td>$18</td>
<td>$18</td>
</tr>
<tr>
<td>Career/Professional Development Charge</td>
<td>$4</td>
<td>$4</td>
</tr>
<tr>
<td>Technology Charge</td>
<td>$22</td>
<td>$22</td>
</tr>
<tr>
<td>Program Differential</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>TOTAL Minimum Online Tuition</td>
<td>$500</td>
<td>$500</td>
</tr>
</tbody>
</table>

The recommended tuition rates for undergraduate, graduate and law students are presented in Table 1.
Table 1  
Fiscal Year 2018 Tuition Recommendations

**Undergraduate:**

*General Programs*

<table>
<thead>
<tr>
<th>Part Time</th>
<th>Full Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Cr. Hr. Rate</td>
<td>Package/Bundle Rate</td>
</tr>
<tr>
<td>1-11 Credit Hours</td>
<td>12 or more Credit Hours</td>
</tr>
<tr>
<td>$348.84</td>
<td>$4,732.80</td>
</tr>
</tbody>
</table>

Undergraduates who are entering in FY19 or who are non-degree seeking; international students at 2 times the FY19 rate unless as part of pre-arranged program at 1.5 times the FY19 rate.

*College of Engineering Programs*

<table>
<thead>
<tr>
<th>Part Time</th>
<th>Full Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Cr. Hr. Rate</td>
<td>Package/Bundle Rate</td>
</tr>
<tr>
<td>1-11 Credit Hours</td>
<td>12 or more Credit Hours</td>
</tr>
<tr>
<td>$398.84</td>
<td>$5,332.80</td>
</tr>
</tbody>
</table>

Non-Engineering students taking 4 or more credit hours, within the College of Engineering, are subject to a differential charge of $50/crhr.

*Computer Science Program*

<table>
<thead>
<tr>
<th>Part Time</th>
<th>Full Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Cr. Hr. Rate</td>
<td>Package/Bundle Rate</td>
</tr>
<tr>
<td>1-11 Credit Hours</td>
<td>12 or more Credit Hours</td>
</tr>
<tr>
<td>$388.84</td>
<td>$5,212.80</td>
</tr>
</tbody>
</table>

*Law:*

<table>
<thead>
<tr>
<th>1-11 Credit Hours</th>
<th>12 or more Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>$917.26</td>
<td>$11,007.12</td>
</tr>
</tbody>
</table>

The above hourly tuition rate includes an instructional charge of $677.29 per credit hour and an institutional charge of $239.97 per credit hour.

**Graduate:**

*General Programs*

<table>
<thead>
<tr>
<th>1-11 Credit Hours</th>
<th>12 or more Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>$498.62</td>
<td>$5,983.44</td>
</tr>
</tbody>
</table>

The above hourly tuition rate includes an instructional charge of $357.00 per credit hour and an institutional charge of $141.62 per credit hour.

**Graduate Differential Programs (Per Credit Hour)**

<table>
<thead>
<tr>
<th>Program</th>
<th>FY18 Differential</th>
<th>FY19 Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Engineering &amp; Engineering Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Programs (including online programs)</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>College of Liberal Arts &amp; Sciences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Science (MS)</td>
<td>$60.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>College of Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>EdD in Curriculum &amp; Instruction</td>
<td>$65.00</td>
<td>$65.00</td>
</tr>
<tr>
<td>EdD in Education Administration</td>
<td>$65.00</td>
<td>$65.00</td>
</tr>
<tr>
<td>PhD/EdD Instructional Technology</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>PhD/EdD Instructional Technology online</td>
<td>$80.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>MSEd in Instructional Technology</td>
<td>$30.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>MSEd in Instructional Technology online</td>
<td>$50.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Literacy Education Bilingual/ELS online</td>
<td>$40.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Graduate Certificate Trauma-Informed Counseling online</td>
<td>$35.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Educational Research &amp; Evaluation (MSED) online</td>
<td>$30.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>EdD in Community College Leadership online</td>
<td>$55.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>MSEd in Kinesiology &amp; Physical Education</td>
<td>$35.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>MS in Sports Management</td>
<td>$35.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Executive EdD in Adult &amp; Higher Ed Weekend Cohort online</td>
<td>$0.00</td>
<td>$55.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>College of Business</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate Certificate in Accountancy</td>
<td>$325.00</td>
<td>$325.00</td>
</tr>
<tr>
<td>Master of Accounting</td>
<td>$325.00</td>
<td>$325.00</td>
</tr>
<tr>
<td>Master of Accounting Science</td>
<td>$325.00</td>
<td>$325.00</td>
</tr>
<tr>
<td>Master of Science in Taxation</td>
<td>$325.00</td>
<td>$325.00</td>
</tr>
<tr>
<td>Graduate Certificate in SAP Analytics</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Graduate Certificate in Data Analytics</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Master of Science in Financial Risk Management</td>
<td>$400.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Evening MBA</td>
<td>$400.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Global MBA</td>
<td>$400.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Graduate Certificate in Management Information Systems</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Masters of Management Information Systems</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Master of Science in Digital Marketing online</td>
<td>$0.00</td>
<td>$400.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>College of Health &amp; Human Sciences</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Master of Speech-Language Pathology</td>
<td>$150.00</td>
<td>$160.00</td>
</tr>
<tr>
<td>Doctor of Audiology</td>
<td>$175.00</td>
<td>$185.00</td>
</tr>
<tr>
<td>Doctor of Physical Therapy</td>
<td>$200.00</td>
<td>$225.00</td>
</tr>
<tr>
<td>Doctor of Health Sciences online</td>
<td>$500.00</td>
<td>$513.00</td>
</tr>
<tr>
<td>Graduate Certificate in Eating Disorders online</td>
<td>$105.00</td>
<td>$105.00</td>
</tr>
<tr>
<td>Doctor of Nursing Practice</td>
<td>$225.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>Master of Public Health online</td>
<td>$180.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>Nursing Adult, GPCNP online</td>
<td>$180.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>Master of Family Nurse Practitioner online</td>
<td>$225.00</td>
<td>$230.00</td>
</tr>
<tr>
<td>Nursing Education online</td>
<td>$180.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>Nursing Post Masters Certificate online</td>
<td>$180.00</td>
<td>$180.00</td>
</tr>
</tbody>
</table>
II. Room and Board Recommendations:

The collection of room and board from students living in university residence halls supports Housing and Residential Services as well as Campus Dining Services operations and related Revenue Bond obligations. Room rate recommendations typically address increased student wage and service contract costs, software support, indirect costs, contractual services, general operating expenses, and debt service payments related to renovations to the residence halls. After looking at many scenarios, the recommendation of the university is two-fold. First, we recommend to increase the single-occupancy room to further differentiate from a multiple-occupancy room. Second, at this time, in order to address student affordability concerns, the university is recommending a **multiple-occupancy room and board rate that represents a two percent increase in rates for Fiscal Year 2019.** (NOTE: Rates for New Hall and Northern View, the Collegiate Housing Foundation II Project, are considered separately and are not included in this recommendation, but are provided for informational purposes only.)

A summary is provided in Table 2 which details each residence hall room and board rate.

### Table 2
**Fiscal Year 2019 Room and Board Rate Recommendations**

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>FY18 RATE</th>
<th>FY19 LOCATION</th>
<th>FY19 RATE</th>
<th>variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEPTUNE HALL</td>
<td>$5,379</td>
<td>Single-Occupancy</td>
<td>$5,633</td>
<td>4.7%</td>
</tr>
<tr>
<td></td>
<td>$4,750</td>
<td>Multiple-Occupancy</td>
<td>$4,845</td>
<td>2.0%</td>
</tr>
<tr>
<td>GILBERT HALL</td>
<td>$5,927</td>
<td>Single-Occupancy</td>
<td>$6,181</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>$5,298</td>
<td>Multiple-Occupancy</td>
<td>$5,404</td>
<td>2.0%</td>
</tr>
<tr>
<td>GRANT TOWERS</td>
<td>$5,927</td>
<td>Single-Occupancy</td>
<td>$6,181</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>$5,298</td>
<td>Multiple-Occupancy</td>
<td>$5,404</td>
<td>2.0%</td>
</tr>
<tr>
<td>STEVENSON TOWERS</td>
<td>$5,927</td>
<td>Single-Occupancy</td>
<td>$6,181</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>$5,298</td>
<td>Multiple-Occupancy</td>
<td>$5,404</td>
<td>2.0%</td>
</tr>
<tr>
<td>NEW HALL</td>
<td>$5,503</td>
<td>Single-Occupancy (Room Only)</td>
<td>$5,503</td>
<td>0.0%</td>
</tr>
<tr>
<td>MEAL PLAN ONLY</td>
<td>$1,105</td>
<td>MEAL PLAN ONLY</td>
<td>$1,127</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Other Mandatory Residential Fees**

- ResNet Access & Support Charge: \$92/semester
- Residence Hall Surcharge: \$50/semester

**Other Residential Fees**

- Winter Break Fee
  - Prior to deadline: \$42/week or \$150/4 weeks
  - After deadline: \$56/week or \$200/4 weeks
- Living-Learning Communities (Formerly Academic Residential Programs): \$50/semester
III. Student Fee Recommendations:

The university has numerous student activities, programs, services and operations that are supported to various degrees by the assessment of dedicated-use student fees. Table 3 provides a summary of fee rates for FY18 and recommendations for FY19.

Excluding the health insurance fee increase, the fees recommended for approval represent a 0.5% decrease for undergraduate students. Fees for graduate and law student are incorporated into the recommended tuition rates. Following Table 3, fee descriptions are provided to describe each fee and the recommended fee rate.

<table>
<thead>
<tr>
<th>Fee Description</th>
<th>CURRENT FEES FY18</th>
<th>Proposed Change per Semester Credit Hour</th>
<th>PROPOSED FEES FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>STUDENT SUPPORT SERVICES FEE</td>
<td>$36.82</td>
<td>$ (0.79)</td>
<td>$36.03</td>
</tr>
<tr>
<td>UNIVERSITY ADVANCEMENT FEE</td>
<td>$26.12</td>
<td>$ 0.56</td>
<td>$26.68</td>
</tr>
<tr>
<td>ATHLETIC FEE</td>
<td>$33.21</td>
<td>$ (0.30)</td>
<td>$32.91</td>
</tr>
<tr>
<td>ACAD PROGRAM ENHANCEMENT</td>
<td>$-</td>
<td>$ -</td>
<td>$250.00</td>
</tr>
</tbody>
</table>

TOTAL IF REGISTERED FOR 12 OR MORE SEMESTER CREDIT HOURS*

<table>
<thead>
<tr>
<th>Semester</th>
<th>2017-18 per Credit Hour</th>
<th>2018-19 per Credit Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDERGRADUATE</td>
<td>$1,403.80</td>
<td>$1,397.44</td>
</tr>
</tbody>
</table>

* Totals do not include the Health Insurance Fee.

** Can be waived with proof of comparable insurance.

*** For full time students only.

Fee Descriptions

Student Support Services Fee is comprised of the following charges and reflects a decrease of $0.79, from $36.82 to $36.03, per credit hour:

Student Activities and Services Charge supports the student government, student programming, campus wide programming initiatives (Welcome Days, Homecoming, Open Houses, etc.) and the activities of student recognized organizations. These charges are also allocated to departments to maintain and improve student services. The university is recommending a $0.18 decrease from $4.81 to $4.63 per credit hour for undergraduate students.

Holmes Student Center Charge supports the operational costs of Holmes Student Center and student programs provided in the facility. The charge will remain at $12.33 per credit hour, with no increase.
**Health and Wellness Charge** allows students to use Health Services with little to no direct cost to students, and helps fund programing that promotes wellness and healthy lifestyle choices, as well as related state and federally mandated education and awareness campaigns. **The University is recommending a $0.90 decrease from $10.25 to $9.37 per credit hour.** This embraces changes made to this as a result of implementing Program Prioritization recommendations.

**Grants-in-Aid Charge** supports an institutional merit-based scholarship program. **The University is recommending an increase from $0.88 to $1.38 per credit hour.** This is to reflect the consolidation of this charge with the Student-to-Student charge.

**Student-to-Student Charge** is dedicated to a needs-based Financial Aid fund for students, by which state institutions are eligible for matching funds from the State of Illinois per statutory requirements. **The charge is being consolidated into the Grants-in-Aid charge.**

**Campus Recreation Charge** is used for financing, constructing, maintaining, and improving new and existing recreational sports facilities and programs, including the sport club operations. **The charge will remain at $8.03 per credit hour.**

**Northern Star** has requested per university procedures the reinstatement of a fee to support their operations. After discussions and significant student support, the committee is recommending moving forward with a minimal credit hour charge in support of these efforts. **The University in recommending a charge of $0.29 per credit hour.**

**University Advancement Fee** is comprised of the following charges and reflects an increase of $0.56, from $26.12 to $26.68, per credit hour:

**Capital Improvement Charge** This fee provides funding for educational and support facilities for students, faculty, and staff in a manner that maximizes the effectiveness of the capital investments, maximizes the use of existing facilities, and promotes orderly, planned campus development. Support for debt service of previously approved projects including west campus improvements and the living and learning initiatives are also included in this charge. **The charge will remain at $15.15 per credit hour.**

**Transportation Access Charge** All students will be assessed a transportation access fee which funds the Huskie Bus System, the Huskie Line, parking lot lights, security and maintenance, and the creation of additional parking and transportation services. This charge also supports the university’s Huskie Line bus and Freedom Mobile paratransit services. All fee-paying students are eligible to utilize Huskie buses without being charged fares. **The University is recommending a $0.56 increase from $10.97 to $11.53 per semester credit hour.** This increase, 5 percent, is needed to meet obligations of the contract with the vendor that provides student bus services.

**Athletic Fee** is comprised of the following charges and reflects a decrease of $0.30, from $33.21 to $32.91 per credit hour:

**Athletic Program Charge** supplements the University’s diverse athletic programs and provides students with a means to enjoy the athletic events without direct cost to the student. **The university is recommending a $0.30 decrease from $22.59 to $22.29 per credit hour.**

**Convocation Center Charge** helps fund the operational costs of the Convocation Center and supports student events held in the athletic space utilized by students. **The University is recommending no increase at $8.22 per credit hour.**
Huskie Stadium Charge helps fund the operational costs of Huskie Stadium and provides support for student activities and programs that are held in the stadium. **The charge will remain at $2.40 per credit hour, with no increase.**

**Academic Program Enhancement and Instructional Surcharge** is a flat fee that is assessed in order to meet the ever-emerging demands for cutting edge academic programs and services for NIU students. Critical areas for funding include library journals and books, support for courses in high demand, technology upgrades, as well as support for identified academic strategic planning initiatives designed to strengthen, direct and further improve academic programs, research, and the academic experience of students. **The University is recommending the charge remain at $250.00 per semester.**

**Health Insurance Fee** covers the student health insurance plan that provides comprehensive medical insurance for students and their dependents. The Health Insurance fee is a flat fee, which provides coverage for all students registered for nine or more credit hours of on-campus instruction, unless proof of comparable health insurance coverage is provided. It should be noted that Spring Semester enrollment in the plan includes summer coverage regardless of whether the student is registered for summer session instruction. This assures year-round health insurance coverage for participating students. **The Student Health Insurance Fee Review Committee is recommending an increase not to exceed $260.50 from $1,038.50 to $1,299.00 per semester.**
**Recommendation for Fiscal Year 2019:** The university requests approval of the recommended FY19 tuition, fee and room and board rates as described in this item and detailed in Tables 1 – 3, and summarized in Table 4. These figures reflect the average annual costs for a full-time student at the undergraduate, graduate and law school level.

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Change FY18-FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW UNDERGRADUATE STUDENTS</strong></td>
<td>In-State</td>
<td>In-State</td>
<td>$</td>
</tr>
<tr>
<td>TUITION</td>
<td>$ 9,466</td>
<td>$ 9,466</td>
<td>$ -</td>
</tr>
<tr>
<td>FEES</td>
<td>$ 2,808</td>
<td>$ 2,795</td>
<td>$ (13)</td>
</tr>
<tr>
<td>ROOM &amp; BOARD</td>
<td>$ 10,880</td>
<td>$ 11,092</td>
<td>$ 212</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 23,154</td>
<td>$ 23,353</td>
<td>$ 199</td>
</tr>
</tbody>
</table>

Assumptions:
- Full-time for both Fall and Spring
- Excludes Health Insurance Fee
- Renovated Double, Grant, Stevenson, Gilbert

**NOTE:** Does not include housing rates at New Hall or Northern View. Those rates are set in a separate process.

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Change FY18-FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW AND CONTINUING GRADUATE STUDENTS</strong></td>
<td>In-State</td>
<td>In-State</td>
<td>$</td>
</tr>
<tr>
<td>TUITION</td>
<td>$ 11,905</td>
<td>$ 11,967</td>
<td>$ 62</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 11,905</td>
<td>$ 11,967</td>
<td>$ 62</td>
</tr>
</tbody>
</table>

Assumptions:
- Full-time for both Fall and Spring

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>Change FY18-FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW AND CONTINUING LAW STUDENTS</strong></td>
<td>In-State</td>
<td>In-State</td>
<td>$</td>
</tr>
<tr>
<td>TUITION</td>
<td>$ 21,978</td>
<td>$ 22,014</td>
<td>$ 36</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 21,978</td>
<td>$ 22,014</td>
<td>$ 36</td>
</tr>
</tbody>
</table>

Assumptions:
- Full-time for both Fall and Spring
FISCAL YEAR 2017 REPORT ON
FACILITIES AND INFRASTRUCTURE CAPITAL INVESTMENT ACTIVITIES

Overview

This report reviews and summarizes a holistic capital investment perspective based on the layered investment strategy of maintenance, major repairs, and mission enhancement (formerly described as discretionary) capital improvement projects. A historical view is presented from information collected from Fiscal Year 2000 through Fiscal Year 2017. This view is also categorized by the two major classifications of campus buildings as noted below. This differentiation is critical to understanding the source of funds required to support each type of building and the supported University operation.

- **General Revenue**: Consists predominantly of academic and administrative operations, associated buildings and proportional supporting infrastructure. This roughly represents about $1B of Plant Replacement Value (PRV) which serves as a common denominator for comparing buildings.

- **Auxiliary/Bond Revenue**: Consists predominantly of athletics, housing/dining, recreation, and Holmes Student Center operations, associated buildings, and proportional supporting infrastructure. This also roughly represents about $1B of PRV.

The format of this report has been modified from prior annual capital reports to (1) provide a more strategic view of all investments made in the facility assets, (2) present a perspective on the level of investment required, and (3) make an initial attempt at illustrating the overall health of the campus physical plant. A traditional reporting description of capital projects is provided in Appendix A showing highlights of significant actions approved between FY12 and FY17. Appendix B is the semi-annual accounting of all current active projects >$100,000. These appendices do not provide strategic perspective with the information provided, but help illustrate examples for the types of work supported by the various investment categories.

Information presented represents a best effort at collecting and interpreting historical financial data into a meaningful format and developing an investment strategy/model to guide future focus. Improvements and refinements are anticipated for subsequent reports as data is better characterized with future investments. A simple facility investment model is described and utilized as a method of rough comparison to industry standards. In the future, as staffing capacity allows, investment level comparisons to other universities may be possible with refined and reliable data that can be shared.

**Maintenance Investments**

Maintenance is fundamental investment required to keep facilities operational and functional. The actions represented in this investment category include (1) preventive maintenance (PM) which help ensure building systems function for the intended life, and (2) corrective repairs which allow for smaller critical (and sometimes interim) repair actions to keep the building functioning on a daily basis. A key strategy being implemented to help ensure available funding is utilized in the most effective manner, is the development of a formal PM program. The FY17 effort to document and track PM requirements for about 2,821 individual items represents the steady progress planned to continue through FY19, as shown in figure 1 below.

As more data fidelity is added to this critical maintenance function, more definitive work plans can be developed to clearly understand the staffing and material support required to accomplish these work requirements. Once fully implemented, future annual reports can begin to demonstrate the extent available resources will be able to support PM actions. A properly supported PM program will reduce the chances of unplanned failures and minimize disruptions on the campus.
How much should be invested in maintenance depends on the necessary PM actions and historic levels required to address small corrective repairs. Presented in figure 2 below, is a historical view of maintenance investment made on general revenue facilities/infrastructure between FY00 through FY17. Utilizing a percentage of a plant’s replacement value (PRV) as a basis for comparison and considering the effort underway for improving overall PM efforts, 0.5% approximates the target investment for the General Revenue portion of the University’s campus. This is an investment area that can be affected by the reduced State appropriations.

In general, the University has expended a significant effort to increase General Revenue maintenance investments over the past 18 years. From a low point in FY03 of just under $1M, this investment has increased nearly 4 times to create a respectable investment level for this fundamental layer of facility sustainment. In FY17, this funding level dipped to $3.1M due to the need to weather the uncertainty of state funding between FY16 and continuing into FY17. For FY18, the projected level of investment remains conservative at only $3.8M due to continued uncertainty with future State funding support.
In a similar manner, the facility maintenance investment supporting Auxiliary/Bond Operations was plotted in figure 3. This shows an overall improved level of investment over this same period as compared to General Revenue investments which may be due to less volatility in funding support as the typical bond-based financing terms require more attention to protecting these facility assets. Similarly, as shown for the General Revenue maintenance, the rough target for Aux/Bond maintenance is 0.5% of PRV. While this level of maintenance investment had been reached in FY09 and FY13-15, recent maintenance investment levels in FY17 and projected for FY18 have reduced due to overall budgetary pressures caused by enrollment decline.

**Major Repair Investments**

Major repairs are the next critical investment priority after maintenance. Major repairs commonly include significant restoration/replacement of building components to return the system to near original operating capability. The combined investment of both maintenance and repair is key to maximizing a facility's service life. The investment model utilized for this report to assess the University's facility investment situation was a simple algorithm which measures the maintenance and repair investment as a percentage of overall Plant Replacement Value. In this model, 2% is viewed as a reasonable investment level to sustain facilities for their intended life span when facility management experts generally agree that investment levels of between 2% and 4% are required depending on the type of facility, level of use, and current state of deferred deficiencies. If investments are made too low, the backlog of deferred requirements continues to
build as deficiencies accumulate, and overall repairs become more costly to restore to acceptable conditions as deficiencies worsen.

Viewing the campus under the General Revenue and Auxiliary portions as shown previously, each portion of the campus represents about $1B of PRV for a total of $2B. A 2% investment in maintenance and repair would amount to a total of $40M total, or $20M for each portion. In figure 4, the complete maintenance and repair General Revenue investment history is presented and, on average, the investment level has been only 0.4% despite the inclusion of sporadic support of State repair funding. A minor investment surge occurred between FY12-FY16 which breached the 0.5% level with the help of some state renewal funding. Significant projects in this period consisted of repairs to the underground electrical infrastructure, repairs outdated fire alarm systems, repair/replacement of emergency generators, and roof replacements for seven campus buildings.

![Figure 4 General Revenue Facility Investments](image)

Figure 4

This level of historic and current level of investment has not been sufficient to keep up with the constant accumulation of facility deficiencies. While reaching a 2% investment level may not be financially feasible at this time, an interim investment target of 1% might be attainable with a reasonable level of focused State funding assistance. FY17 General Revenue investments fell short of the 2% industry standard by $16.4M and fell short of the 1% interim investment target by $6.4M.

To illustrate the impact of this long-term maintenance and repair underinvestment, a subjective condition assessment was developed for the inventory of General Revenue buildings using a grading scale as shown in table 1. While recognized as not a precise assessment of overall building condition, it does help illustrate the magnitude of concern and how conditions are likely to worsen if continued under investment occurs. A higher fidelity accounting of facility conditions can typically cost >$200K and could not be justified at this time.

**Building Condition Grading Spectrum: Table 1**

<table>
<thead>
<tr>
<th>Red (R)</th>
<th>Building or portions of building is not currently habitable without repair investment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow-Low (Y-L)</td>
<td>Building has significant repair needs that will impact mission within a year.</td>
</tr>
<tr>
<td>Yellow-High (Y-H)</td>
<td>Building in generally good condition with significant repair needs that may impact mission in 1-2 years.</td>
</tr>
<tr>
<td>Green-Low (G-L)</td>
<td>Building in generally good condition with some indication of significant repair needs in 2-3 years.</td>
</tr>
<tr>
<td>Green-High (G-H)</td>
<td>Building in good condition with normal maintenance/minor repair needs. Little risk to mission.</td>
</tr>
</tbody>
</table>
In figure 5 below, the condition of 62 General Revenue buildings is shown by overall count where each building is equally represented and then shown by square footage area. The representation by area is a more realistic view of the overall campus condition and demonstrates how over 2/3 of the General Revenue building space is at risk of needing significant repairs within a 2-year horizon to remain adequately mission capable. Continued underinvestment in maintenance and repair will cause this picture to worsen as more buildings become either unoccupiable or accumulate more deficiencies that increase the risk of mission impact. The red condition represents Adams Hall which is not occupied on the upper floor due to water infiltration and elevator repair deficiencies. Other buildings may be coming close to the threshold of not being able to support the intended mission.

![General Revenue Building Condition Assessment by Count](image1)

![General Revenue Building Condition Assessment by Area](image2)

Figure 5

In a similar manner, the total facility maintenance/repair investment supporting Auxiliary operations was plotted in figure 6. On average, particularly with an investment spike in FY13-FY14 supported by Build America Bond financing, this investment level comes to 0.6% as opposed to the General Revenue investment level of 0.4%. As previously addressed under the construct of the 2% of PRV investment model, FY17 Aux/Bond investments fell short of the 2% industry standard by $14.5M and fell short of the 1% interim investment target by $4.6M.

![Auxiliary/Bond Facility Investments](image3)

Figure 6
The investment surge in FY13-14 period supporting Aux/Bond structures included repair efforts such as electrical infrastructure improvements, parking lot patching/repaving, steam line/tunnel repairs, painting and roof replacement at the Recreation Center and Holmes Student Center.

In figure 7 below, the condition of 31 Auxiliary/Bond Revenue buildings are shown by overall count where each building is equally represented and then shown by square footage area. The representation by area is a more realistic view of the overall condition and demonstrates how over 1/2 of the Aux/Bond building space is at risk of needing significant repairs within a 2-year horizon. Continued underinvestment in maintenance and repair will cause this picture to worsen as more buildings become either unoccupiable or accumulate more deficiencies that increase the risk of mission impact. The red condition represents the Lincoln Hall residential complex which is currently not capable of being utilized due to the state of deterioration. Given the reduced need for residential housing, Lincoln Hall represents an opportunity to right size the housing footprint through a future demolition effort.

Figure 7

**Mission Enhancement Investments**

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

Mission enhancement investments in General Revenue buildings are plotted in figure 8 below. The % of PRV investment model is shown as a reference for the magnitude for this investment, but should not be construed as contributing towards the 1% or 2% maintenance and repair investment targets. While these mission enhancement investments may have been important for updating, modernizing, or generally improving the building’s mission support, they are not significantly contributing towards the sustainment of the building. As a comparison, the General Revenue mission enhancement investments averaged about $3.9M over this 18-year period. This equates to about 0.4% of the PRV which is approximately the same investment level made for maintenance and repairs. Mission enhancement investments for FY17 consisted mostly of the state-funded Stevens construction project which is anticipated to complete in FY18. Some investment was provided to support accreditation improvements for the College of Law and smart classroom improvements in the Monsanto building for the College of Health and Human Sciences.
Mission enhancement investments in Auxiliary/Bond Revenue buildings are plotted in figure 9 below. Again, the % of PRV investment model is shown as a reference only to illustrate the magnitude for this investment. In this comparison, the Aux/Bond Revenue mission enhancement investments averaged about $4.5M annually over this 18-year period. This equates to about 0.5% of the PRV which is slightly lower than the maintenance and repair investment of 0.6%. This level of investment in the Aux/Bond portion of the campus during the FY11-FY16 period was spurred by the financing from the Build America Bonds which contributed towards projects such as the Gilbert Hall renovation, Grant North Towers renovation, build-out of the College Grind in Holmes Student Center, Outdoor Recreation Center construction, fire sprinkler installation for Stevenson Hall, and the Lucinda Ave extension following the Douglas Hall demolition. The remaining Build America Bond availability is planned to be significantly utilized by the Holmes Student Center ground floor renovation anticipated to begin May 2018.

Aux/Bond mission enhancement investments for in FY17 were greatly reduced compared to previous years and consisted mostly of improvements made to enhance electronic security controls for Holmes Student Center and IT infrastructure improvements for expanding wireless capability.

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

This report represents a fundamental shift in how the University is viewing facility investments and the overall health of the campus physical plant. The extended period of systematic underinvestment, shown in this report, has removed much of the flexibility facilities might typically have to endure periods of low funding support through deferred repairs with interim patches. Older facilities have endured this strain longer than newer facilities and will be the structures that exhibit the more significant future failures that may cause mission impacts. As more “repair attention” must be paid to these pending failing building systems, sacrifices are likely to be made by deferring repairs to the newer structures which tends to continue the overall cycle of deterioration rather than sustain a consistent level of overall condition across an inventory of buildings.

Efforts have been underway to explain this dire investment requirement to various state leaders in the hopes of convincing them of the need for some reasonable level of maintenance/repair investment support. Additionally, the University has been systematically prioritizing maintenance and repair needs above mission enhancement investments, where possible. For FY17, as shown in figure 10, this intended prioritization favoring maintenance/repair was skewed in the General Revenue category by the State-funded construction project rebuilding the Stevens building. While a much needed and long awaited improvement for this building, a concentrated investment in one building at the cost of not being able to execute critical repairs for numerous buildings around campus is not a sustainable practice.

While this prioritization of maintenance/repair over mission enhancement looks better in FY17 for the Aux/Bond portion of the campus, this picture will also be skewed in FY18 as a significant investment is begun in the Holmes Student Center. To clarify, the investment in mission enhancement improvements are a needed component of a comprehensive facility investment strategy, but this must be balanced with the critical need for an appropriate level of maintenance and repair investment to sustain the overall health of the physical plant.
Figure 10

FY17 Investments Summary

<table>
<thead>
<tr>
<th>Millions</th>
<th>General Revenue</th>
<th>Auxiliary Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>Maint. &amp; Repairs</td>
<td>Mission Enhancement</td>
</tr>
<tr>
<td>$2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3</td>
<td></td>
<td></td>
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<tr>
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<td>$6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 10
Appendix A

Historical Highlights of Approved Projects

In Fiscal Year 2010, the Board approved three projects in excess of $1.0 million: $22 million for the renovation of Stevens Building, $6 million for the renovation of Cole Hall, and $2 million for a new lecture hall to be part of the Cole-Stevens Complex. There were no project approvals between $500,000 and $1,000,000. There were four project approvals between $100,000 and $250,000 that totaled $643,498 and 19 projects under $100,000 were approved. There were eleven repair and remodeling projects approved for research, learning, classroom, and support spaces. Included in those eleven projects were four smart classroom remodeling projects.

In Fiscal Year 2011, the Board approved seven projects in excess of $1.0 million: $85.76 million for projects related to Campus Non-Instructional Modernization and Capacity Improvement, $7 million for the renovation of parking facilities, $5.24 million for a new Outdoor Recreation Facility, $3.00 million for Grant Tower Renovation Phase I, $2.88 million for Electrical Infrastructure upgrades, $2.69 million for Stevenson Fire Sprinkler System and $1.74 million approval of CDB Funds for Roof Replacement on seven general revenue buildings. There was one project between $500,000 and $1,000,000: $970,000 was approved for the roof replacement at Holmes Student Center. There were two project approvals between $250,000 and $500,000 that totaled $692,000: $365,000 for Campus Alert Phase II, and $327,000 to repair the building envelope at Lincoln Hall. There were three project approvals between $100,000 and $250,000 that totaled $601,932 and twenty-seven projects under $100,000 were approved. There were ten repair and remodeling projects approved for research, learning, classroom, and support spaces. Notable projects include the new DOD super computer for Computer Science, 100% wireless coverage for campus, three smart classrooms and a new laboratory for Computer Science.

In Fiscal Year 2012, the Board approved two projects in excess of $1.0 million: $3.30 million for Huskie Stadium scoreboard, $1.80 million for campus 100% wireless coverage. In addition, the Capital Development Board approved a budget increase of $2.90 million for Stevens Building Renovation. There was one project between $500,000 and $1,000,000: the CDB approved a budget increase of $572,600 for roof replacements on seven campus buildings. There was one project approval between $250,000 and $500,000: $385,000 for Campus Alert Phase III. There were ten project approvals between $100,000 and $250,000 that totaled $1,799,048, there were twenty-seven projects under $100,000 approved, fourteen of which were under $25,000. There were eight repair and remodeling projects approved for research, learning, classroom, and support spaces. Notable projects include the new DOD super computer for Computer Science, 100% wireless coverage for campus, three smart classrooms and a new laboratory for Computer Science.

In Fiscal Year 2013, the Board approved two projects in excess of $1.0 million: $2.58 million for Electrical Infrastructure and $1.25 million for Campus Alert Systems. In addition, Campus maintenance projects totaled $1.65 million for general campus improvements. There was one item between $500,000 and $1,000,000 approved by the Board: $650,000 for new electronic advertising fascia boards at Huskie Stadium. There was one project between $250,000 and $500,000: $270,985 for emergency repairs of the entry plaza/mechanical room deck at Montgomery Hall. There were fifteen project approvals between $100,000 and $250,000 that totaled $2,430,729 and there were twenty-three projects under $100,000 approved, nine of which were under $25,000. There were ten repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include the new entry door system for Founders Library, four smart classrooms and a renovated temporary Anthropology lab space for use during the renovation of Stevens Building.

In Fiscal Year 2014, the Board approved two projects in excess of $1.0 million: $2.25 million for a new Public Safety radio system and $1.38 million for Electrical Infrastructure. In addition, Campus maintenance projects totaled $1.59 million for general campus improvements. There was one project between $250,000 and $500,000: $450,000 for new “beta version” small bus transit system for central campus. There were ten project approvals between $100,000 and $250,000 that totaled $1,685,620 and there were fifty projects under $100,000 approved, thirty of which were under $25,000. There were twenty repair and remodeling projects approved for research, learning, smart classroom, and support spaces. Notable projects include
three smart classrooms, the new walk-in cooler for Geology research in Davis Hall and a new computerized video message board system for the College of Education.

In Fiscal Year 2015, the Board approved one project in excess of $1.0 million: $1.5 million for planning the renovation of Holmes Student Center and Neptune Residential Complex. There were two projects over $500,000: Grant Central Roof Replacement at $812,000 and renovation of the Animal Research Facilities located in Psychology / Computer Science and Montgomery Hall at $850,000. Maintenance project approvals totaled $3.03 million for general campus improvements with an additional $373,071 approved for two emergency repairs. There were five projects between $250,000 and $500,000. Most notably two projects at Huskie Stadium: $460,000 for a new turf field and $300,000 for additional LED advertising ribbon boards. There were twenty-one project approvals between $100,000 and $250,000 that totaled $4,760,342 and there were forty-nine project approvals under $100,000. There were seventeen repair and remodeling projects approved for academics, research, smart classrooms, and support spaces. Notable projects include the renovation of the Animal Research Facilities for Psychology and Biology, nine smart classrooms and classroom upgrades, additional compact storage for the Anthropology Museum, the first electric car charging station on campus, and this year one new facility was added, a new salt shed for Grounds Department to help manage purchasing and storing of winter de-icing salt.

In Fiscal Year 2016, the Board approved three projects in excess of $1.0 million: The reallocation of $20 million in Build America Bonds for the renovation of Holmes Student Center, $1.9 million for renovation of New Hall Dining and Residence, $1.25 million to replace the roof of Gabel Hall. There were five projects over $400,000: $750,000 for Grant Steam Vault, $700,000 for the Boiler Assessment and Phase I Design, $625,000 for Stevenson Towers Roof Replacement; $440,000 for Lucinda Avenue Realignment; and $400,000 for DuSable Steam Vault Repairs. There were four projects between $200,000 and $400,000. Most notable was the repair of the heating system for the Child Development Lab for $246,300. There were twenty-three project approvals between $25,000 and $200,000 that totaled $1,446,620 and there were twenty-eight projects under $25,000 approved. There were twelve projects approved for General Revenue buildings. The majority of these projects were major repairs to critical building systems such as heating, ventilating, air conditioning, leaking roofs and deteriorated walls.

In Fiscal Year 2017, the State Budget impasse and the Universities budget constraints played a major role in the number and dollar value of capital projects approved in Fiscal Year 2017. The Board approved only one project over $1.0 million: the reallocation of $5.4 million in Build America Bonds to begin remodeling, maintenance, repairs and updates to Neptune Residential Complex. There were only two projects over $250,000: $750,000 for Grant South Steam Vault replacement and $500,000 to facilitate and complete the move-in to Stevens Building. The anticipated completion of Stevens by the State of Illinois Capital Development Board is spring 2018. There were six projects between $100,000 and $250,000 that totaled $1,073,400.00 and six projects between $50,000 and $100,000 that totaled $424,200.00. There were 52 projects between $1,200.00 and $50,000 totaling $850,275.00. Total investment in Fiscal 2017 was 67 projects totaling $8,997,875.00 in approvals. There were nine boiler, heating plant, steam tunnel, steam piping, and valve related repairs. Five other projects also related to mechanical systems and equipment on campus were completed. There was one major emergency repair to the water main at Neptune Residential Complex.
Appendix B

Semi-Annual Progress Report of Active Capital Projects
with a budget over $100,000

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

CAPITAL DEVELOPMENT BOARD PROJECTS

I. Projects in the Planning Phase

N/A

II. Projects in the Design Phase

N/A

III. Projects in the Construction Phase

A. Remodeling and Rehabilitation

1. Stevens Building – Addition & Renovation
   
   **Total Project Budget:** $37,300,135 (estimated)
   **Source of Funding:** FY2010 – CDB Amended FY2017
   FY2017 – NIU Appropriated Funds
   **Architect/Engineer:** PSA Dewberry/BCA - Elgin

   **Status:** On June 30, 2017 the project closed for a second time as the State Legislature worked through a budget impasse. The general contractor-received a project re-start letter on July 10, 2017. Construction work at the site resumed in mid-August and is now approximately 85% complete. The project is scheduled to be substantially complete by late February 2018. The project, except for the scene shop, is mostly covered by roof protection, has underground utility work complete, and has exterior site work underway.

NORTHERN ILLINOIS UNIVERSITY PROJECTS

I. Projects in the Planning Phase

A. Remodeling and Rehabilitation

1. Holmes Student Center / Neptune Complex Redevelopment Plans

   **Total Project Budget:** $1,500,000
   **Source of Funding:** Bond Series 2010 Project
   **Authorization Date:** June 2014
   **Architect/Engineer:** Dewberry - Peoria (Holmes)
   Design Organization – Chicago (Neptune)

   **Status:** Master planning work has been completed for both Holmes Student Center and Neptune Complex. Final payments for the planning work are in process.
2. Stevenson and Grant Residence Halls - Building Envelope Repairs
   Total Project Budget: $525,000
   Source of Funding: Institutional - Bond Reserves
   Authorization Date: December 2016
   Architect/Engineer: TBD

   Status: An assessment of the existing building envelope systems (exterior walls) which include precast concrete, aluminum curtain wall and masonry wall systems will provide a reliable cost estimate and detailed specifications for repair. The University is preparing to contract with a qualified Architectural/Engineering firm to provide the assessment and design.

3. Holmes Student Center Hotel Tower - Building Envelope Repairs
   Total Project Budget: $250,000
   Source of Funding: Institutional - Bond Reserves
   Authorization Date: December 2016
   Architect/Engineer: TBD

   Status: An assessment of the existing building envelope systems (exterior walls) which include aluminum curtain wall, and masonry wall systems will provide a reliable cost estimate and detailed specifications for repair. The University is preparing to contract with a qualified Architectural/Engineering firm to provide the assessment and design.

B. Site and Utilities

1. DeKalb Campus – East and West Heating Plant Boiler Assessment
   Total Project Budget: $700,000
   Source of Funding: Institutional - Bond Reserves
   Authorization Date: March 2016
   Architect/Engineer: Wills Burke Kelsey - Elgin
                       Stanley Consultants - Chicago

   Status: The budget above was for the assessment of the existing campus heating system; to determine the priority and sequence of renovation/replacement investments; to ensure the most cost/energy efficient and reliable heating system for the long term. The A/E has completed the investigation, assessment, and provided the final report. Final payments are in process.

II. Projects in the Design Phase

A. Remodeling and Rehabilitation

1. Stevenson Towers A & D – Roof Replacement
   Total Project Budget: $625,000
   Source of Funding: Institutional – Bond Reserve Funds
   Authorization Date: March 2016
   Architect/Engineer: TBD

   Status: Project design will be begin as schedules allow. Construction work will be planned and scheduled to take advantage of semester break and summer schedules.

2. Holmes Student Center - Phase I Redevelopment
   Total Project Budget: $20,000,000
   Source of Funding: Bond Series 2010 Project
   Authorization Date: June 2016
   Architect/Engineer: Dewberry - Peoria
**Status:** Schematic Design was completed in August, Design Development was completed in October, the A/E is working on construction documents for submittal in mid-December. The University will provide regular updates to the Board as the design work progresses.

3. **Stevenson Towers B & C – Roof Replacement**
   - **Total Project Budget:** $625,000
   - **Source of Funding:** Institutional – Bond Reserve Funds
   - **Authorization Date:** September 2016
   - **Architect/Engineer:** TBD

   **Status:** Project design will begin as schedules allow. Construction work will be planned and scheduled to take advantage of semester break and summer schedules.

**B. Site and Utilities**

1. **Naperville Parking Lot Reconstruction – Phase II**
   - **Total Project Budget:** $1,215,000
   - **Source of Funding:** Local Funds- NIU Naperville Operations
   - **Authorization Date:** September 2015
   - **Architect/Engineer:** Engineering Resource Associates, Inc. - Warrenville

   **Status:** Phase II Design Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the engineering design work is expected to be completed in 6 months.

2. **DeKalb Campus – Lucinda Avenue Realignment**
   - **Total Project Budget:** $440,000
   - **Source of Funding:** Bond series 2010 Funds - $222,285
     Federal Highway Grant Funds - $217,715
   - **Authorization Date:** March 2016
   - **Architect/Engineer:** TBD

   **Status:** The University is currently reviewing and reconsidering the priority and need for this project. The University will provide further updates to the Board as the review is completed.

**III. Projects in the Construction Phase**

**A. Remodeling and Rehabilitation**

1. **DeKalb Campus – Campus Alerting System Phase IV**
   - **Total Project Budget:** $1,250,000
   - **Source of Funding:** Appropriated Funds
   - **Authorization Date:** March 2013
   - **Architect/Engineer:** NIU A&E Services

   **Status:** This project encompasses the final phase of the campus alert system. The work is approximately 70% complete. The construction work will be planned and scheduled to take advantage of semester breaks, weekends, and summer schedules. Project has been temporarily delayed due to cash flow considerations. Once the overall University budget is stabilized, the project is expected to be completed in 18 months.
2. **Montgomery & Psych/Computer Science – Animal Facilities Renovation**  
   **Total Project Budget:** $3,476,535 (estimated)  
   **Source of Funding:** Institutional – Local Funds  
   Performance Contract Phase 11A - Financed  
   **Authorization Date:** September 2014  
   **Architect/Engineer:** NIU A/E Services  
   
   **Status:** Montgomery Hall renovation of HVAC system is complete. Psych/Computer Science renovation is complete. Performance Contract Phase 11A was being leveraged to renovate the HVAC at Psych/Computer Science. Performance Contract Phase 11A work is complete. Final payment has been made. NIU is completing punch list and commissioning work. Final payments are in process.

3. **East Heating Plant – New Soft Water System**  
   **Total Project Budget:** $1,363,000 (estimated)  
   **Source of Funding:** Performance Contract Phase 11A - Financed  
   **Authorization Date:** December 2014  
   **Architect/Engineer:** Energy Systems Group – Itasca, IL  
   
   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

4. **Anderson Hall – Replace Pool Filtration System**  
   **Total Project Budget:** $300,366 (estimated)  
   **Source of Funding:** Performance Contract Phase 11A - Financed  
   **Authorization Date:** December 2014  
   **Architect/Engineer:** Energy Systems Group – Itasca, IL  
   
   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

5. **Residence Halls – FY17 Rotation Painting**  
   **Total Project Budget:** $249,000  
   **Source of Funding:** Institutional – Revenue Bond Reserves  
   **Authorization Date:** June 2016  
   **Architect/Engineer:** NIU Physical Plant  
   
   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

6. **Neptune Residential Complex – Emergency Repair of Water Main Break**  
   **Total Project Budget:** $249,000  
   **Source of Funding:** Institutional – Revenue Bond Reserves  
   **Authorization Date:** December 2016  
   **Architect/Engineer:** NIU Physical Plant - A/E Services  
   
   **Status:** All work is complete. Final payments are in process.

7. **Swen Parson – College of Law – Accreditation Updates**  
   **Total Project Budget:** $120,000  
   **Source of Funding:** Appropriated – Income Funds  
   **Authorization Date:** February 2017  
   **Architect/Engineer:** NIU Physical Plant - A/E Services  
   
   **Status:** All work is complete. Final payments are in process.
8. Neptune Complex Upgrade
Total Project Budget: $5,400,000
Source of Funding: Bond Series 2010 Project
Authorization Date: March 2017
Architect/Engineer: Cordogan Clark - Aurora
NIU A/E Services

Status: Flooring, lighting, painting, mechanical repairs, and dining room updates in Neptune West, Neptune Central Dining Room and Neptune North were completed during the summer break. Remaining renovation improvements are being assessed and prioritized in accordance with the remaining project funds.

9. Campus Residence Halls – Annual Dorm Room Repairs
Total Project Budget: $232,000 (estimated)
Source of Funding: Institutional – Revenue Bond Reserves
Authorization Date: May 2017
Architect/Engineer: NIU Physical Plant

Status: Minor repairs to standard dorm room fixtures and furniture, painting and mechanical repairs were completed during the summer break. Work is complete and final payments are in process.

B. Site and Utilities

1. Parking Structure - Reconstruct Four Exit Stairs
Total Project Budget: $1,200,000
Source of Funding: Bond Series 2010 Project
Authorization Date: June 2011 (confirmed March 2014)
Architect/Engineer: NIU A&E Services

Status: Repair work is complete. Final payments to the contractors are in process.

2. DeKalb Campus – Electrical Infrastructure Replacement Phase II
Total Project Budget: $2,580,000 (estimated)
Source of Funding: Bond Series 2010 Project
Authorization Date: Appropriated Funds – Administrative Support
March 2013
Architect/Engineer: NIU A&E Services

Status: Construction started in fall 2013 and is approximately 95% complete. A consulting engineer is completing a critical survey of the existing electrical service at each building. This work will continue to be scheduled to take advantage of semester breaks and as schedules allow. The project is expected to be completed late winter 2017.

3. DeKalb Campus - Electrical Infrastructure Replacement Phase III
Total Project Budget: $2,550,000 (estimated)
Source of Funding: Appropriated Funds
Authorization Date: Bond Series 2010 Project
March 2014
Architect/Engineer: NIU A&E Services

Status: Construction work began in late 2014 and is approximately 29% complete. Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the project is expected to be completed in 24 months.
4. Lucinda Avenue Extension  
   **Total Project Budget:** $4,500,000 (estimated)  
   **Source of Funding:** Bond Series 2010 (amended)  
   **Authorization Date:** March 2014 (amended June 2014)  
   **Architect/Engineer:** Knight E/A, Inc. - Chicago  
   **Status:** All work is complete. Final payments are in process.

5. DeKalb Campus – Grant South Steam Vault Repairs  
   **Total Project Budget:** $750,000  
   **Source of Funding:** Institutional - Revenue Bond Reserves  
   **Authorization Date:** June 2016  
   **Architect/Engineer:** NIU A&E Services  
   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

   **Total Project Budget:** $146,300  
   **Source of Funding:** Institutional – Local Funds  
   **Authorization Date:** March 2017  
   **Architect/Engineer:** NIU DoIT and A/E Services  
   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

7. DeKalb Campus – Steam Tunnel – Supports and Stanchion Repairs  
   **Total Project Budget:** $105,900  
   **Source of Funding:** Institutional - Revenue Bond Reserves  
   **Authorization Date:** May 2017  
   **Architect/Engineer:** NIU Heating Plant  
   **Status:** Work is approximately 30% complete, and for safety is scheduled during times that the main steam is shut down and as work crew schedules allow.

8. East Heating Plant – Summer Boiler and Steam Equipment Repairs  
   **Total Project Budget:** $117,500  
   **Source of Funding:** Appropriated – Income Funds  
   **Authorization Date:** May 2017  
   **Architect/Engineer:** NIU Heating Plant  
   **Status:** All work is complete; the east steam plant was back in service in October for the winter heating season. Final payments are in process.

9. DeKalb Campus – Steam Tunnel – Supports and Stanchion Repairs  
   **Total Project Budget:** $105,900  
   **Source of Funding:** Institutional - Revenue Bond Reserves  
   **Authorization Date:** May 2017  
   **Architect/Engineer:** NIU Heating Plant  
   **Status:** Work is approximately 30% complete, and for safety is scheduled during times that the main steam is shut down and as work crew schedules allow.
10. DeKalb Campus – Electrical Distribution & Steam Tunnel Emergency Repairs

**Total Project Budget:** $249,000 (estimated)

**Source of Funding:** Appropriated – Income Funds

**Authorization Date:** August 2017

**Architect/Engineer:** NIU A&E Services

**Status:** Work to repair the damaged main electrical feed for LaTourette and Faraday is completed. Remaining tunnel repairs are scheduled during times that the main steam is shut down. Reimbursement for this repair cost is expected from insurance claims.

11. DeKalb Campus – Parking Lot Repairs

**Total Project Budget:** $124,800

**Source of Funding:** Institutional - Revenue Bond Reserves

**Authorization Date:** August 2017

**Architect/Engineer:** NIU A&E Services

**Status:** Work to repair potholes in the Visitors Parking Lot and resurface Lot D and Lot 18 next to Neptune Complex was completed prior to move in day. Final payments are in process.
FISCAL YEAR 2017 ANNUAL REPORT OF TRANSACTIONS INVOLVING REAL PROPERTY

Three categories of real property transactions are included in this annual report. 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 being conducted to verify the continuing need for the in-lease arrangement before renewals are executed. Leases may be terminated when the mission requirement ends or arrangements can be made to accommodate the function within University property or via another in-lease.

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 being conducted to evaluate the out-lease value to the University prior to renewal.

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Transactions</th>
<th>Transaction Percentage</th>
<th>Dollar Volume</th>
<th>Dollar Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-leases (NIU as lessee):</strong> Includes support for academic activities (e.g. steel drum workshop, art studios, law clinic, temporary theater arrangements during Stevens construction), outreach activities (e.g. NPR operations), and research (e.g. robotic submarine).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $100,000</td>
<td>13</td>
<td>93%</td>
<td>$351,193</td>
<td>77%</td>
</tr>
<tr>
<td>$100,000-$250,000</td>
<td>1</td>
<td>7%</td>
<td>$106,488</td>
<td>23%</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>100%</td>
<td>$457,681</td>
<td>100%</td>
</tr>
</tbody>
</table>

| **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. Subway fast food, ATM machines, farmland rental), and research (e.g. American Institute for Research in the Biological Sciences*, REV3 business incubator). |
| Under $100,000 | 10                     | 91%                    | $289,051      | 33%              |
| $100,000-$250,000 | --                     | --                     | --            | --               |
| Over $250,000  | 1*                     | 9%                     | $597,000      | 67%              |
| **Total**     | 11                     | 100%                   | $886,051      | 100%             |
Facility capital leases: Includes the annual payments for the Illinois Association of School Business Officials and the New Hall and Northern View Residential Complexes and the Chessick/Yordon Practice Centers.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Payments made in FY17</th>
<th>Payments to date</th>
<th>Remaining debt</th>
<th>Ending date of term</th>
</tr>
</thead>
<tbody>
<tr>
<td>IASBO Building</td>
<td>$69,926</td>
<td>$1,264,505</td>
<td>$483,658</td>
<td>May 2024</td>
</tr>
<tr>
<td>New Residence Halls / Dining Center</td>
<td>$8,472,702</td>
<td>$47,936,322</td>
<td>$243,071,106</td>
<td>April 2043</td>
</tr>
<tr>
<td>Northern View</td>
<td>$1,394,192</td>
<td>$7,887,973</td>
<td>$39,997,610</td>
<td>April 2043</td>
</tr>
<tr>
<td>Chessick/Yordon</td>
<td>$319,000</td>
<td>$8,081,269</td>
<td>$1,276,000</td>
<td>February 2021</td>
</tr>
</tbody>
</table>
PERIODIC REPORT ON INVESTMENTS
FOR PERIOD JULY 1, 2017 THROUGH SEPTEMBER 30, 2017

In accordance with the approved University Investment and Cash Management policy, this report on investments is submitted at the end of each calendar quarter to the Board of Trustees. The following schedules are included with this report:

- Investment Holdings Summary as of September 30, 2017
- Investment Earnings by Type and Duration for the three months ending September 30, 2017.

University cash and investments are reported in two categories, Local and Project Funds. Local Funds consist of monies used for daily operations as well as funds held in reserve. Project Funds are restricted in their use based on the associated bond covenant(s).

At September 30, 2017 investment holdings total $149 million, which is up $28 million from June 30, 2017. This increase is largely due to the receipt of State appropriations, as well as receipt of Title IV Department of Education funding, and student account payments, which is typical at the beginning of each academic year. Conversely, the overall holdings at September 30, 2017 are $29 million lower than they were at the same time last year. The overall reduction in holdings is a result of declining operating revenue and the use of local fund reserves to support operations during the State budget impasse. Management continues to manage liquidity in order to meet operational needs.

Previously, the Investment Earnings by Type and Duration report exhibited rates of return on a cumulative, quarterly basis. This report has been slightly revised in an effort to provide comparative context on rates of return for the current quarter as compared to the three prior quarters. The attached earnings report shows interest income and rates of return for Local and Project Funds’ cash, cash equivalents, and fixed income securities. The annualized rates of return are calculated using interest earnings and average daily balances. The University’s combined average annualized rates of return at September 30, 2017 was .98%, which is 13 basis points higher than it was for the quarter ended June 30, 2017.

It is anticipated the Federal Reserve Board will raise its interest rate one more time this calendar year. This foreseeable market change, along with the expected cash inflow from remaining FY2018 State appropriations, should allow the University to realize greater interest earnings and higher yields in the near term.
## Investment Holdings Summary

### Federal Agency Notes:
- **Local Funds**
  - Purch Price/Ending Bal: $31,996,497
  - Book Value: $32,000,930
  - Market Value: $31,941,156
  - Percent of Portfolio: 21.44%

- **Project Funds**
  - Purch Price/Ending Bal: $33,220,104
  - Book Value: $33,220,104
  - Market Value: $33,220,104

### Interest Bearing Cash Accounts:
- **Local Funds**
  - Purch Price/Ending Bal: $45,626,906
  - Book Value: $45,626,906
  - Market Value: $45,626,906

- **Project Funds**
  - Purch Price/Ending Bal: $7,718,686
  - Book Value: $7,718,686
  - Market Value: $7,718,686

### Money Markets:
- **Local Funds**
  - Purch Price/Ending Bal: $12,554,302
  - Book Value: $12,537,109
  - Market Value: $12,494,760

- **Project Funds**
  - Purch Price/Ending Bal: $17,536,055
  - Book Value: $17,505,799
  - Market Value: $17,497,868

### US Treasury Notes/Bills:
- **Local Funds**
  - Purch Price/Ending Bal: $178,484,297
  - Book Value: $178,493,951
  - Market Value: $178,622,719

### Market Value by Investment Type

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Purch Price/Ending Bal</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Percent of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Agency Notes</td>
<td>$31,996,497</td>
<td>$32,000,930</td>
<td>$31,941,156</td>
<td>21.44%</td>
</tr>
<tr>
<td>Interest Bearing Cash</td>
<td>$33,220,104</td>
<td>$33,220,104</td>
<td>$33,220,104</td>
<td>22.61%</td>
</tr>
<tr>
<td>Money Markets</td>
<td>$45,626,906</td>
<td>$45,626,906</td>
<td>$45,626,906</td>
<td>35.82%</td>
</tr>
<tr>
<td>US Treasury Notes/Bills</td>
<td>$12,537,109</td>
<td>$12,537,109</td>
<td>$12,494,760</td>
<td>20.13%</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT HOLDINGS</strong></td>
<td>$149,111,221</td>
<td>$149,068,205</td>
<td>$148,958,151</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### Previous Year Holdings

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Purch Price/Ending Bal</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Percent of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Funds</strong></td>
<td>$178,484,297</td>
<td>$178,493,951</td>
<td>$178,622,719</td>
<td></td>
</tr>
</tbody>
</table>

Assets reported in the INVESTMENT HOLDINGS SUMMARY comply with the Illinois Public Funds Investment Act (30 ILCS 235) and the NIU Investment and Cash Management Policy.
### Short-Term Investment Accounts

<table>
<thead>
<tr>
<th></th>
<th>September 30 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned FY2018</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Fiscal Year 2017 Rates of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois Funds</td>
<td>$ 45,626,906</td>
<td>$ 27,782,109</td>
<td>20.11%</td>
<td>$ 71,409</td>
<td>1.020%</td>
<td>0.803%</td>
<td>0.636%</td>
<td>0.447%</td>
<td></td>
</tr>
<tr>
<td>Investment Accounts - Financial Institutions</td>
<td>$ 33,220,104</td>
<td>$ 39,993,266</td>
<td>28.94%</td>
<td>$ 108,109</td>
<td>1.072%</td>
<td>0.870%</td>
<td>0.712%</td>
<td>0.512%</td>
<td></td>
</tr>
<tr>
<td>Investment Accounts - Project Funds</td>
<td>$ 8,177,357</td>
<td>$ 8,712,608</td>
<td>6.31%</td>
<td>$ 12,543</td>
<td>0.571%</td>
<td>0.293%</td>
<td>0.113%</td>
<td>0.005%</td>
<td></td>
</tr>
<tr>
<td><strong>ST Investment Accounts Total</strong></td>
<td><strong>$ 87,024,367</strong></td>
<td><strong>$ 76,487,983</strong></td>
<td><strong>55.36%</strong></td>
<td><strong>$ 192,061</strong></td>
<td><strong>0.996%</strong></td>
<td><strong>0.765%</strong></td>
<td><strong>0.591%</strong></td>
<td><strong>0.389%</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Fixed Income Securities

<table>
<thead>
<tr>
<th></th>
<th>September 30 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned FY2018</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Fiscal Year 2017 Rates of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds</td>
<td>$ 44,550,799</td>
<td>$ 44,150,700</td>
<td>31.95%</td>
<td>$ 104,257</td>
<td>0.945%</td>
<td>0.912%</td>
<td>0.838%</td>
<td>0.882%</td>
<td></td>
</tr>
<tr>
<td>Project Funds</td>
<td>$ 17,536,055</td>
<td>$ 17,532,642</td>
<td>12.69%</td>
<td>$ 44,519</td>
<td>1.007%</td>
<td>0.974%</td>
<td>1.049%</td>
<td>0.887%</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Securities Total</strong></td>
<td><strong>$ 62,086,854</strong></td>
<td><strong>$ 61,683,342</strong></td>
<td><strong>44.64%</strong></td>
<td><strong>$ 148,776</strong></td>
<td><strong>0.965%</strong></td>
<td><strong>0.928%</strong></td>
<td><strong>0.873%</strong></td>
<td><strong>0.884%</strong></td>
<td></td>
</tr>
</tbody>
</table>

### COMBINED TOTAL

<table>
<thead>
<tr>
<th></th>
<th>September 30 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned FY2018</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Fiscal Year 2017 Rates of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMBINED TOTAL</strong></td>
<td><strong>$ 149,111,221</strong></td>
<td><strong>$ 138,171,325</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$ 340,837</strong></td>
<td><strong>0.98%</strong></td>
<td><strong>0.85%</strong></td>
<td><strong>0.71%</strong></td>
<td><strong>0.59%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Assets reported in INVESTMENT EARNINGS BY TYPE AND DURATION comply with the Illinois Public Funds Investment Act (30 ILCS 235) and the NIU Investment and Cash Management Policy.
QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF $100,000
FOR THE PERIOD JULY 1, 2017 TO SEPTEMBER 30, 2017

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>No. of Transactions</th>
<th>Appropriated</th>
<th>Non-Appropriated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $100,000</td>
<td>19</td>
<td>$1,579,000</td>
<td>$1,683,575</td>
<td>$3,262,575</td>
</tr>
</tbody>
</table>

TRANSACTIONS DETAIL:

Purchases:

1. Permission was requested to establish an open order for miscellaneous commodities and repair parts required by the Material Distribution Center for the period July 1, 2017 - June 30, 2018. The University of Illinois, in cooperation with Illinois public higher education institutions, collaborated with the Educational & Institutional Cooperative Service, Inc. (E & I) on a request for proposals for MRO Equipment, Supplies and Services. This RFP was advertised on the Illinois Procurement Bulletin and was awarded to W.W. Grainger, Inc. The offer was available to Illinois public higher education institutions, including NIU. (W.W. Grainger, Inc. Lake Forest, IL) 100,000

2. Campus Dining Services requested permission to issue an open order to obtain paper products to use in the operation of the campus dining program during Fiscal Year 2018. The vendor is a pre-approved IPHEC vendor for which an award was advertised on the Illinois Procurement Bulletin and has been waived by the PPB. (Gordon Food Service, Kenosha, WI) 100,000

3. The Physical Plant requested permission to issue an open order to obtain painting services for buildings and fixtures on an as-needed during Fiscal Year 2018. This is the second year of nine renewal options based on a bid that was opened on May 28, 2015. The renewal award has been advertised on the Illinois Procurement Bulletin and has been waived by the PPB. (Schoening Painting & Decorating, Rockford, IL) 100,000

4. Housing and Residential Services requested permission to renew cable programming for Northern View, New Hall, Gilbert Hall, Grant Hall, Neptune Hall, Stevenson Hall, HSC Hotel Rooms, and NIU Summer Camps/Conferences during the period July 1, 2017 - June 30, 2018. This is the fourth year of nine renewal options allowed for in a bid that opened on November 15, 2012, Bid #BML110112. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (Apogee Telecomm, Inc., Austin, TX) 248,000

5. Renewal was required of an open order for educational material and data used for non-credit courses offered for preparation for Human Resource certifications for the period July 1, 2017 - June 30, 2018. This is the fifth of nine one-year renewal options. The sole source renewal was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (Society for Human Resource Mgmt, Eagan, MN) 150,000
6. The Office of the Provost requested permission to purchase SSC-Campus/Student Success Cloud-based Platform Membership during the period December 13, 2017 – December 11, 2019. The approval amount also includes annual travel and administration expenses. The intent to award this sole source will be advertised on the Illinois Procurement Bulletin. (The Advisory Board, Washington, DC) 246,000*

7. The Division of Information Technology requested permission to contract with Modo Labs for a substantially upgraded mobile solution due to Blackboard phasing out Mosaic, which is the current software used by NIU. The University’s mobile campus application is used by students, faculty and staff to access key university information and other systems. The subscription costs will not increase for three years and all implementation fees have been waived. The intent to award this contract as a sole source will be advertised on the Illinois Procurement Bulletin. (Modo Labs, Cambridge, MA) 120,000*

8. Renewal was required of the contract for the Illinois Century Network for 10 Gig NIU Internet connectivity during the period July 1, 2017 – June 30, 2018. Internet services are a critical function to the University as more applications are pushed out to cloud services increasing the demand for off-campus access resources. This contract provides increased bandwidth of internet services by 10Gig through the State of Illinois Central Management System using the Illinois Century Network’s existing IGA that NIU has with CMS. This order is exempt from advertisement on the Illinois Procurement Bulletin because the vendor is a governmental agency. (Dept. of Innovation Technology/CMS, Springfield, IL) 174,000*

9. Intercollegiate Athletics requested permission to pay FY18 Membership Dues and Bowl Assessment Fees to the Mid-American (MAC) Conference. Membership in the MAC Conference requires financial support in the form of annual Membership Dues and also Bowl Assessment Fees for two annual Conference bowl games. This procurement is for the payment of these annual required Dues and Fees. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (Mid American Conference, Cleveland, OH) 235,000*

10. Intercollegiate Athletics/Games Management requested permission to issue an order for Mid-American Conference 2017 payments for football officiating. Per the conference operating code, payments for football officials will be paid by the league office and invoiced. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (Mid American Conference, Cleveland, OH) 112,775

11. The College of Engineering and Engineering Technology’s Outreach program requested permission to issue orders to the following host sites to offer OSHA courses to be taught during the period October 1, 2017 - September 30, 2018. These orders are exempt from the Illinois Procurement Code, according to Section 30 ILCS 500/1-10(b)(8) [providing non-credit educational service]. (Minnesota Safety Council, St. Paul, MN) 210,000

12. Renewal was required of the contract for Chicagoland public relations representation. This engagement provides for promotion of Northern Illinois University specific to the greater Chicagoland area in an effort to bolster name brand recognition and drive increased enrollment and alumni awareness. The proposed contract was the result of RFP #JLT152459, which opened October 29, 2014. This is the second of nine one-year renewal options. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (ASGK Public Strategies LLC, Chicago, IL) 210,000*
13. Renewal was required of an open order with ASGK Public Strategies, LLC, d/b/a Kivvit for strategic issues management and crisis communications consulting services to provide advice, counsel, planning and implementation support, on an as-needed basis, for the management of issues that have a potential impact on the University’s reputation for the period through June 30, 2018. This is the first of four one-year renewal options allowed for in a Request for Proposal that was opened on February 25, 2016. The renewal was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. (ASGK Public Strategies LLC, Chicago, IL) 175,000*

14. The Division of Administration and Finance’s Budget Office requested permission to pay the University’s portion of the federal share of the Single Audit of NIU for the period ending June 30, 2017. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. (State of Illinois-Office of the Auditor General, Springfield, IL) 170,000*

15. The Division of Administration and Finance’s Budget Office requested permission to pay the University’s portion of the University Income Fund audit expense for the period ending June 30, 2017. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. (State of Illinois-Office of the Auditor General, Springfield, IL) 208,000

16. Intercollegiate Athletics requested permission to issue an open order for third-party ticket sales services. The vendor performs sales and marketing activities to bolster ticket sales for Huskie Athletics. This purchase is exempt from the bid process per special permission of the Chief Procurement Officer for Higher Education as the contract was signed while the exemption still existed within the Procurement Code. Exempt specifically as a percentage of the sale of tickets by the vendor pays the vendor all applicable fees. (IMG Learfield Ticket Solutions LLC, Winston-Salem, NC) 200,000

17. Permission was requested to establish an order for programming and affiliation fees required for the operation of Northern Public Radio. The intent to award this order was advertised as a sole source in the Illinois Procurement Bulletin. No PPB waiver was received, nor required, since 30 days had elapsed from the date of the original sole source posting. (Public Radio International, Minneapolis, MN) 130,000
Capital Improvement Projects:

1. An independent contractor employed by the City of DeKalb to make repairs to curbs and sidewalks within the City’s street right-of-way on Normal Road, inadvertently damaged the underground electrical power service to Faraday and LaTourette Halls, and the steam tunnel adjacent to the street right-of-way in front of LaTourrette.

   Initial emergency responses to the incident were performed to assess the severity and extent of damage due to the power outage and mitigate further damage to electrical equipment in the buildings. While power was restored to the buildings after several hours through a secondary power loop, permanent repairs are required to restore the primary electrical connection. The necessary actions to replace the damaged electrical service line and repair the saw cut steam tunnel lid are planned to be accomplished with a combination of in-house and contracted efforts (procured under emergency provisions).

   The City of DeKalb has been notified of their contractor’s liability to reimburse the University for these repairs. A budget not to exceed $249,000 is requested to complete this restoration with the expectation that the university will be reimbursed from the insurers for the contractor and/or City.

2. The maintenance of the existing asphalt parking lots on campus is essential to ensure the safety of students, faculty, staff, visitors and community members. Campus parking lots require regular patching and repair due to normal wear and tear, winter weather conditions, and snowplowing activities. Maintenance involves several different types of repair and patching, including milling and resurfacing. Well maintained parking lot facilities, provides improved safety for drivers and pedestrians. The identified lots represent the most critical repairs that impact general safety and the appearance of the campus.

   Parking Lot 17 (Pay Lot) will be patched, Parking Lot 18 will be milled and resurfaced, and Parking Lot D will be milled and resurfaced. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager.

*Appropriated/Income Funds
QUARTERLY FINANCIAL SUMMARY – FY17 YEAR END
AS OF JUNE 30, 2017

Background Information: In an effort to provide more frequent information regarding the University's financial position, the University has prepared the fourth quarter financial summary to the Board of Trustees. A decline in enrollment continues to impact the University's revenues. The expense results demonstrate management's ongoing leadership on developing strategies that will effectively control expenses and contribute to long term financial sustainability. Prior year comparison suggests an improvement in net revenue contribution.

Following is a financial summary of the University’s operations as of the end of June FY17 and a comparison perspective to June of FY16.

**University All Funds Comparison**
As of June 30, 2017

<table>
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<tr>
<th></th>
<th>Current Year FY17</th>
<th>Prior Year</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Fourth Quarter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>YTD Actuals</td>
<td>Annual Budget</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Student Fees</td>
<td>$ 190,978</td>
<td>$ 187,858</td>
</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>$ 58,812</td>
<td>$ 58,000</td>
</tr>
<tr>
<td>Other Fees and Fines</td>
<td>$ 8,126</td>
<td>$ 8,352</td>
</tr>
<tr>
<td>Sales</td>
<td>$ 38,349</td>
<td>$ 40,667</td>
</tr>
<tr>
<td>Rental &amp; Room Income</td>
<td>$ 31,479</td>
<td>$ 35,177</td>
</tr>
<tr>
<td>Gate Receipts &amp; Commissions</td>
<td>$ 3,025</td>
<td>$ 4,893</td>
</tr>
<tr>
<td>Miscellaneous &amp; Investment Income</td>
<td>$ 8,799</td>
<td>$ 9,681</td>
</tr>
<tr>
<td>State of Illinois</td>
<td>$ 48,316</td>
<td>$ 72,910</td>
</tr>
<tr>
<td>Capital Reserve Contributions &amp; Other Transfers</td>
<td>$ (6,308)</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue &amp; Transfers</td>
<td>$ 381,576</td>
<td>$ 417,538</td>
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</tbody>
</table>

|                         | Fourth Quarter    |            |
|                         | YTD Actuals       | Variance   |
| Revenue                 |                   |            |
| Tuition & Student Fees  | $ 190,978         | $ 187,858  | $ 3,120   |
| Gifts, Grants, & Contracts | $ 58,812       | $ 58,000   | $ 812     |
| Other Fees and Fines    | $ 8,126           | $ 8,352    | $ (226)   |
| Sales                   | $ 38,349          | $ 40,667   | $ (2,318) |
| Rental & Room Income    | $ 31,479          | $ 35,177   | $ (3,698) |
| Gate Receipts & Commissions | $ 3,025        | $ 4,893    | $ (1,869) |
| Miscellaneous & Investment Income | $ 8,799      | $ 9,681    | $ (882)   |
| State of Illinois       | $ 48,316          | $ 72,910   | $ (24,598)|
| Capital Reserve Contributions & Other Transfers | $ (6,308) | - | $ (6,308) |
| Total Revenue & Transfers | $ 381,576        | -          |

Expenses

<table>
<thead>
<tr>
<th></th>
<th>Current Year FY17</th>
<th>Prior Year</th>
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<tbody>
<tr>
<td></td>
<td>Fourth Quarter</td>
<td></td>
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<tr>
<td></td>
<td>YTD Actuals</td>
<td>Annual Budget</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>$ 9,173</td>
<td>$ 10,845</td>
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<tr>
<td>Personnel Services</td>
<td>$ 216,708</td>
<td>$ 223,795</td>
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<td>Contractual Services</td>
<td>$ 76,096</td>
<td>$ 77,390</td>
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<td>Commodities</td>
<td>$ 6,332</td>
<td>$ 7,654</td>
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<tr>
<td>Travel</td>
<td>$ 4,243</td>
<td>$ 4,721</td>
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<tr>
<td>Automotive</td>
<td>$ 1,206</td>
<td>$ 1,219</td>
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<td>Scholarships</td>
<td>$ 47,953</td>
<td>$ 43,178</td>
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<td>Telecommunications</td>
<td>$ 246</td>
<td>$ 1,632</td>
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<tr>
<td>Equipment &amp; Library Materials</td>
<td>$ 6,044</td>
<td>$ 9,358</td>
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<tr>
<td>Capital Repairs, Debt Service &amp; All Other</td>
<td>$ 13,319</td>
<td>$ 38,632</td>
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<tr>
<td>Total Expenses</td>
<td>$ 381,319</td>
<td>$ 418,424</td>
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Net Revenue

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<tr>
<th></th>
<th>Current Year FY17</th>
<th>Prior Year</th>
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<tr>
<td></td>
<td>Fourth Quarter</td>
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</tr>
<tr>
<td></td>
<td>YTD Actuals</td>
<td>Variance</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$ 257</td>
<td>$ (886)</td>
</tr>
</tbody>
</table>

|                         | Fourth Quarter    |            |
|                         | YTD Actuals       | Variance   |
| Net Revenue             | $ 257             | $ (886)    | $ 1,142   |
Fund Codes and Definitions

1. 02 Funds
   a. Consists of:
      1. General Revenue Funds – Fiscal year state appropriation
      2. University Income Funds – Tuition and fees (i.e. academic program enhancement surcharge, campus improvement fee, financial guidelines program fees, application fee, graduation fee)
   b. To be used to support the academic mission of the university as well as for student career success both directly and indirectly.

2. 04 Funds (Restricted)
   a. Consists of: University Income Funds – Class Fees for materials/laboratory/field trips.
   b. To be used in support of the class that the fee was approved and in the manner for which the fee was approved.

3. 29-33 Funds (Restricted)
   a. Consists of: Revenue Bond Operations/Replacement/Reserve Funds – Funds derived from entities whose facilities were paid for via the sale of bonds such as: student fees plus revenues from the operations of residence halls/apartments (food, board, laundry), HSC/Campus Life (bookstore, food service, hotel), Field House/Recreation Center (fees and rental), Parking (usage fees and fines), Stadium/Convocation Center/BAVC (rental, events, food sales)
   b. To be used in support of the auxiliary system facilities and operations. This includes general university operations to the extent that they support the auxiliary system.

4. 41 Funds
   a. Consists of:
      1. Auxiliary Enterprises Funds – Generated and supported through the activities of the enterprise or student fees dedicated to those enterprises such as: Health Service, Intercollegiate Athletics, Student Contract Busing, and University Press
      2. Local Funds – Activities that are considered more public service in nature such as: Non-credit programs, Student activity fees (clubs (fencing)/organizations (CAB)), Regional Centers (Rockford, Naperville, Hoffman Estates), Conferences/Workshops, Indirect Cost, SSRI/Governmental Studies, Camps, Study Abroad Programs
   b. To be used to support student career success through activities that broaden the student experience and provide opportunities beyond the traditional classroom environment.

5. 44 Funds (Restricted)
   a. Consists of: Gifts, Grants & Contracts – Funds managed for specific purposes as defined by the granting agency including federal, state, and private entities
   b. To be used for the specific purpose that the grant was awarded and within the guidelines of the grant.

6. 55 Funds (Restricted)
   a. Consists of: Local Funds - Foundation Support
   b. To be used for payroll costs in support of the academic mission of the university
QUARTERLY FINANCIAL SUMMARY – FY18 FIRST QUARTER

EXECUTIVE SUMMARY

Year-To-Date Financial Results:

Revenue Components – There are relatively modest unfavorable variances to budget in Tuition & Fees and Rental & Room Income. The primary reason for these variances is the mix and level of student enrollment. We are also representing a $2.6M variance in our State of Illinois Appropriation, which is completely driven by the timing of reimbursements received from the State. The full year State Appropriation of $82M is expected to follow historical patterns of payment distribution.

Expense Components – The University has maintained an aggressive stance on expense control throughout FY18. Tighter controls and evaluation of purchases through a mission critical filter has led to favorable variances in Personnel Services ($8M) and Contractual expense ($5.6M). Capitals Repairs ($4.2M) is also favorable, and Scholarships expense ($9.4M) is unfavorable, however both are attributable to timing and should normalize over a twelve-month period.

Net Revenue – YTD results suggest a modest unfavorable variance ($5.2M) to Budget.

Prior Year Financial Results:

Revenue Components – A decline in enrollment continues to impact our Tuition & Fees and Rental & Room Income. The State of Illinois appropriation is unfavorable ($30.3M) to prior year. However, this is based entirely on the timing of the prior year funding.

Expense Components – Current projections suggest improvement in year over year operating expenses by approximately $4.4M. Favorable variances are noted in Personnel Services ($1.7M), Equipment & Library Materials ($1.7M) and Capital Repairs ($2.6M). These results demonstrate management’s ongoing leadership on developing strategies that will effectively control expenses and contribute to long term financial sustainability.

Net Revenue – Prior year comparison highlights the need to enhance University revenue streams and grow student enrollment.

Future Outlook (FY18):

NIU is currently developing strategies that will effectively mitigate against revenue shortfalls and known variances to operating expense planning assumptions. Collectively these actions will contribute to a revised FY18 spending plan that maintains our commitment to be academically responsive and ensures fiscal responsibility through a balanced operating budget. In the aggregate, our financial projections suggest sufficient cash flow to manage through FY18 and we project modest growth in unrestricted operating cash, which is crucial to managing the volatility of reimbursements from the State of Illinois.

Following is a financial summary of the University’s operations as of the end of September FY18 and a comparison perspective to September of FY17.
**University All Funds Comparison**  
**As of September 30, 2017**

### Northern Illinois University  
as of September 30, 2017

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<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Student Fees</td>
<td>$93,517 $</td>
<td>$95,614 $</td>
<td>$(2,097)</td>
<td>$183,873 $</td>
<td>$(90,356) $</td>
<td>$95,805 $</td>
<td>$(2,289) $</td>
<td></td>
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</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>$5,773 $</td>
<td>$15,049 $</td>
<td>$(9,276)</td>
<td>$60,194 $</td>
<td>$(54,421) $</td>
<td>$20,132 $</td>
<td>$(14,359) $</td>
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<tr>
<td>Other Fees and Fines</td>
<td>$2,989 $</td>
<td>$2,273 $</td>
<td>$716</td>
<td>$9,092 $</td>
<td>$(6,103) $</td>
<td>$3,063 $</td>
<td>$(74)</td>
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<tr>
<td>Sales</td>
<td>$13,593 $</td>
<td>$9,659 $</td>
<td>$3,934</td>
<td>$38,638 $</td>
<td>$(25,044) $</td>
<td>$8,243 $</td>
<td>$5,350 $</td>
<td></td>
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<tr>
<td>Rental &amp; Room Income</td>
<td>$14,341 $</td>
<td>$17,969 $</td>
<td>$(3,628)</td>
<td>$34,555 $</td>
<td>$(20,214) $</td>
<td>$19,573 $</td>
<td>$(5,233) $</td>
<td></td>
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<tr>
<td>Gate Receipts &amp; Commissions</td>
<td>$515 $</td>
<td>$1,094 $</td>
<td>$(579)</td>
<td>$4,377 $</td>
<td>$(3,862) $</td>
<td>$826 $</td>
<td>$(310)</td>
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<tr>
<td>Miscellaneous &amp; Investment Income</td>
<td>$3,133 $</td>
<td>$3,019 $</td>
<td>$113</td>
<td>$12,077 $</td>
<td>$(8,945) $</td>
<td>$2,519 $</td>
<td>$614</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Illinois</td>
<td>$17,909 $</td>
<td>$20,505 $</td>
<td>$(2,596)</td>
<td>$82,020 $</td>
<td>$(64,111) $</td>
<td>$48,188 $</td>
<td>$(30,279) $</td>
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<tr>
<td>Capital Reserve Contributions &amp; Other Transfers</td>
<td>$(2,037) $</td>
<td>$1,045 $</td>
<td>$(3,082)</td>
<td>$4,178 $</td>
<td>$(6,215) $</td>
<td>$540 $</td>
<td>$(2,577) $</td>
<td></td>
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<tr>
<td><strong>Total Revenue &amp; Transfers</strong></td>
<td>$149,733 $</td>
<td>$166,226 $</td>
<td>$(16,493)</td>
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### Expenses

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</thead>
<tbody>
<tr>
<td>Cost of Goods Sold</td>
<td>$2,385 $</td>
<td>$2,927 $</td>
<td>$(542)</td>
<td>$11,708 $</td>
<td>$(9,323) $</td>
<td>$2,362 $</td>
<td>$23</td>
<td></td>
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<tr>
<td>Personnel Services</td>
<td>$47,442 $</td>
<td>$55,412 $</td>
<td>$(7,970)</td>
<td>$221,646 $</td>
<td>$(174,204) $</td>
<td>$49,123 $</td>
<td>$(1,681) $</td>
<td></td>
<td></td>
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<tr>
<td>Contractual Services</td>
<td>$14,817 $</td>
<td>$20,438 $</td>
<td>$(5,621)</td>
<td>$81,751 $</td>
<td>$(66,934) $</td>
<td>$13,516 $</td>
<td>$1,301</td>
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<tr>
<td>Commodities</td>
<td>$1,254 $</td>
<td>$1,861 $</td>
<td>$(607)</td>
<td>$7,444 $</td>
<td>$(6,189) $</td>
<td>$1,461 $</td>
<td>$(207)</td>
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<tr>
<td>Travel</td>
<td>$925 $</td>
<td>$1,306 $</td>
<td>$(381)</td>
<td>$5,226 $</td>
<td>$(4,300) $</td>
<td>$946 $</td>
<td>$(21)</td>
<td></td>
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<tr>
<td>Automotive</td>
<td>$276 $</td>
<td>$314 $</td>
<td>$(38)</td>
<td>$1,254 $</td>
<td>$(978) $</td>
<td>$291 $</td>
<td>$(15)</td>
<td></td>
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<tr>
<td>Scholarships</td>
<td>$23,631 $</td>
<td>$14,215 $</td>
<td>$9,416</td>
<td>$56,860 $</td>
<td>$(33,228) $</td>
<td>$22,979 $</td>
<td>$652</td>
<td></td>
<td></td>
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<tr>
<td>Telecommunications</td>
<td>$58 $</td>
<td>$242 $</td>
<td>$(184)</td>
<td>$966 $</td>
<td>$(909) $</td>
<td>$70 $</td>
<td>$(13)</td>
<td></td>
<td></td>
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<tr>
<td>Equipment &amp; Library Materials</td>
<td>$1,117 $</td>
<td>$2,302 $</td>
<td>$(1,185)</td>
<td>$9,209 $</td>
<td>$(8,092) $</td>
<td>$2,864 $</td>
<td>$(1,747)</td>
<td></td>
<td></td>
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<tr>
<td>Capital Repairs, Debt Service &amp; All Other</td>
<td>$4,005 $</td>
<td>$8,218 $</td>
<td>$(4,213)</td>
<td>$32,872 $</td>
<td>$(28,867) $</td>
<td>$6,664 $</td>
<td>$(2,659)</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$95,911 $</td>
<td>$107,234 $</td>
<td>$(11,323)</td>
<td>$428,935 $</td>
<td>$(333,025) $</td>
<td>$100,277 $</td>
<td>$(4,367)</td>
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### Net Revenue

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</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$53,822 $</td>
<td>$58,993 $</td>
<td>$(5,170)</td>
<td></td>
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</tr>
</tbody>
</table>
Fund Codes and Definitions

1. **02 Funds**
   a. Consists of:
      1. **General Revenue Funds** – Fiscal year state appropriation
      2. **University Income Funds** – Tuition and fees (i.e. academic program enhancement surcharge, campus improvement fee, financial guidelines program fees, application fee, graduation fee)
   b. To be used to support the academic mission of the university as well as for student career success both directly and indirectly.

2. **04 Funds (Restricted)**
   a. Consists of: **University Income Funds** – Class Fees for materials/laboratory/field trips.
   b. To be used in support of the class that the fee was approved and in the manner for which the fee was approved.

3. **29-33 Funds (Restricted)**
   a. Consists of: **Revenue Bond Operations/Replacement/Reserve Funds** – Funds derived from entities whose facilities were paid for via the sale of bonds such as: student fees plus revenues from the operations of residence halls/apartments (food, board, laundry), HSC/Campus Life (bookstore, food service, hotel), Field House/Recreation Center (fees and rental), Parking (usage fees and fines), Stadium/Convocation Center/BAVC (rental, events, food sales)
   b. To be used in support of the auxiliary system facilities and operations. This includes general university operations to the extent that they support the auxiliary system.

4. **41 Funds**
   a. Consists of:
      1. **Auxiliary Enterprises Funds** – Generated and supported through the activities of the enterprise or student fees dedicated to those enterprises such as: Health Service, Intercollegiate Athletics, Student Contract Busing, and University Press
      2. **Local Funds** – Activities that are considered more public service in nature such as: Non-credit programs, Student activity fees (clubs (fencing)/organizations (CAB)), Regional Centers (Rockford, Naperville, Hoffman Estates), Conferences/Workshops, Indirect Cost, SSRI/Governmental Studies, Camps, Study Abroad Programs
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   b. To be used for the specific purpose that the grant was awarded and within the guidelines of the grant.

6. **55 Funds (Restricted)**
   a. Consists of: **Local Funds** - Foundation Support
   b. To be used for payroll costs in support of the academic mission of the university
INTERNAL AUDIT FY17 ANNUAL UPDATE

The internal audit department’s mission statement is “to provide independent and objective assurance and consulting services to assist the Board of Trustees and University management in the effective discharge of their oversight, management, and operating responsibilities.”

According to the Illinois Fiscal Control and Internal Auditing Act (30 ILCS 10), key guidance for the department, internal audit is to report directly to Chief Executive Officer (University president) and have direct communication with the president and Board of Trustees; to remain free of all operational duties; and to deliver the annual internal audit department report to the president by September 30.

The 2017 Internal Audit Annual Report contained detailed information about each audit performed during the fiscal year. It was delivered to President Baker in September and was subsequently provided to the Compliance, Audit, Risk Assessment, and Legal Affairs Committee members.

Director of Internal Audit Danielle Schultz will provide an overview of internal audit staff and the annual report for FY17.