



# Board of Trustees

Finance, Audit, Compliance,  
Facilities and Operations  
Committee

*February 18, 2021*

**BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**

**Finance, Audit, Compliance, Facilities and Operations Committee**

**11:00 AM – Thursday – February 18, 2021**

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

**AGENDA**

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action*..... i
4. Review and Approval of Minutes of November 12, 2020..... *Action*..... 1
5. Chair's Comments/Announcements
6. Public Comment\*
7. Financial Update
  - a. Series 2011 CHF Bond Refinancing with Series 2021 AFS Bonds ..... *Information*.....7
  - b. Quarterly Financial Summary – Fiscal Year 2021 Second Quarter as of December 31, 2020 ..... *Information*..... 10
  - c. Periodic Report on Investments for Period Ending December 31, 2020 ..... *Information*..... 14
8. University Recommendations
  - a. Fiscal Year 2021 Quarantine and Isolation Costs..... *Action*..... 17
  - b. Surplus Real Estate Property Determination Hoffman Estates Campus ..... *Action*..... 18
  - c. Fiscal Year 2022 Undergraduate Tuition Pricing Recommendation ..... *Action*..... 19
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9. University Reports
  - a. Campus Planning in Support of University Priorities Presentation..... *Information*..... 31
  - b. Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period October 1, 2020 to December 31, 2020..... *Information*..... 32
10. Other Matters

## 11. Next Meeting Date

## 12. Adjournment

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

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

Minutes of the  
**NIU Board of Trustees of Northern Illinois University**  
**Finance, Audit, Compliance, Facilities and Operations Committee**  
November 12, 2020

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 11:51 a.m. by Committee Chair Montel Gayles. This Finance, Audit, Compliance, Facilities and Operations Committee meeting was being conducted through video conferencing communications and is pursuant to Section 6 of Executive Order 2020-7 (Suspending Open Meetings Act requirements of in person attendance by members of a public body). Recording Secretary Sandy McCartney conducted a roll call of the Trustees.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

All members of the Board of Trustees were present.

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

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

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

**MEETING AGENDA APPROVAL**

Committee Chair Gayles asked for a motion to approve the meeting agenda. VPCFO Chinniah requested Item 8.d. The Intercollegiate Bowl Game Participation Expense be pulled from the agenda.

Committee Chair Gayles asked for a motion to amend the agenda. Board Chair Barsema so moved, and Trustee Athas seconded.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

Committee Chair Gayles then asked for a motion to approve the amended agenda. Board Chair Barsema so moved, and Trustee Athas seconded.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **REVIEW AND APPROVAL OF MINUTES**

A motion to approve the minutes of the August 20, 2020 meeting was made by Trustee Shields and seconded by Trustee Herrero.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **CHAIR'S COMMENTS/ANNOUNCEMENTS**

Committee Chair Gayles spoke to this being a dynamic time and anything but typical. He spoke of Huskie resilience, continued uncertainty surrounding the budget, and the level of financial distress that the university cannot sustain. He noted the current environment in the wake of COVID-19 and State budget uncertainties will result in further impacts to NIU. The university must continue every effort to make contingency plans and offered his support to the university leadership. Committee Chair Gayles acknowledged the work of President Lisa Freeman, Vice President of Administration and Finance and Chief Financial Officer Sarah Chinniah and Executive Vice President and Provost Beth Ingram.

Committee Chair Gayles welcomed the University Advisory Committee members that were present and asked if anyone had any comments for the board?

UAC Representative Natasha Johnson from the Operating Staff Council (OSC) shared members were relieved to hear of no further lay-offs through the rest of 2020. They benefited from having President Freeman speak and offer explanations to financial questions at their last meeting. Johnson expressed the OSC felt the University and Leadership were making humane decisions as they move forward.

### **PUBLIC COMMENT**

General Counsel Perry stated no one registered to make a public comment.

### **FINANCIAL UPDATE**

**Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.a.**

VPCFO Chinniah presented Information Item 7.a. Annual Financial Summary and Budget to GAAP Reconciliation as of June 30, 2020.

Discussion followed with Board Chair Barsema stating he never anticipated applauding a \$15M loss, however in comparison to the projected \$30M loss at year end, the results were

positive. He thanked everyone within the NIU family for their part in narrowing the gap and coming in below expenses, although not by much.

Committee Chair Gayles acknowledged the efforts of being mindful of the financial challenges and echoed Board Chair Barsema in thanking staff, faculty, department chairs, deans, and leaders for the end of year performance. He also cautioned we all need to stay the course in the year to come.

Comments were made by Committee Vice Chair Wasowicz thanking VPCFO Chinniah and her team. Further discussion followed about depreciation and ownership of the buildings and other assets at NIU with Committee Vice Chair Wasowicz acknowledging differences between state and private industry.

**Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.b.**

VPCFO Chinniah presented Information Item 7.b. Quarterly Financial Summary – FY21 First Quarter as of September 30, 2020.

Committee Chair Gayles thanked everyone for their shared sacrifice.

Board Chair Barsema spoke to the increased focus on reporting the budget quarterly, given the dynamic and fluid environment. Additional fluctuations to the budget, both good and bad, are anticipated and university leadership should plan accordingly. He acknowledged Senior Leadership for actions taken to date and continuing to do more with less since we do not know how FY22 will be affected. He also acknowledged it may be necessary to take actions that will not be easy to take.

Trustee Pritchard agreed about the need to put a hold on expenses but also affirmed faculty and staff should continue to seek methods for increased revenue generation.

**Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.c.**

VPCFO Chinniah presented Information Item 7.c. Periodic Report on Investments for Period Ending September 30, 2020.

Discussion followed as Committee Chair Gayles asked if the University had enough cash on hand to conduct business. VPCFO Chinniah confirmed there was adequate cash on hand for the remainder of the academic year. She stated the University continues to be in conversation with the state regarding expectations from them and mentioned availability of a federal relief bill, both of which would provide flexibility. She confirmed that the University needs to be mindful of what is to come and plan accordingly.

**UNIVERSITY RECOMMENDATIONS**

**Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.a.**

Prior to presenting the University Recommendations, VPCFO Chinniah explained the typical presented pricing items were not being included in FACFO for November to allow the university additional time to gather necessary information. These items will move forward at a future meeting.

VPCFO Chinniah presented Action Item 8.a. – FY22 Budget Request for approval.

Discussion followed with Committee Chair Gayles asking whether the budget request was realistic and if there was adequate justification for the request. VPCFO Chinniah commented in support of the funding request and confirmed justification for the increase.

Board Chair Barsema asked if the listed items were in priority order. VPCFO Chinniah and

President Freeman confirmed the order of the items.

Trustee Pritchard stated the proposals were well written and, although we were asking for a large amount of money, thought the requests were sound enough to meet the requirements. He complimented those who put them together.

Committee Chair Gayles asked for a motion to approve Action Item 8.a. Trustee Athas so moved, and Committee Vice Chair Wasowicz seconded.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

**Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.b.**

VPCFO Chinniah presented Action Item 8.b. FY22 IBHE Capital Budget Request for approval.

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

Discussion followed as Trustee Shields inquired as to the priority of the boiler replacement on the proposed list. Discussion continued about the difficulties surrounding prioritizing a list with projects that could each, arguably, be number one. The boiler project remains a priority, though timing considerations delay movement on Phase II. Associate Vice President John Heckmann affirmed we are not ready for Phase II of the Boiler Project. When asked if the university would continue to generate heat, he explained we would not dispense with the old system until Phase I was complete. AVP Heckmann also spoke about items that had been approved and were still on the list and confirmed Wirtz Hall still being in the top ten of the IBHE priority list.

Committee Chair Gayles asked Sandy to take a roll call.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

**Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.c.**

VPCFO Chinniah presented Action Item 8.c. DeKalb Campus – Central Campus Roadway Improvements for approval.

Committee Chair Gayles asked for a motion to approve Action Item 8.c. Committee Vice Chair Wasowicz so moved, and Trustee Herrero seconded.

Discussion followed as Committee Chair Gayles asked if there were any ADA Compliance complaints in reference to this item. VPCFO Chinniah said they were in conversation with several departments, including those under Vice President for Diversity, Equity and Inclusion

Vernese Edghill-Walden, regarding this intersection as it is a prominent intersection for students, faculty and staff. Committee Chair Gayles acknowledged it was very good that everyone was being proactive.

There was no further discussion.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

## **UNIVERSITY REPORTS**

### **Committee Chair Gayles asked VPCFO Chinniah to present Information Items 9.a. – 9.d.**

VPCFO Chinniah began by stating there were five University Reports. Comprehensive write-ups had been provided in the materials so there would be no formal presentations, but she would gladly answer any questions.

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

Information Item 9.b. – FY20 Annual Report of Transactions Involving Real Property.

Information Item 9.c. – FY20 Report on Facilities and Infrastructure Capital Investments.

Information Item 9.d. – Facilities Update

Information Item 9.e. – FY20 Clery Report Update

There was no discussion.

Committee Chair Gayles thanked VPCFO Chinniah and her staff for assisting him with the preparation of these meetings.

## **OTHER MATTERS**

There were no other matters.

## **NEXT MEETING DATE**

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be February 18, 2021.

## **ADJOURNMENT**

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

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes



Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

The meeting adjourned at 12:56 p.m.

Respectfully submitted,

Sandy McCartney

Recording Secretary

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

## **SERIES 2011 CHF BOND REFINANCING WITH SERIES 2021 AFS BONDS**

### **Background on 2011 CHF financing**

In 2011, in order to accelerate the construction of new residence hall facilities on campus, Northern Illinois University collaborated with Collegiate Housing Foundation (“CHF”) to privately finance and construct New Hall, and then leased it back to the University through the bonds maturity in fiscal year 2044. As part of this private, tax-exempt financing, a similar private financing completed with CHF in 2006 for the Northern View Apartments was also refinanced at that time. An amount of \$121.9M is currently outstanding on these Series 2011 tax-exempt CHF Bonds (the “2011 CHF Bonds”) for which CHF is the underlying Obligor.

The University’s lease payments to CHF are used to:

- a) pay debt pay service on the 2011CHF Bonds;
- b) make required repair and replacement fund contributions; and
- c) pay CHF-related fees.

The Series 2011 CHF Bonds’ Management Agreement also requires the University to make additional payments if occupancy in the two residence halls falls below 95%, or if there is a revenue shortfall to meet debt service coverage requirements.

In such a case, NIU must support the project by providing the revenue shortfall needed to meet the debt service coverage obligations. In 2020, owing to lower occupancy due to the COVID-19 Pandemic and refunds provided to students, NIU provided support to the project in an amount of approximately \$2.2M, on top of its usual payments to support bond debt service. This extra support allowed the project to meet its 1.2X debt service coverage ratio requirement for FY20.

### **Overview of the Refinancing Opportunity**

While both New Hall and the Northern View Apartments are owned by CHF, NIU manages both facilities. The bond documents allow for the University to purchase the facilities by paying off the outstanding tax-exempt 2011 CHF Bonds and paying any accrued management fees. For NIU, the first opportunity to close such a refinancing, and simultaneously effect the purchase of the buildings and expansion of the Auxiliary Facilities System (AFS) will be on or after July 1, 2021.

The rate on the 2011 CHF Bonds for NIU’s project is very high at 6.86%, about 4% higher than the rate on NIU’s Series 2020 AFS bonds. As a result, NIU has been considering a refinancing of this debt through its AFS for some time. With the debt markets improving since the beginning of the pandemic, NIU is now poised to move forward with this refinancing (the “Series 2021 AFS Bonds”).

In addition to a reduction in payments owing to a lower rate (see “Potential Savings from a Refinancing” section below), the Series 2021 AFS Bonds refinancing will provide a number of operational flexibilities and economic efficiencies. These include the ability for NIU to set its own room rates for the two residence halls and avoid restrictive occupancy and “first fill” requirements, as well as cumbersome site-specific profitability requirements. NIU will also avoid duplicative and costly budgeting, audit and rating agency processes and fees.

### **Financing Climate (Ratings, Bond Insurance and General Rate Movements)**

NIU’s Moody’s rating on its AFS bonds has been at “Ba2” (stable) since May 2019 and was re-affirmed in February of 2020. Moody’s has consistently said that it views the University’s

commitments to the 2011 CHF Bonds as significant, and therefore already views those bonds as “on balance sheet” when it evaluates NIU’s creditworthiness. As a result, the University and its advisors do not expect the refinancing of this debt into the AFS system, in and of itself, to lower the Moody’s AFS rating.

The University’s Series 2020 AFS bonds carried bond insurance, which allowed NIU to refinance prior debt at low rates. However, it is unlikely that bond insurance will be available for the proposed Series 2021 AFS financing, at least not at this time. After extensive conversations with the Series 2020 bond insurer, Build America Mutual (“BAM”), the company indicated that it is unwilling to consider any commitment until mid-to-late Fall of 2021. BAM also noted that it would have a limit of about \$40M on the amount of insurance it could offer, owing to the high level of NIU’s debt that it already insures. This would only cover 35% - 40% of the proposed Series 2021 AFS Bonds, if that commitment were ultimately made at all.

Between late 2020 and early February 2021, the market for *uninsured* higher education and other municipal credits has improved considerably, making savings from the refinancing of the 2011 CHF Bonds attractive. With rates historically low due to federal support of bond markets, more investors have been searching for higher yield investments, and have bid down the rates on debt for such issuers.

### **Guiding Principles of the Refinancing**

University leadership has adopted the following guiding principles for this refinancing:

- The Series 2021 AFS Bonds will not include any monies for new projects;
- The new debt payments will not extend beyond FY44, the fiscal year of the final maturity date of the Series 2011 CHF Bonds; and
- The refinancing will be structured to maximize savings in FY22-FY24 to mitigate budgetary impact of closing the structural budget gap.

### **Bond Underwriter “Pricing Proposal” RFP Process**

On January 12, 2021, the University and its long-time financial advisor, Longhouse Capital Advisors, sent out a “Pricing RFP” to the five members of NIU’s underwriting pool, which was established in late 2019. The University received five responses from pool members on January 28<sup>th</sup>. All underwriters provided estimated rates and fees for the refinancing, and all re-affirmed their business enterprise program (“BEP”) commitments. Based on the proposal content, Piper Sandler was selected as senior managing underwriter for the refinancing and Wells Fargo was selected as co-managing underwriter. BEP partner firms Backstrom McCarley Berry & Co., Estrada Hinojosa; and Siebert Williams Shank will also serve as co-managing underwriters.

### **Potential Savings from a Refinancing**

Savings estimates from the underwriters’ Pricing RFP responses showed a minimum total savings over the life of the refinanced bonds of approximately \$37.7M. Final savings will be subject to changes in rates and in the University’s underlying AFS rating, among other factors, and could be higher or lower than this estimate.

### **Next Steps: General Financing Assumptions / Unwinding of the CHF Agreements**

The Plan of Finance that was provided to underwriters in the Pricing RFP assumed a fixed rate, uninsured AFS financing with a final maturity in FY44. The bonds are assumed to have no Debt Service Reserve Fund, although one could be included if it is found to significantly lower NIU’s overall rate. The bonds could price as early as April or May of 2021, with a closing in early July of 2021.

In parallel to the Series 2021 AFS Bonds financing process, the University plans to work with CHF to unwind the Series 2011 CHF Bonds’ lease and management agreements. NIU has already

had an initial meeting with CHF to set out milestones for that process, and the organization has expressed its willingness to work to meet the University's refinancing timeline.

University leadership will present an update at the Board of Trustees meeting scheduled for March 18, 2021.

## QUARTERLY FINANCIAL SUMMARY - FISCAL YEAR 2021 SECOND QUARTER AS OF DECEMBER 31, 2020

**Background:** With the December 31, 2020 conclusion of the second quarter of the 2020-21 fiscal year (FY21), the University is now able to update the Board of Trustees on NIU's financial performance relative to the current year budget and prior year actuals. A full-year projection, primarily based on current spending, is also provided.

The FY21 Year to Date Forecast presented today incorporates an all-funds deficit of \$26.5M based on projected revenues of \$362.7M and projected expenditures of \$389.2M. These full-year expectations will be adjusted as the second federal relief program (Higher Education Emergency Relief Fund II) authorized in December is implemented.

Through the second quarter of FY21, the University received \$121.4M more revenue (\$303.9M) than was spent (\$182.5M), producing a net revenue 2.7% (\$3.4M) less than a year ago (second quarter, FY20). Tuition and Student Fee revenue grew 7.5%, or \$11.3M compared to FY20; however, the growth is primarily due to an operational change concerning when some fee revenues are recognized. Overall, revenue lagged the second quarter of FY20 by \$18.2M, mostly due to the impact of the COVID-19 pandemic on housing, sales, and other revenue sources. With less density on campus than originally expected, overall revenues trailed budget by \$20.1M (6.2%).

On the expense side, overall spending relative to FY20 decreased by 7.5% (\$14.8M), including lower overall Personnel Services expenses by 4.8% (\$5.4M) and lower Contractual Services expenses by 18.1% (\$6.9M). Scholarship spending increased \$4.4M from the prior year, partially driven by the federal CARES Act and the AIM High scholarship program. Overall, expenses through the second quarter of FY21 are \$18M below budget, reflecting cost containment efforts implemented throughout the NIU community. Based on current projections, expenses are trending 7.5% under budget for the full year (\$31.6M); however, revenues also are trending below budget by \$26M, or 6.7%.

Leadership continues to monitor the budget through the active review of revenue assumptions, including the receipt of state appropriations and additional federal assistance; and anticipated auxiliary revenue associated with housing, dining, sales and conferences. Additionally, NIU leadership is closely monitoring information provided by the Governor and the Illinois Department of Public Health. The health, wellness, and safety of the entire campus community is a priority and remains at the center of our decision-making.

As this report reflects activity and trends through the first half of the fiscal year, unexpected changes in the operating environment or spending patterns in the coming months may have a significant impact on expected results for the full fiscal year. Spending patterns that will be closely monitored for such changes include those in Contractual Services (currently 25.4% below budget), Personnel Services (currently 3% below budget), and Commodities (66.7% below budget). Because this is a dynamic environment, the university will continue to present quarterly budget updates to the Finance, Audit, Compliance, Facilities and Operations Committee of the Board of Trustees throughout calendar year 2021 noting budget performance, summarizing variances, and providing year-to-date forecasts.

### Revenues

- 1. Tuition and Student Fees:** All tuition, including differential tuition, course and materials fees, athletics fees, bus fees, and health service fees.

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

## Expenses

9. **Cost of Sales:** Includes the cost of all items purchased for resale on campus such as food for dining units, parts and supplies to be charged out through the campus work order system, as well as paper for pay-to-print copiers and printers.
10. **Personnel Services:** Includes all salaries paid to faculty, supportive professional staff, civil service, graduate assistants, extra help, and student employees. Also includes required payments for Medicare and employee health insurance.
11. **Contractual Services:** Includes annual software support, subscriptions, conference registrations, non-employee travel reimbursements, service contracts, repairs & maintenance, grounds, building service work charges, speaking fees, and other arrangements with outside contractors to perform services for the University.
12. **Commodities:** Includes purchased items of a low cost that typically are consumed in a single year. Examples include paper for printing, lab supplies, napkins, and cleaning supplies.
13. **Travel:** Includes airfare, hotel rooms, mileage, meals (all up to limits set by the state and the University), and ancillary expenses for employees to travel to-and-from campus on official University business.
14. **Automotive:** Includes the cost to rent cars, vans, and busses from the University transportation department.
15. **Scholarships:** Includes scholarships awarded, including Pell Grant funds disbursed (which, when netted against Pell Grant funds received, results in zero effect on the University's cash position).
16. **Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.
17. **Equipment & Library Books:** Includes the cost of all items over \$100 with an estimated useful life of two years or more, as well as library books, journal subscriptions, manuscripts, films, music, and video materials.
18. **Capital Repairs:** Includes the cost of centralized capital repair activities.
19. **Debt Service:** Includes debt service payment on bonds, certificates of participation, and performance contracts.
20. **Miscellaneous Expense:** Includes refunds issued for on-campus external programming, deposit refunds, and other expenses not classified elsewhere. This category also includes miscellaneous year-end accrual and other adjustments.

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

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

	<u>Current Year FY21</u>			<u>Prior Year FY20</u>		<u>Current Year FY21</u>			
	<u>Second Quarter</u>			<u>Second Quarter</u>		<u>YTD Forecast</u>	<u>Annual</u>		
	<u>YTD Actuals</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>YTD Actuals</u>	<u>Variance</u>		<u>Budget</u>	<u>Variance</u>	
<b>Revenue</b>									
Tuition & Student Fees	\$ 161,093	\$ 151,608	\$ 9,485	\$ 149,792	\$ 11,302	\$ 168,321	\$ 168,734	\$ (413)	
Gifts, Grants, & Contracts	29,580	24,940	4,640	28,185	1,395	56,211	57,476	(1,265)	
Other Fees and Fines	1,822	4,043	(2,221)	4,762	(2,940)	2,522	5,303	(2,780)	
Sales	11,685	22,915	(11,230)	21,208	(9,522)	15,835	28,711	(12,876)	
Rental & Room Income	18,782	35,895	(17,113)	31,092	(12,310)	19,445	29,116	(9,671)	
Gate Receipts & Commissions	130	486	(355)	869	(739)	200	1,757	(1,557)	
Miscellaneous & Investment Income	2,036	1,644	392	3,707	(1,672)	12,322	9,788	2,534	
State of Illinois	78,730	82,407	(3,677)	82,426	(3,696)	87,804	87,804	-	
<b>Total Revenue</b>	<b>\$ 303,859</b>	<b>\$ 323,938</b>	<b>\$ (20,080)</b>	<b>\$ 322,041</b>	<b>\$ (18,182)</b>	<b>\$ 362,660</b>	<b>\$ 388,689</b>	<b>\$ (26,029)</b>	
<b>Expenses</b>									
Cost of Sales	\$ 1,174	\$ 2,592	\$ (1,418)	\$ 2,806	\$ (1,632)	\$ 1,920	\$ 4,108	\$ (2,188)	
Personnel Services	106,468	109,730	(3,262)	111,839	(5,371)	218,064	222,932	(4,868)	
Contractual Services	31,326	41,966	(10,640)	38,257	(6,931)	66,267	86,565	(20,298)	
Commodities	1,709	5,134	(3,425)	2,976	(1,266)	6,307	8,409	(2,102)	
Travel	171	2,717	(2,546)	2,352	(2,181)	571	4,090	(3,519)	
Automotive	318	732	(414)	646	(328)	570	1,188	(618)	
Scholarships	32,184	26,455	5,729	27,794	4,390	61,127	55,632	5,495	
Telecommunications	233	228	5	98	135	629	590	39	
Equipment & Library Materials	3,783	4,958	(1,175)	4,526	(744)	7,338	7,495	(157)	
Capital Repairs	293	1,543	(1,250)	922	(629)	1,500	2,977	(1,476)	
Debt Service	3,355	2,862	493	3,258	97	24,500	24,672	(172)	
Miscellaneous Expense	1,469	1,554	(85)	1,815	(345)	397	2,175	(1,778)	
<b>Total Expenses</b>	<b>\$ 182,485</b>	<b>\$ 200,473</b>	<b>\$ (17,988)</b>	<b>\$ 197,290</b>	<b>\$ (14,805)</b>	<b>\$ 389,191</b>	<b>\$ 420,833</b>	<b>\$ (31,642)</b>	
<b>Net Revenue</b>	<b>\$ 121,374</b>	<b>\$ 123,466</b>	<b>\$ (2,092)</b>	<b>\$ 124,751</b>	<b>\$ (3,377)</b>	<b>\$ (26,531)</b>	<b>\$ (32,144)</b>	<b>\$ 5,613</b>	



## PERIODIC REPORT ON INVESTMENTS FOR PERIOD ENDING DECEMBER 31, 2020

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

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

The *Cash and Investment Holdings Summary* at December 31, 2020 shows NIU's total holdings at just over \$130M. Of the total holdings balance, approximately \$77.7M is available for daily operations providing more than 60 days cash on hand. The remaining balance is restricted per collateralization requirements and contractual obligations. The total holdings balance is \$20M lower than the balance at December 31, 2019. The overall decrease is a result of planned spending of Build America Bond proceeds on the Holmes Student Center renovation project, and lower cash receipts over the same period of the previous fiscal year. At December 31, 2020, the university had vouchered the State \$78.7M for FY21 appropriations. As of this date, \$35.7M has been received.

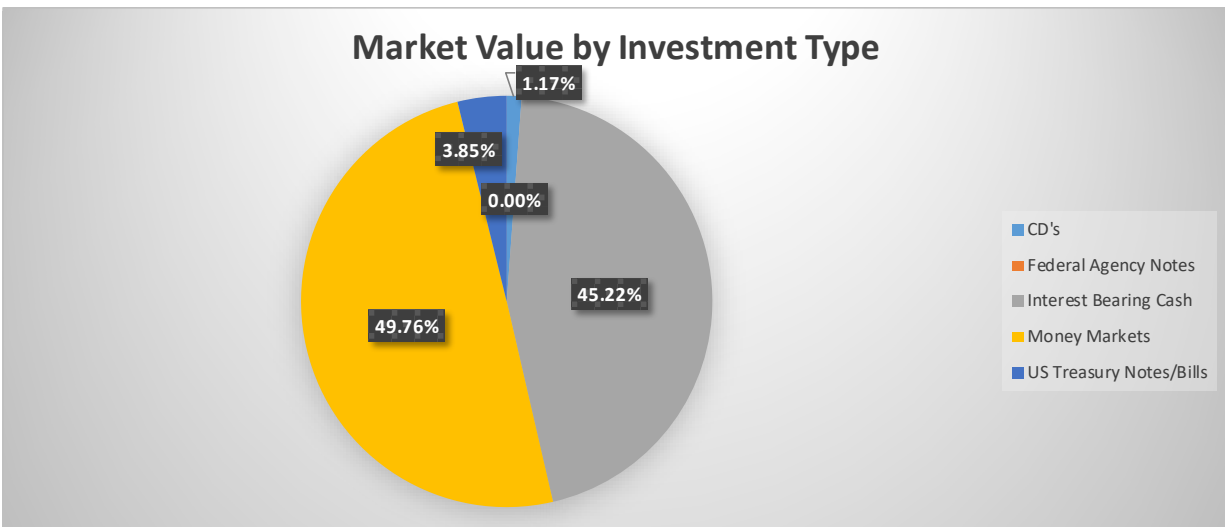
Most operating funds were invested in money markets and investment savings accounts because cash and cash equivalents were earning higher yields than long term investment instruments during the second quarter of FY21.

The *Investment Earnings* report shows income of \$66,843 and an overall annualized rate of return of .16% for the 2nd quarter. The lower return this quarter over prior quarters resulted from lower interest rates and cash balances.

The coronavirus pandemic remains a headline in economic forecasts. It altered consumer habits and industries, including higher education, throughout 2020. Vaccine development and distribution has the economy primed for recovery during the latter part of 2021 or 2022. However, growth is expected at a slow pace and the federal funds interest rate is expected to remain at its current, near-zero level. Management continues to monitor cash flow activity and align fiscal policy with operating capacity in support of University priorities.

**NORTHERN ILLINOIS UNIVERSITY**  
**CASH and INVESTMENT HOLDINGS SUMMARY**  
 December 31, 2020  
 For Fiscal Year 2021

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
<b>CD's:</b>			
Local Funds	\$ 1,514,208	\$ 1,514,208	\$ 1,514,208
<b>Federal Agency Notes:</b>			
Local Funds	\$ -	\$ -	\$ -
<b>Interest Bearing Cash Accounts:</b>			
Local Funds	\$ 58,739,789	\$ 58,739,789	\$ 58,739,789
<b>Money Markets:</b>			
Contributory Trust	\$ 9,839,000	\$ 9,839,000	\$ 9,839,000
Local Funds	54,347,455	54,347,455	54,347,455
Project Funds	466,273	466,273	466,273
	\$ 64,652,728	\$ 64,652,728	\$ 64,652,728
<b>US Treasury Notes/Bills:</b>			
Local Funds	\$ 5,048,438	\$ 5,002,292	\$ 5,004,595
<b>TOTAL INVESTMENT HOLDINGS</b>	<b>\$ 129,955,163</b>	<b>\$ 129,909,017</b>	<b>\$ 129,911,320</b>
Non-interest Bearing Cash	\$ 291,043	\$ 291,043	\$ 291,043
<b>TOTAL CASH &amp; INVESTMENT HOLDINGS</b>	<b>\$ 130,246,206</b>	<b>\$ 130,200,060</b>	<b>\$ 130,202,363</b>
<b>TOTAL REPORTED FOR 12/31/2019</b>	<b>\$ 150,378,479</b>	<b>\$ 150,507,992</b>	<b>\$ 150,521,812</b>



\* Amounts per Bank and Investment Statements

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

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

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

**NORTHERN ILLINOIS UNIVERSITY**  
**INVESTMENT EARNINGS**  
**For Fiscal Year 2021**  
**July 1, 2020 - December 31, 2020**

	December 31 Ending Balance	Qtr 2 Average Daily Balance	Percent of Portfolio	Qtr 2 Income Earned	Annualized Rates of Return				
					FY2021		FY 2020		
					2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	
<b>Short-Term Investment Accounts</b>									
Illinois Funds	\$ 54,347,455	\$ 53,633,136	41.14%	\$ 12,857	0.095%	0.177%	0.713%	1.521%	
Investment Accounts - Financial Institutions	\$ 58,739,789	\$ 59,717,221	45.82%	\$ 27,898	0.185%	0.287%	0.856%	1.555%	
Contributory Trust	\$ 9,839,000	\$ 9,838,719	7.55%	\$ 569	0.023%	0.085%	0.437%	1.180%	
Investment Accounts - Project Funds	\$ 466,273	\$ 603,300	0.46%	\$ 9	0.006%	0.003%	0.424%	1.585%	
CD's	\$ 1,514,208	\$ 1,514,208	1.16%	\$ 305	0.080%	0.058%	0.186%	1.072%	
<b>ST Investment Accounts Total</b>	<b>\$ 124,906,725</b>	<b>\$ 125,306,584</b>	<b>96.14%</b>	<b>\$ 41,638</b>	<b>0.132%</b>	<b>0.217%</b>	<b>0.741%</b>	<b>1.524%</b>	
<b>Fixed Income Securities</b>									
Local Funds	\$ 5,048,438	\$ 5,048,438	3.87%	\$ 25,205	0.873%	1.210%	2.025%	1.890%	
<b>Fixed Income Securities Total</b>	<b>\$ 5,048,438</b>	<b>\$ 5,048,438</b>	<b>3.87%</b>	<b>\$ 25,205</b>	<b>0.873%</b>	<b>1.210%</b>	<b>2.025%</b>	<b>1.890%</b>	
<b>Non-interest Bearing Cash</b>	<b>\$ 291,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>COMBINED TOTAL</b>	<b>\$ 130,246,206</b>	<b>\$ 130,355,022</b>	<b>100.00%</b>	<b>\$ 66,843</b>	<b>0.16%</b>	<b>0.35%</b>	<b>1.05%</b>	<b>1.61%</b>	

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

## **FISCAL YEAR 2021 QUARANTINE AND ISOLATION COSTS**

**Summary:** To ensure the health and safety of students, faculty, and staff, the University requests authorization to purchase hotel rooms for quarantine and isolation purposes for FY21.

**Background:** In response to the COVID-19 pandemic, the University has placed residence hall students who have tested positive for COVID-19, been exposed to COVID-19, or have had symptoms of COVID-19 in quarantine or isolation at local hotels. During the fall 2020 semester, the university spent approximately \$160,000 on the quarantine and isolation of students. The average cost per student stay during the fall semester was \$1,152. It is anticipated that these expenses will continue during the spring 2020 semester.

**Funding:** Institutional – funds

Hotel room purchases not to exceed: \$350,000

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on February 18, 2021.

## **SURPLUS REAL ESTATE PROPERTY DETERMINATION HOFFMAN ESTATES CAMPUS**

**Summary:** Although it has served NIU well over its 27 years as university property, operations at the Hoffman Estates campus have been deemed unsustainable due to changing university needs, budget constraints, a years-long decline in revenue-generating business, and continuing uncertainty due to the pandemic. Event operations were discontinued in the facility as of November 2020. The facility is now considered surplus to the university mission requirements. Once approved as surplus, the university will engage a real estate broker to assist in marketing and potential sale transaction for the property.

**Background:** Since the Illinois Property Control Act (30ILCS 605/) allows public universities to sell surplus real estate and use the proceeds to address deferred maintenance and emergency repairs of institution property, selling the property may be in the university's best interest at this time.

The existing property located at 5555 Trillium Boulevard in Hoffman Estates was built in 1992 and consists of approximately 49,840 square feet of space including classrooms, lecture hall and various associated administrative and support spaces.

**Funding:** Revenue generating – Resulting net sale proceeds to be deposited in account conforming to the Property Control Act.

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 18, 2021. Updates will be provided to the Board as appropriate, and subsequent approval for actual sale of the property will be requested from the Board prior to proceeding with such a transaction.

## FISCAL YEAR 2022 UNDERGRADUATE TUITION PRICING RECOMMENDATION

**Summary:** The following item presents the pricing recommendation that addresses Northern Illinois University's tuition rates for FY22. These recommendations were developed with the goals of addressing affordability concerns and maintaining fiscal responsibility by keeping the total cost of attendance for full-time students as low as possible. The recommendations request a 1.5% increase in base tuition, and no change in undergraduate differential tuition rates. Prior to this recommendation for FY22, NIU has held the base tuition flat from FY16 to FY21, five years in a row.

**Background:** NIU has developed a refined set of tuition rates to reflect the multiple student populations. To bring clarity to this array of rates, first described is the rate structure and then the rates for FY21 and the rates proposed for FY22.

NIU sets tuition on a per-credit-hour basis. However, undergraduate students who enroll in 12 or more semester credit hours are charged at a flat tuition rate. Rates are set subject to the following considerations:

- Illinois "Truth-in-Tuition" law for undergraduates
- Differential tuition for select programs
- Residency considerations (e.g., out-of-state and international students)

### Truth in Tuition

Tuition rates for Illinois residents seeking an undergraduate degree are subject to Illinois' Truth-in-Tuition law. Under the law, entering degree-seeking undergraduate students are guaranteed the same base tuition rate for four continuous years. NIU policy adds one additional semester to this four-year guarantee. After nine continuous semesters of enrollment, the guaranteed undergraduate tuition rate adjusts to the tuition rate paid by students who entered the University one fiscal year after the date of original entry for an additional three semesters.

In the event of a decrease in undergraduate tuition, we anticipate that all continuing students will be charged the new rate if that rate is more favorable to them than the rate guaranteed to them by Truth-in-Tuition.

Hence, when NIU sets undergraduate tuition rates for FY22, those rates apply only to:

- incoming or re-entering students;
- non-degree-seeking students, including visiting students and post-baccalaureate students; and
- students whose continuous enrollment has exceeded the period outlined above.

### Out-of-State and International Rates

NIU currently sets tuition for domestic, out-of-state students at the same rate as Illinois residents. The rate for international students is set at twice the in-state rate. The University may enter into agreements with international partners for cohort or pipeline programs. For such programs, the University may agree to lower tuition to no less than 1.5 times the FY22 in-state rate.

### Tuition Recommendation

The recommended 1.5% base tuition increase represents a \$5.23 increase in the per credit hour rate and a \$70.99 increase in the full-time rate. This modest increase is necessitated by NIU's imperative to support the academic success of its students. Experience over the past year has demonstrated a need to provide additional services to students, including enhanced academic advising and financial counseling, to enable them to be retained and graduate. The sum represented by this increase will be directed to an expansion of those services.

### FY21 Tuition

Base Domestic Tuition	Per Credit Hour Rate	Capped Tuition at
	1 – 11	12 or more Credit Hours
Undergraduate Tuition	\$348.84	\$4,732.80

### FY22 Tuition Recommendations

Base Domestic Tuition	Per Credit Hour Rate	Capped Tuition at
	1 – 11	12 or more Credit Hours
Undergraduate Tuition	\$354.07	\$4,803.79

### Differential Tuition

For select programs, NIU charges a differential tuition. These differentials reflect the added value and added costs associated with those programs. The differential rate is added to the base and becomes the tuition rate charged for that program, subject to the policies previously listed. Differential rates are stated on a per-credit-hour basis. The maximum differential rate is capped at 12 times the per-credit-hour rate. Differential rates are re-validated annually.

### Undergraduate Differential Tuition per Credit Hour Rates

Program	FY21 Differential	FY22 Differential
<b>College of Engineering &amp; Engineering Technology</b>		
All programs	\$50	\$50
<b>College of Health &amp; Human Sciences</b>		
Nursing (pre-licensure, not including pre-majors nor RN to BSN)	\$15	\$15
<b>College of Liberal Arts &amp; Sciences</b>		
Computer Science (including pre-majors)	\$40	\$40

### The Rationale for Differential Tuition

Differential tuition rates are reviewed annually to ensure that the rates are competitive and are not adversely impacting enrollments. This year, College of Engineering & Engineering Technology, Nursing, and Computer Science are maintaining their existing rates.

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on February 18, 2021.

## **FISCAL YEAR 2022 GRADUATE AND LAW TUITION PRICING RECOMMENDATION**

**Summary:** The following item presents the pricing recommendation that addresses Northern Illinois University's tuition rates for FY22. These recommendations were developed with the goals of addressing affordability concerns and maintaining fiscal responsibility by keeping the total cost of attendance for full-time students as low as possible. The recommendations request a 1.5% increase in base tuition (\$5.36 per credit hour) for graduate students and a 0.79% increase in the base tuition (\$5.36 per credit hour) for law students, while making downward adjustments to three differential tuition rates. Prior to this recommendation for FY22, NIU has held the base tuition flat from FY16 to FY21, five years in a row.

**Background:** NIU has developed a refined set of tuition rates to reflect the multiple student populations. To bring clarity to this array of rates, first described is the rate structure and then the rates for FY21 and the rates proposed for FY22.

NIU sets tuition on a per-credit-hour basis. For the Juris Doctorate program and most graduate programs, students who enroll in 12 or more semester credit hours are billed at a maximum rate that is 12 times the per-credit-hour rate. The FY22 rates indicated below apply to both new and returning graduate students and law students. Rates are set separately for graduate students and law students, subject to the following considerations:

- Bundling tuition and fees for graduate and law students
- Differential tuition for select programs
- Residency considerations (e.g., out-of-state and international students)

### **Graduate and Law Charge**

The University presents graduate students with a single charge that includes an instructional charge and an institutional charge. The two components are analogous to undergraduate tuition and fees. These are presented as a single charge to assist graduate and law students with employer reimbursement.

### **Out-of-State and International Rates**

NIU currently sets tuition for domestic, out-of-state students at the same rate as Illinois residents. The rate for international students is set at twice the in-state rate, subject to the following considerations:

- Within the integrated charge for graduate students, the instructional charge is doubled for international students, but the institutional charge is not.
- International students appointed as graduate assistants or fellows are billed at the domestic law or graduate student rate.
- The University may enter into agreements with international partners for cohort or pipeline programs. For such programs, the University may agree to lower tuition (for undergraduates) or the instructional component (for graduate students) to no less than 1.5 times the FY22 in-state rate.

### **Differential Tuition**

For select programs, NIU charges a differential tuition. These differentials reflect the added value and added costs associated with those programs. The differential rate is added to the base and



becomes the tuition rate charged for that program, subject to the policies previously listed. Differential rates are stated on a per-credit-hour basis. The maximum differential rate is capped at 12 times the per-credit-hour rate. Differential rates are re-validated annually.

### Tuition Recommendation

The recommended 1.5% base tuition increase for graduate students represents a \$5.36 increase in the per credit hour rate and a \$64.32 increase in the 12 or more-credit hour rate. The recommended 0.79% base tuition increase for law students represents a \$5.36 increase in the per credit hour rate and a \$64.32 increase in the maximum rate. This modest increase is necessitated by NIU's imperative to support the academic success of its students. Experience over the past year has demonstrated a need to provide additional services to students, including enhanced academic advising and financial counseling, to enable them to be retained and graduate. The sum represented by this increase will be directed to an expansion of those services.

### FY22 Tuition Recommendations

Graduate Domestic Tuition per Semester	FY21		FY22	
	Per Credit Hour 1-11	12 or more Credit Hours	Per Credit Hour 1-11	12 or more Credit Hours
Instructional Charge (Base)	\$357.00	\$4,284.00	\$362.36	\$4,348.32
Institutional Charge	\$135.06	\$1,620.72	\$134.36	\$1,612.32
Total	\$492.06	\$5,904.72	\$496.72	\$5,960.64

College of Law Domestic Tuition per Semester	FY21		FY22	
	Per Credit Hour 1-11	12 or more Credit Hours	Per Credit Hour 1-11	12 or more Credit Hours
Instructional Charge (Base)	\$677.29	\$8,127.48	\$682.65	\$8,191.80
Institutional Charge	\$234.46	\$2,813.52	\$233.76	\$2,805.12
Total	\$911.75	\$10,941.00	\$916.41	\$10,996.92

### Institutional Charge Components

The graduate and law institutional charges are the sum of component fees. The fees, approved by the Board of Trustees during the meeting on December 12, 2020, are very similar in structure to undergraduate fees, and many of the assessed values are identical to the rates for undergraduates. The components of the Institutional Charge are:

**Student Support Services Fee** is comprised of the following charges:

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.

*Grad – Fee remains constant at FY21 level (\$2.60)*

*Law – Fee remains constant at FY21 level (\$3.65)*

Holmes Student Center Charge supports the operational costs of Holmes Student Center and student programs provided in the facility.

*Fee remains constant at FY21 level (\$11.80)*

Health and Wellness Charge allows students to use Health Services with little to no direct

cost to students and helps fund programming that promotes wellness and healthy lifestyle choices and related state and federally mandated education and awareness campaigns.

*Fee remains constant at FY21 level (\$7.90)*

Grants-in-Aid Charge supports an institutional merit-based scholarship program, as well as supporting 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.

*Fee remains constant at FY21 level (\$1.40)*

Campus Recreation Charge is used for financing, constructing, maintaining, and improving new and existing recreational sports facilities and programs, including the sport club operations.

*Fee remains constant at FY21 level (\$8.00)*

Northern Star is the student-run newspaper and provides free access to the campus community.

*Fee remains constant at FY21 level (\$0.27)*

Arts and Culture Fee enhances the University's arts culture and provides students with a means to enjoy the School of Music and School of Theater and Dance productions without direct cost to the student.

*Fee remains constant at FY21 level (\$0.80)*

Cultural Diversity Programming Fee will be used to develop and support cultural programming resources for students by NIU's diversity resource centers. Programming will address the intersecting identities of students, including race, ethnicity, gender identity, class, nationality, sexual orientation, and others and may include high-impact speakers, films, lecture series, exhibits, Heritage Month Celebrations, and more.

*New fee of \$0.80*

**University Advancement Fee** is comprised of the following charges:

Capital Improvement Charge 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.

*Fee remains constant at FY21 level (\$14.90)*

Transportation Access Charge 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. A decrease in costs allows for a decrease in the fee.

*Decrease of \$1.50 from FY21 (\$8.50) to FY22 (\$7.00)*

**Athletic Fee** is comprised of the following charges:

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.

*Fee remains constant at FY21 level (\$22.29)*

Convocation Center Charge helps fund the operational costs of the Convocation Center and supports student events held in the athletic space utilized by students.

*Fee remains constant at FY21 level (\$8.20)*

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.

*Fee remains constant at FY21 level (\$2.40)*

**Graduate Program Support** contains the following charges:

Graduate Colloquium Charge supports the Graduate Colloquium program, which brings scholars, artists, professionals, and public figures to lecture or perform at NIU.

*Remains flat at \$2.00*

Career/Professional Development Charge supports career/professional development workshops, seminars, and coursework for graduate students.

*Remains flat at \$4.00*

Graduate Outreach Charge is assessed to support infrastructure provided by the Division of Outreach, Engagement & Regional Development that is needed to deliver regional courses (e.g., operations of NIU regional centers, rental of non-NIU facilities).

*Remains flat at \$18.00*

**Law Program Support** contains the following charges:

Law Student Bar Charge supports the Student Bar Association and student organization activities at the College of Law.

*Remains flat at \$2.35*

Law Excellence Charge provides enhancements to College of Law course offerings and experiential learning opportunities such as clinics, mock trials, and moot court.

*Remains flat at \$120.00*

**Academic Program Enhancement and Instructional Surcharge** 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 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.

*Remains flat at \$22.00 per credit hour*

## Graduate Differential Tuition

The per credit hour rates for FY21 and the proposed rates for FY22 are detailed below:

Program	FY21 Differential	FY22 Differential	Increase / (Decrease)
<b>College of Business</b>			
Graduate Certificate in Accountancy	\$325	\$325	\$0
Master of Accountancy	\$325	\$325	\$0
Master of Accounting Science	\$325	\$325	\$0
Master of Science in Taxation	\$325	\$325	\$0
Graduate Study in Enterprise Management Using SAP Analytics	\$200	\$200	\$0
Graduate Certificate in Data Analytics	\$200	\$200	\$0
Master of Science in Finance	\$400	\$400	\$0
Evening MBA	\$400	\$400	\$0
Global MBA	\$400	\$400	\$0
Graduate Certificate in Management Information Systems	\$200	\$200	\$0
Master of Management Information Systems	\$200	\$200	\$0
Master of Science in Digital Marketing	\$400	\$400	\$0
Foundations of Accountancy Certificate	\$325	\$325	\$0
Certificate of Graduate Study – Advanced Study in Accounting Analytics	\$325	\$325	\$0
Certificate of Graduate Study – Advanced Study in Accountancy	\$325	\$325	\$0
Master of Science in Data Analytics	\$400	\$400	\$0
Graduate Study in Data Science for Business	\$400	\$400	\$0
<b>College of Education</b>			
EdD in Curriculum & Instruction	\$65	\$65	\$0
EdD in Education Administration	\$65	\$65	\$0
PhD/EdD in Instructional Technology (face-to-face)	\$40	\$40	\$0
PhD/EdD in Instructional Technology (online)	\$40	\$40	\$0
MSED in Instructional Technology (face-to-face)	\$20	\$20	\$0
MSED in Instructional Technology (online)	\$25	\$25	\$0
Graduate Certificate in Trauma-Informed Counseling (online)	\$35	\$0	(\$35)
EdD in Community College Leadership	\$70	\$70	\$0
MSED in Kinesiology & Physical Education	\$35	\$35	\$0
Master of Science in Athletic Training <sup>1</sup>	\$35	\$35	\$0
Master of Science in Sports Management	\$35	\$35	\$0
Executive EdD in Adult & Higher Ed Weekend Cohort (online)	\$70	\$70	\$0
<b>College of Engineering &amp; Engineering Technology</b>			
All programs	\$50	\$50	\$0
<b>College of Health &amp; Human Sciences</b>			
Master of Speech-Language Pathology	\$160	\$160	\$0
Doctor of Audiology	\$185	\$185	\$0
Doctor of Physical Therapy	\$225	\$225	\$0
Doctor of Health Sciences (online)	\$553	\$553	\$0
Graduate Certificate in Eating Disorders (online)	\$180	\$180	\$0
Doctor of Nursing Practice	\$240	\$240	\$0
Master of Public Health (online)	\$200	\$200	\$0
Master of Family Nurse Practitioner (online)	\$240	\$240	\$0
Nursing Education (online)	\$180	\$0	(\$180)
Nursing Post-Masters Certificate (online)	\$180	\$0	(\$180)

<sup>1</sup> New program in Summer 2020.

<b>College of Liberal Arts &amp; Sciences</b>			
Master of Science in Computer Science	\$60	\$60	\$0
Master of Public Administration (online)	\$90	\$90	\$0
Graduate Certificate in Public Management	\$90	\$90	\$0

### **Rationale for Differential Tuition Rate Changes**

Differential tuition rates are reviewed annually to ensure that the rates are competitive and are not adversely affecting enrollments. This year, most programs are maintaining their existing rates. A few adjustments are being made, and a new program is introducing a differential:

- In the *College of Health and Human Sciences*, the differential for the online Nursing Education and online Nursing Post-Masters Certificate are being reduced from \$180 per credit hour to \$0 per credit hour. Over the past year, enrollment has declined and the market does not seem to support a differential charge for these two programs.
- In the *College of Education*, the differential for the online Graduate Certificate in Trauma-Informed Counseling is being reduced from \$35 to \$0. Upon review of the \$35/CH differential tuition for the Graduate Certificate in Trauma-Informed Counseling (online), it has been determined assessing a course fee for a limited number of targeted Certificate courses in lieu of assessing differential tuition for all Certificate courses will provide a better experience for our Certificate program students.

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on February 18, 2021.

**FISCAL YEAR 2022 DIVISION OF INFORMATION TECHNOLOGY  
MICROSOFT ENROLLMENT CONTRACT RENEWAL**

**Summary:** The Division of Information Technology requests permission to issue an order for the FY22 Renewal of Microsoft Enrollment for Education Solutions software for resale during the license period July 1, 2021 – June 30, 2022. This is the eighth of nine, one-year renewal options based on RFP #KMC138285, which was originally awarded on June 6, 2013. The renewal award will be advertised in the Illinois Procurement Bulletin.

**Background:** The licensing under this contract allows NIU to run Microsoft Windows Desktop OS and Microsoft Office products, including their updates, for all University owned computers and provides five copies of Office for all students, faculty, and staff to run on their personal devices while they are enrolled or employed by the University. This contract also covers Windows Server licensing costs in NIU’s virtual environment and license costs for several features such as Multi-Factor Authentication and Self-Service Password Reset.

**Funding:** Appropriated Funds

ScholarBuys – Carpentersville, IL ..... \$ 400,000

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 18, 2021.

Amount Approved for FY21: \$400,000

## FISCAL YEAR 2022 MASTER AGREEMENT FACILITY CONTRACT RENEWALS

**Summary:** Master agreements for labor and materials supporting facility repairs/improvements are required to be established or renewed for FY22. These agreements provide an important streamlined contractual mechanism to engage companies effectively and efficiently while still maintaining price competitiveness. The following renewals or new awards will be processed in accordance with applicable Illinois procurement regulations and advertised, as required, in the *Illinois Procurement Bulletin*.

**Background:** As the level of deferred maintenance and repair demands continue to increase, the ability and agility to respond quickly when failures occur becomes critical. Navigating the requirements of the state procurement process can be challenging. These master agreements allow interested companies to be pre-screened and validated for their willingness to operate under state procurement rules (e.g. Business Enterprise Program (BEP) qualifications/subcontract participation plans, adherence to standard state legal certifications, and financial/conflict of interest disclosures).

As facility requirements are identified and approved for execution (e.g., projects >\$250K to be separately approved by the Board of Trustees), quotes will be solicited from various companies to ensure adequate price competition. The procurement process is streamlined when companies with the lowest quotes already have an established relationship with NIU under these Master Agreements.

The amounts listed on the next page are not-to-exceed (NTE) limits established for FY22. These amounts do not reflect a commitment or obligation but are an upper limit for the amount of work that may be requested under these agreements should companies successfully respond with the lowest quote for solicited work. The continual addition of new companies to this listing provides for increased ordering flexibility and price competitiveness.

**Funding:** Institutional – Local Funds

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 18, 2021.

New awards – depending on criteria met, may be awarded to more than one qualified responder:

New miscellaneous services agreements (each) .....\$ 600,000

Renewals:

<u>Advanced Boiler Control Services – Crown Point, IL</u> .....	\$ 450,000
<u>AGAE Contractors, Inc. – Chicago, IL</u> .....	\$ 600,000
<u>Campos Construction, Inc. – Rockford, IL</u> .....	\$ 600,000 *
<u>Cooling Land Concepts, LLC – Cherry Valley, IL</u> .....	\$ 700,000
<u>Curran Contracting Company – DeKalb, IL</u> .....	\$ 425,000
<u>EDE Corp. – Chicago, IL</u> .....	\$ 700,000
<u>Elliott &amp; Wood, Inc. – DeKalb, IL</u> .....	\$ 750,000
<u>Freeport Industrial Roofing, Inc. – Freeport, IL</u> .....	\$ 400,000
<u>G.D. Barri &amp; Assoc., Inc. – Peoria, AZ</u> .....	\$ 325,000
<u>Hygieneering, Inc. – Willowbrook, IL</u> .....	\$ 600,000 *
<u>Independent Mechanical Ind., Inc. – Chicago, IL</u> .....	\$ 400,000
<u>Kelso Burnett Company (formerly Ballard Services, Inc.) – Rockford, IL</u> ...	\$ 800,000
<u>Lake &amp; Pond Solutions Co. – Greenville, WI</u> .....	\$ 300,000
<u>Mid Valley Concrete Co. – Sandwich, IL</u> .....	\$ 300,000
<u>Otto Baum Co., Inc. – Morton, IL</u> .....	\$ 600,000
<u>Ringland Johnson, Inc. – Cherry Valley, IL</u> .....	\$ 550,000
<u>Rush Power Systems, LLC – Kirkland, IL</u> .....	\$ 475,000
<u>Schoening Painting &amp; Decorating, Inc. – Rockford, IL</u> .....	\$ 550,000 *
<u>Sprinkmann Sons Corp. – Milwaukee, WI</u> .....	\$ 700,000
<u>Sterling Commercial Roofing, Inc. – Sterling, IL</u> .....	\$ 500,000
<u>Swedberg Electric, Inc. – Sycamore, IL</u> .....	\$ 800,000 *
<u>Tecnica Environmental Services, Inc. – Lemont, IL</u> .....	\$ 775,000 *
<u>True North Consultants, Inc. – Naperville, IL</u> .....	\$ 600,000
<u>Veva, Inc. – Champaign, IL</u> .....	\$ 600,000 *
<u>Virgil Cook &amp; Son, Inc. – DeKalb, IL</u> .....	\$ 800,000
<u>Weaver Construction, Inc. – Sycamore, IL</u> .....	\$ 600,000

\* BEP vendors currently meeting Central Management Services qualifications. Other companies are required to demonstrate BEP participation with subcontracting plans.



**FISCAL YEAR 2022 MATERIALS MANAGEMENT & INTEGRATED  
MEDIA TECHNOLOGIES CONSUMABLE COMMODITIES**

**Summary:** Commodity purchases for consumable items are required to support the operations of various University departments for FY22. These commonly include materials for cleaning, office supplies, postage, and fuel. The following renewals or new agreements will be processed in accordance with applicable Illinois procurement regulations and advertised, as required, in the *Illinois Procurement Bulletin*.

**Background:** The amounts listed are not-to-exceed (NTE) limits established for FY22. These amounts do not reflect obligations but serve as an upper limit for the cost of materials that may be procured under these agreements. Materials will be ordered on an as-needed basis to maintain in-house stocks or respond to individual requirements throughout the FY22 period. Any individual orders under these agreements at or above \$250K will be preceded with a specific approval request to the Board.

**Funding:** Institutional – Local Funds

<u>Home Depot Pro – Rockford, IL</u> .....	\$ 500,000
<u>Office Depot Max, Inc. – Itasca, IL</u> .....	\$ 400,000
<u>W.W. Grainger – Rockford, IL</u> .....	\$ 250,000
<u>U.S. Postal Service / Postmaster – DeKalb, IL</u> .....	\$ 750,000
<u>Vendor(s) for fuel to be determined</u> .....	\$ 370,000
<i>Total</i> .....	\$ 2,270,000

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 18, 2021.

Amount approved for FY21: \$2,320,000

**Agenda Item 9.a.**  
**February 18, 2021**

*Information*

**CAMPUS PLANNING IN SUPPORT OF UNIVERSITY PRIORITIES  
PRESENTATION**

John Heckmann, Associate Vice President for Facilities Management & Campus Services, will give a presentation.

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

<b>Purchase Amount</b>	<b>No. of Transactions</b>	<b>Appropriated*</b>	<b>Non-Appropriated</b>	<b>Total</b>
Over \$100,000	10	\$400,000	\$1,134,661	\$1,534,661

TRANSACTIONS DETAIL:

Purchases:

1. The Division of Information Technology requested permission to utilize the renewal option of Bid #CAB156820 for the period 7/1/20-6/30/21 for 10 Gig ISP link for ISP services to DeKalb Wellness and Literacy Center, located at 3100 Sycamore Road. This was the fifth of nine renewal options based on a bid opened September 29, 2015. (Syndeo Networks, Inc., St. Charles, IL) 101,250
2. Housing and Residential Services requested permission to renew cable service for the period through June 30, 2021. This was the seventh year of nine renewal options allowed in the Invitation for Bid opened on December 31, 2016 (Bid # BML110112). IPHEC renewal award was dated July 1, 2020. (Apogee, Austin, TX) 129,957
3. Athletics requested permission to issue an open order for the Mid-American Conference COVID-19 testing program for the period through 6/30/21. (Mid-American Conference, Cleveland, OH) 130,000
4. University Libraries requested permission to purchase Dell Latitude laptops. Due to COVID-19, the increase in on-line instruction, and the financial hardship on many of our students, University Libraries was circulating laptops to students who lack personal devices. (Dell Marketing LP, Round Rock, TX) 157,004
5. University Libraries requests permission to renew their access to Web of Science and Journal Citation reports for the period January 1, 2021 through December 31, 2021. (Clarivate Analytics (US) LLC, Philadelphia, PA) 175,000\*
6. Athletics requested permission to issue an open order for the Student Athlete Book Loan Program for the period through June 30, 2021. This procurement was processed under the authority of RFP #JMT05012018. (Follett Bookstore Management award) (Follett Higher Education Group Inc., Westchester, IL) 135,000
7. An emergency FY21 open order was requested by the Department of Counseling and Consultation Services for sealed proposals for counseling and psychotherapy services. The services are to be rendered at prospective vendor's office, telehealth, or scheduled visits at the NIU DeKalb location. (Compassionate Edge Inc., Aurora, IL) 225,000\*

**Capital Improvement Projects:**

1. The West Plant chillers and associated other equipment required annual maintenance and repairs to ensure that west campus would have chilled water for the next cooling season. The repairs included annual routine maintenance work and chiller tube testing on all four chillers, oil changes on two of the chillers, replacement of electronic level sensors and pump bearing maintenance and replacement as required. These upgrades inherently contributed towards improving the efficiency of the equipment. The maintenance and repairs needed to be completed during the winter shutdown of the chillers. 184,350
  
2. Annual maintenance and repairs were required at the West Heating Plant each winter to ensure that the aging steam boilers and associated steam distribution equipment would have the ability and capacity to operate and generate steam needed for the entire campus during the summer season. Many of the repairs were related to worn, broken or non-functioning steam valves, nozzles, gauges, vents, expansion joints, control calibration equipment and other failed equipment that could cause serious operational and safety hazards or problems if not operating properly. To ensure that the reliable and safe steam production capacity was available for the next summer season, the maintenance and repairs needed to be completed during the winter shutdown of the West Plant. 165,050
  
3. The Chilled Water Plant chillers and associated other equipment which serves the east side of campus required annual maintenance and repairs to ensure that east campus would have chilled water for the next cooling season. The repairs included annual routine maintenance and chiller tube testing on all four chillers, relocation of the chemical injection points, pump bearing maintenance and replacement as required. These upgrades inherently contributed towards improving the efficiency of the equipment. The maintenance and repairs needed to be completed during the winter shutdown of the Plant. 132,050

\*Appropriated/Income Funds