



Board of Trustees

Finance, Audit, Compliance,
Facilities and Operations
Committee

May 11, 2023

BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY
Finance, Audit, Compliance, Facilities and Operations Committee
11:00 a.m. – Thursday – May 11, 2023
Board of Trustees Room
Altgeld Hall 315

AGENDA

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
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5. Chair’s Comments/Announcements
6. Public Comment*
7. Financial Update
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10. Other Matters

11. Next Meeting Date

12. Adjournment

*Individuals wishing to make an appearance before the Board should consult the [*Bylaws of the Board of Trustees of Northern Illinois University*](#), Article II, Section 4 – *Appearances before the Board*. Appearance request forms can be completed [online](#) in advance of the meeting or will be available in the Board Room the day of the meeting. For more information contact Crystal Doyle, ccoppel@niu.edu, 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
Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations
Committee Meeting
February 16, 2023

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:54 a.m. by Committee Chair Dennis Barsema. This committee meeting was being conducted in person and through videoconferencing communications pursuant to Public Act 101-0640, enacted June 12, 2020, and section 7 of the Illinois Open Meetings Act, allowing for virtual board meetings during a disaster declaration relating to public health concerns. The Chair of the Board determined that an in-person meeting was not practical or prudent because of the disaster. As such, trustees attended this meeting by audio and visual conferencing and not by physical presence.

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

Trustee Rita Athas: Present

Trustee John Butler: Present

Trustee Montel Gayles: Present

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Present

Board Chair Eric Wasowicz: Present

Also present: President Lisa Freeman; Committee Liaison and Vice President for Administration and Finance and Chief Financial Officer George Middlemist; Vice President and General Counsel and Board Parliamentarian Bryan Perry; Executive Vice President and Provost Beth Ingram; Vice President for Research and Innovation Partnerships Gerald Blazey; Vice President for Diversity, Equity and Inclusion and Chief Diversity Officer Vernese Edghill-Walden; Vice President for Student Affairs Clint-Michael Reneau; University Advisory Council (UAC) Representatives Felicia Bohanan, Brad Cripe, Ismael Montana, Holly Nicholson, and Karen Whedbee.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

Committee Chair Barsema requested a motion to amend the agenda to withdraw Agenda Item 8.c. Fiscal Year 2024 Graduate and Law Tuition Pricing Recommendation and Agenda Item 8.d. Fiscal Year 2024 Undergraduate, Graduate and Law Student Fee Pricing Recommendation, due to Trustee Gayles needing to abstain which would create a lack of quorum. After discussion the

amendment was amended to only withdraw items pertaining to the College of Law due to Trustee Gayles' child being a student in the College of Law. The College of Law items will be deferred to the March 23, 2023 Board of Trustees meeting.

Committee Chair Barsema asked for a motion to approve. Board Chair Wasowicz so moved, and Trustee Butler seconded.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

REVIEW AND APPROVAL OF MINUTES OF NOVEMBER 10, 2022

Committee Chair Barsema asked for a motion to approve the minutes of November 10, 2022. Trustee Gayles so moved, and Trustee Butler seconded.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Barsema welcomed everyone and recognized the University Advisory Committee. Committee Chair Barsema asked if there were any comments. Brad Cripe thanked CFO Middlemist for making himself available to the faculty. Felicia Bohanon commented on the support of the university's recommendation of zero percent increase in tuition. Karen Whedbee commented about the possibility of examining the financial benefit of bringing back services in-house that are currently sourced outside the university as well as greater attention to shared leadership and transparency in regard to Anywhere Printing and especially the deploying of printers.

Committee Chair Barsema welcomed Dr. George Middlemist to Northern Illinois University. Dr. Middlemist comes to NIU from Metropolitan State University of Denver. Dr. Middlemist has over 26 years of experience in various roles including the director of student accounts and business services, director of accounting services, controller, associate vice president/controller, and associate vice president/chief financial officer. Dr. Middlemist also served one year as interim vice president of administration, three years as interim vice president of information technology, and some time as interim athletic director. Dr. Middlemist brings a deep background and deep appreciation of NIU's mission, vision, and values. NIU is grateful to have Dr. Middlemist join as the Vice President for Administration and Finance and Chief Financial Officer and the board looks forward to getting to know and working with Dr. Middlemist.

The University is moving forward 16 recommendations for approval, excluding the College of Law portion of the two items mentioned earlier, including seven that will go to the Special Meeting which are time sensitive. Committee Chair Barsema, and the Board, appreciate the efforts of university leadership to continue to fully vet these items and think through responsible spending

based on fiscal resources and university priorities. Items brought to the Board continue to support university goals and priorities, and that is again what is before the Board today.

PUBLIC COMMENT

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

FINANCIAL UPDATE

Committee Chair Barsema asked Vice President and Chief Financial Officer (VPCFO) George Middlemist to present the University Financial Update.

VPCFO Middlemist presented Agenda Item 7.a. Quarterly Financial Summary Fiscal Year 2023 Second Quarter as of December 31, 2022

VPCFO Middlemist invited Andrew Rogers, Assistant Vice President for Budget and Financial Planning, to present item 7.a.

Committee Chair Barsema thanked Assistant Vice President Rogers, and his team, for the update. The board recognized and appreciates the work that goes into these updates.

A brief conversation around reducing the deficit through MAP funding, investing in innovation, increasing enrollment, and continued expense reduction commenced.

VPCFO Middlemist presented Agenda Item 7.b. Periodic Report on Investments for Period Ending December 31, 2022

VPCFO Middlemist invited Shyree Sanan, Associate Vice President for Finance and Treasury Operations, to present item 7.b.

Committee Chair Barsema thanked Associate Vice President Sanan for the update.

UNIVERSITY RECOMMENDATIONS

Committee Chair Barsema asked VPCFO George Middlemist to present the University Recommendations.

VPCFO Middlemist presented Agenda Item 8.a. Fiscal Year 2024 Room and Board Pricing Recommendation

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

Board Chair Wasowicz thanked everyone for keeping the costs for our students down as much as possible and this item shows that commitment.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.b. Fiscal Year 2024 Undergraduate Tuition Pricing Recommendation

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

Trustee Athas and Committee Chair Barsema thanked everyone for keeping the cost of tuition down for our students which opens the opportunity for many to continue attending and those that are choosing to attend NIU.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.c. Fiscal Year 2024 Graduate and Law Tuition Pricing Recommendation

Committee Chair Barsema asked for a motion to approve item 8.c Graduate Tuition Pricing Recommendation, reminding the board that the Law Tuition Pricing Recommendation would be deferred to the March 23, 2023 Board of Trustees meeting. Board Chair Wasowicz so moved, and Trustee Butler seconded.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion, as amended to include only the Graduate Tuition Pricing Recommendation, was approved.

VPCFO Middlemist presented Agenda Item 8.d. Fiscal Year 2024 Undergraduate, Graduate, and Law Student Fee Pricing Recommendation

Committee Chair Barsema asked for a motion to approve item 8.d. Undergraduate and Graduate Student Fee Pricing Recommendation, reminding the board that the Law Student Fee Pricing Recommendation would be deferred to the March 23, 2023 Board of Trustees meeting. Board Chair Wasowicz so moved, and Trustee Athas seconded.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion, as amended to include only the Undergraduate and Graduate Student Fee Pricing Recommendation, was approved.

VPCFO Middlemist presented Agenda Item 8.e. Graduation Fee Proposal

General Counsel Perry reminded Committee Chair Barsema that the vote should not include the College of Law Graduation Fee.

Committee Chair Barsema asked for a motion to approve item 8.e. Graduation Fee Proposal will only pertain to undergraduate and graduate students and that the fee for the College of Law will

be deferred to the March 23, 2023 Board of Trustees meeting. Trustee Athas so moved, and Trustee Butler seconded.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion, as amended to include only the Graduation Fee for undergraduate and graduate students, was approved.

VPCFO Middlemist presented Agenda Item 8.f. Fiscal Year 2024 Student Health Insurance

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.g. EAB Master Service Agreement (MSA)

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.h. DeKalb Campus Recreation Drive Roadway Repairs Capital Project Approval

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.i. Holmes Student Center Envelope Repairs Phase I Capital Project Approval

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.j. Stevenson & Grant Residential Complexes Envelope Repairs Phase 2 Capital Project Approval

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.k. Fiscal Year 2023 Elevator Services Increase G.D. Barri & Associates, Inc.

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.l. Fiscal Year 2024 through Fiscal Year 2028 Solid Waste Removal and Recycling Services

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

It was commented that the recycling efforts fall in line with the sustainability efforts that are taking place on campus and members of that team are working closely with this contract.

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.m. Fiscal Year 2024 Campus Services Consumable Commodities

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.n. Fiscal Year 2024 Master Agreement Facility Contract Renewals

VPCFO Middlemist requested that this item be withdrawn from the agenda due to a potential conflict of interest. Committee Chair Barsema noted that Trustee Butler has a potential conflict regarding Item 8.n. Fiscal Year 2024 Master Agreement Facility Contract Renewals and this item will be deferred to the March 23, 2023 Board of Trustees meeting.

VPCFO Middlemist presented Agenda Item 8.o. Fiscal Year 2024 Microsoft Enrollment Contract Renewal

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

A brief conversation pertaining to vendor selection followed the item's presentation.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.p. Campus Printer Lease Program

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

A conversation around adjustments to the existing program followed. The current vendor will remain involved in the copier program, but with new equipment more strategically placed across campus.

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

UNIVERSITY REPORTS

Committee Chair Barsema asked VPCFO George Middlemist to present the University Reports.

Information Item 9.a. – Presentation on Facilities and Infrastructure Capital Investment

VPCFO Middlemist introduced John Heckmann, Associate Vice President for Facilities Management and Campus Services to give a presentation as it relates to Information Item 9.b.

Information Item 9.b. – Fiscal Year 2022 Report on Facilities and Infrastructure Capital Investment Activities

Conversation followed around the differences between repair, rehabilitating and modernization. A repair aids in maintaining a facility; rehabilitating a facility can be a change in the color or configuration of space but doesn't necessarily add to the life of a facility; and modernization is a way of configuring to current needs but also catching up with technology. It's often looked at what are the needs to the life of a facility.

Information Item 9.c. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period of October 1, 2022 to December 31, 2022

OTHER MATTERS

There were no other matters.

NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be May 11, 2023.

ADJOURNMENT

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Absent

Trustee Tim Moore: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

The meeting adjourned at 12:35 p.m.

Respectfully submitted,

Christina Doe
Recording Secretary

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

QUARTERLY FINANCIAL SUMMARY FISCAL YEAR 2023 THIRD QUARTER AS OF MARCH 31, 2023

Background: With the March 31, 2023 conclusion of the third quarter of FY23, the University is now able to update the Board of Trustees on NIU's financial performance relative to the current year budget and prior year actuals.

In addition to presenting multiple views of the FY23 budget, this financial summary also provides an update on the FY23 budget itself. The budget presented in the attached tables reflects known adjustments to revenue and spending plans through March 31, 2023. This revised budget includes \$435.6M in revenues and \$447.3M in expenses resulting in an \$11.8M deficit. Budget adjustments reflected in this financial update include a reduction of Miscellaneous & Investment Income, changes to Gifts, Grants, & Contracts revenue expectations and associated increases in Scholarships spending linked to remaining federal and state pandemic relief funding made available to NIU students, and personnel and programming investments in the Division of Academic Diversity, Equity and Inclusion.

In addition to displaying recorded financial activity through the third quarter, the tables below also provide a projection of full-year results based on current trends and data. For the full year, a projected deficit of \$13.9M is expected, exceeding the budgeted deficit by \$2.2M. The expected deficit is in-line with expectations based on second quarter results. The projected structural deficit has grown by approximately \$1.5M compared to the second quarter, primarily because of increases in FY23 personnel costs.

Overall, revenue projections continue to fall short of budget. While Tuition & Student Fees are expected to exceed budget by \$4M, Sales and Miscellaneous & Investment Income are projected to fall \$3.2M and \$10.9M short of goals, respectively. The shortfalls in Miscellaneous & Investment Income relative to departmental budgets is larger than appears on the following table because of better-than-expected performance in investment and interest income. Administration is working closely with divisions where these shortfalls are taking place to understand causes of the revenue misses and to adapt budget practices accordingly.

Three significant adjustments to the full-year projection, relative to the second quarter, are reported in the following expense categories:

- **Personnel Services:** The recent ratification of the United Faculty Alliance collective bargaining agreement increased projected personnel expenses for the current fiscal year. While this increase in structural expenses impacts the projection, the FY23 budget for Personnel Services is unchanged by the agreement's ratification because a reserve was created as part of the FY23 budget to offset potential labor agreement costs.
- **Contractual Services:** As reported in previous quarterly financial summaries, Contractual Services spending took place at a very brisk pace early in the fiscal year. It was not clear whether the pace of spend was accelerated relative to prior years because of increased overall demand for the FY23 fiscal year or if the accelerated spending was temporary, potentially the result of supply chain issues improving from pandemic-related shortages. The overall spending on Contractual Services normalized through the second and third quarters, resulting in a lower full-year projection than was reported in the second quarter.
- **Scholarships:** Final Federal and State pandemic-relief funding for student scholarships is evident in these third quarter results and the full-year projection. Both the Scholarships expense and Gifts, Grants, and Contracts revenue budgets and projections are adjusted

from the second quarter financial summary to account for this ongoing distribution of pandemic-relief aid to students.

Overall, full-year expense projections are better than budget by \$6.9M (1.5%), offsetting most (76%) of the revenue shortfall.

Specific revenue and expense categories in the following tables are consistent with the descriptions below. For reference, an explanation of each table and its content concludes this board item.

Revenues

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

Expenses

- 1. Cost of Sales:** Includes the cost of all items purchased for resale on campus such as food for dining units, parts and supplies to be charged out through the campus work order system, as well as paper for pay-to-print copiers and printers.
- 2. Personnel Services:** Includes all salaries paid to faculty, supportive professional staff, civil service, graduate assistants, extra help, and student employees. Also includes required payments for Medicare and employee health insurance.
- 3. Contractual Services:** Includes annual software support, subscriptions, conference registrations, non-employee travel reimbursements, service contracts, repairs and maintenance, grounds, building service work charges, speaking fees, and other arrangements with outside contractors to perform services for the University.
- 4. Commodities:** Includes purchased items of a low cost that typically are consumed in a single year. Examples include paper for printing, lab supplies, napkins, and cleaning supplies.
- 5. Travel:** Includes airfare, hotel rooms, mileage, meals (all up to limits set by the state and the University), and ancillary expenses for employees to travel to-and-from campus on official University business.
- 6. Automotive:** Includes the cost to rent cars, vans, and buses from the University transportation department.
- 7. Scholarships:** Includes scholarships awarded, including Pell Grant funds disbursed (which, when netted against Pell Grant funds received, results in zero effect on the University's cash position).

- 8. Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.
- 9. Equipment and Library Books:** Includes the cost of all items over \$100 with an estimated useful life of two years or more, as well as library books, journal subscriptions, manuscripts, films, music, and video materials.
- 10. Capital Repairs:** Includes the cost of centralized capital repair activities.
- 11. Debt Service:** Includes debt service payment on bonds, certificates of participation, and performance contracts.
- 12. Miscellaneous Expense:** Includes refunds issued for on-campus external programming, deposit refunds, and other expenses not classified elsewhere.

Northern Illinois University
as of March 31, 2023
All Funds, All Types Financial Summary
(\$ in thousands)

	Current Year FY23			Prior Year FY22		Current Year FY23		
	Month			Month		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
Revenue								
Tuition & Student Fees	\$ 159,923	\$ 157,498	\$ 2,424	\$ 161,116	\$ (1,194)	\$ 164,724	\$ 160,733	\$ 3,990
Gifts, Grants, & Contracts	58,862	60,414	(1,552)	76,163	(17,301)	76,119	75,727	392
Other Fees and Fines	4,833	4,684	149	3,923	909	5,749	5,931	(182)
Sales	27,158	30,971	(3,813)	22,894	4,264	32,268	35,482	(3,214)
Rental & Room Income	33,816	33,215	601	30,847	2,969	34,881	34,295	587
Gate Receipts & Commissions	3,466	4,045	(579)	1,945	1,521	4,492	4,288	204
Miscellaneous & Investment Income	12,158	18,235	(6,077)	7,217	4,942	16,051	26,909	(10,858)
State of Illinois	88,641	90,880	(2,239)	84,251	4,391	92,195	92,195	-
Total Revenue	\$ 388,857	\$ 399,942	\$ (11,086)	\$ 388,357	\$ 500	\$ 426,479	\$ 435,558	\$ (9,080)
Expenses								
Cost of Sales	\$ 4,013	3,938	\$ 75	\$ 2,705	\$ 1,308	\$ 5,612	\$ 5,558	\$ 54
Personnel Services	178,399	183,925	(5,526)	168,633	9,766	238,251	243,235	(4,984)
Contractual Services	59,172	56,856	2,316	51,738	7,434	82,362	84,056	(1,694)
Commodities	4,100	4,963	(863)	3,811	289	5,876	7,528	(1,652)
Travel	3,133	2,552	581	2,254	879	4,144	3,830	314
Automotive	583	1,005	(422)	829	(247)	728	1,154	(427)
Scholarships	67,431	67,257	173	78,398	(10,967)	69,614	68,833	781
Telecommunications	433	323	110	319	114	570	534	36
Equipment & Library Materials	5,705	5,520	184	5,895	(190)	9,874	9,838	37
Capital Repairs	1,504	1,287	217	773	731	4,547	4,547	-
Debt Service	8,586	7,773	813	6,872	1,714	17,812	18,001	(189)
Miscellaneous Expense	1,021	138	883	646	375	1,064	220	845
Total Expenses	\$ 334,079	\$ 335,538	\$ (1,459)	\$ 322,875	\$ 11,204	\$ 440,454	\$ 447,333	\$ (6,879)
Net Revenue	\$ 54,777	\$ 64,404	\$ (9,627)	\$ 65,482	\$ (10,705)	\$ (13,976)	\$ (11,774)	\$ (2,201)

Northern Illinois University
as of March 31, 2023
Structural Financial Summary (Non-Grants)
(\$ in thousands)

	Current Year FY23			Current Year FY23		
	Month			Annual		
	YTD Actuals	YTD Budget	Variance	YTD Forecast	Budget	Variance
Revenue						
Tuition & Student Fees	\$ 159,923	\$ 157,498	\$ 2,424	\$ 164,724	\$ 160,733	\$ 3,990
Gifts, Grants, & Contracts	3,967	\$ 3,222	746	5,900	5,508	392
Other Fees and Fines	4,771	4,633	138	5,687	5,866	(179)
Sales	21,243	26,055	(4,811)	25,575	29,849	(4,274)
Rental & Room Income	33,816	33,215	601	34,881	34,295	587
Gate Receipts & Commissions	3,281	3,803	(523)	4,214	4,010	204
Miscellaneous & Investment Income	9,928	15,614	(5,686)	13,809	23,041	(9,232)
State of Illinois	88,641	91,200	(2,559)	92,195	92,195	-
Total Revenue	\$ 325,569	\$ 335,240	\$ (9,671)	\$ 346,984	\$ 355,496	\$ (8,512)
Expenses						
Cost of Sales	4,013	\$ 3,938	\$ 75	\$ 5,612	\$ 5,558	\$ 54
Personnel Services	157,746	164,805	(7,059)	212,044	216,575	(4,531)
Contractual Services	54,506	52,395	2,111	74,876	76,507	(1,631)
Commodities	3,685	4,602	(917)	5,215	6,833	(1,618)
Travel	2,756	2,348	409	3,621	3,355	266
Automotive	554	964	(410)	644	1,070	(427)
Scholarships	34,963	34,242	722	35,770	34,988	782
Telecommunications	270	267	3	407	357	50
Equipment & Library Materials	4,288	3,504	784	6,740	6,673	68
Capital Repairs	-	-	-	-	-	-
Debt Service	8,586	7,773	813	17,812	18,001	(189)
Miscellaneous Expense	428	(119)	548	471	(331)	802
Total Expenses	\$ 271,796	\$ 274,718	\$ (2,922)	\$ 363,213	\$ 369,588	\$ (6,375)
Net Revenue	\$ 53,773	\$ 60,521	\$ (6,749)	\$ (16,229)	\$ (14,093)	\$ (2,137)

Northern Illinois University
as of March 31, 2023
Non-Structural Financial Summary (Non-Grants)
(\$ in thousands)

	Current Year FY23			Current Year FY23		
	Month			Annual		
	YTD Actuals	YTD Budget	Variance	YTD Forecast	Budget	Variance
Revenue						
Tuition & Student Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts, Grants, & Contracts	1,299	\$ 804	494	1,375	1,375	-
Other Fees and Fines	62	51	11	63	65	(2)
Sales	5,914	4,917	998	6,693	5,633	1,060
Rental & Room Income	-	-	-	-	-	-
Gate Receipts & Commissions	186	264	(78)	278	278	(0)
Miscellaneous & Investment Income	2,231	2,621	(391)	2,242	3,868	(1,626)
State of Illinois	-	-	-	-	-	-
Total Revenue	\$ 9,691	\$ 8,657	\$ 1,034	\$ 10,651	\$ 11,219	\$ (568)
Expenses						
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Services	2,048	2,018	30	2,198	2,652	(453)
Contractual Services	1,157	1,133	24	1,591	1,654	(63)
Commodities	108	128	(20)	156	190	(33)
Travel	158	113	45	210	162	48
Automotive	-	-	-	-	-	-
Scholarships	-	0	(0)	-	0	(0)
Telecommunications	-	27	(27)	-	36	(36)
Equipment & Library Materials	903	527	377	1,037	1,003	34
Capital Repairs	1,294	1,003	292	3,205	3,205	-
Debt Service	-	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-	-
Total Expenses	\$ 5,668	\$ 4,947	\$ 721	\$ 8,397	\$ 8,901	\$ (504)
Net Revenue	\$ 4,024	\$ 3,710	\$ 314	\$ 2,254	\$ 2,318	\$ (64)

Northern Illinois University
as of March 31, 2023
Grants Financial Summary
(\$ in thousands)

	Current Year FY23			Prior Year FY22		Current Year FY23		
	Month			Month		Annual		
	YTD Actuals	YTD Budget	Variance	YTD Actuals	Variance	YTD Forecast	Budget	Variance
Revenue								
Tuition & Student Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts, Grants, & Contracts - Pell Grant	26,118	19,599	6,519	25,104	1,014	27,058	24,400	2,658
Gifts, Grants, & Contracts - Non Pell Grant	27,478	35,699	(8,221)	42,427	(14,948)	41,786	44,444	(2,658)
Other Fees and Fines	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Rental & Room Income	-	-	-	-	-	-	-	-
Gate Receipts & Commissions	-	-	-	-	-	-	-	-
Miscellaneous & Investment Income	-	-	-	-	-	-	-	-
State of Illinois	-	-	-	-	-	-	-	-
Total Revenue	\$ 53,596	\$ 55,299	\$ (1,702)	\$ 67,531	\$ (13,934)	\$ 68,844	\$ 68,844	\$ -
Expenses								
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Services	18,605	17,108	1,498	15,762	2,844	24,008	24,008	-
Contractual Services	3,509	2,931	579	2,397	1,112	5,895	5,895	-
Commodities	307	251	56	231	76	505	505	-
Travel	219	97	123	89	130	313	313	-
Automotive	29	45	(16)	41	(13)	84	84	-
Scholarships - Pell Grant	26,101	26,411	(310)	24,973	1,128	27,058	27,058	-
Scholarships - Non Pell Grant	6,367	6,624	(257)	21,852	(15,485)	6,786	6,786	-
Telecommunications	163	24	139	22	141	163	141	22
Equipment & Library Materials	513	1,546	(1,033)	1,424	(911)	2,097	2,162	(65)
Capital Repairs	210	331	(122)	305	(95)	1,342	1,342	-
Debt Service	-	-	-	-	-	-	-	-
Miscellaneous Expense	593	497	96	458	135	593	550	43
Total Expenses	\$ 56,615	\$ 55,862	\$ 753	\$ 67,554	\$ (10,939)	\$ 68,844	\$ 68,844	\$ -
Net Revenue	\$ (3,019)	\$ (564)	\$ (2,455)	\$ (23)	\$ (2,996)	\$ -	\$ -	\$ -

The following description of the above tables is provided for reference.

All Funds, All Types Financial Summary

This table is a “roll-up” of the other three tables and includes the structural budget, non-structural budget, and grants budget. The table includes a summary of FY23 activity through March 31, 2023 compared to a year-to-date budget, a summary of third quarter activity from the prior fiscal year (FY22), and a comparison to the FY23 budget, including a full-year projection of performance based on the pace of revenues and spending throughout the third quarter of FY23. It is comparable to tables provided in financial summary documents for recent fiscal years.

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

Structural Financial Summary

This table identifies recurring revenues and expenses of the University. This data was gathered for each budgeted fund of the University and for each revenue and expense category presented in the following tables. In total, 97.6% of non-grants budgeted revenues in FY23 and 98.2% of non-grants budgeted expenses were identified as structural. Examples of structural revenues include Tuition & Fees, Rental & Room Income, and the State of Illinois appropriation to support NIU operations. Examples of structural expenses include 98.8% of Personnel Services spend, Scholarships expense, and Debt Service.

The intent of the Structural Financial Summary is to create a budget framework capable of anchoring a transition to multi-year planning and budgeting. Through this focus on recurring revenues and expenses, a forward-looking understanding of resources and commitments can be leveraged for multi-year planning purposes. This presentation attempts to separate recurring and non-recurring expenses to enhance transparency and facilitate multiyear planning. Further refinement of this approach will be needed to align definitions with recommendations in the recently released Budget Resource Planning Group report.

Non-Structural Financial Summary

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

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

Grants Financial Summary

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

- Pell Grant Scholarships Expense: Revenues and expenses attributable to the Pell Grant program are specifically identified in the table. While Pell Grant expense is fully offset by associated revenues, there are often timing differences in the application of aid and receipt of supporting revenue. For this reason, the Pell Grant may at times appear to operate in

deficit or surplus for any single fiscal year or quarterly period. For FY23, Pell Grant activity is budgeted at \$24.4M.

- Non-Pell Grant Scholarships Expense: Some student aid not associated with the Pell Grant appears as grant activity. This is a minority of grants scholarship expense and associated revenues and is subject to similar timing differences as Pell Grant activity, as described above.
- Sponsored Programs: Grants Financial Summary activity not associated with scholarships represents revenues and expenses of grant-based programs, including sponsored research, instruction, and other activities. Similar to the Pell Grant, sponsored programs revenues and expenses may not align in a given fiscal year or quarter because these grant agreements often span multiple fiscal years. As a default assumption, all budgeted FY23 sponsored programs revenue, \$35M in total, is projected to be spent during the fiscal year.

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

PERIODIC REPORT ON INVESTMENTS FOR PERIOD ENDING MARCH 31, 2023

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

- Cash and Investment Holdings Summary as of March 31, 2023
- Investment Earnings for the quarter ended March 31, 2023

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

The *Cash and Investment Holdings Summary* at March 31, 2023 shows NIU's total holdings at just over \$171M. Of the total holdings balance, approximately \$109M is available for daily operations providing for more than 90 days cash on hand. This operating cash balance is sufficient to meet the university's current obligations for approximately three months. The remaining balance is restricted per collateralization requirements and contractual obligations. The total holdings balance is up \$1M from the balance at March 31, 2022. The increase is a result of timing differences in the receipt of State appropriations and Federal relief funding, offset by overall increases in operating cash disbursements.

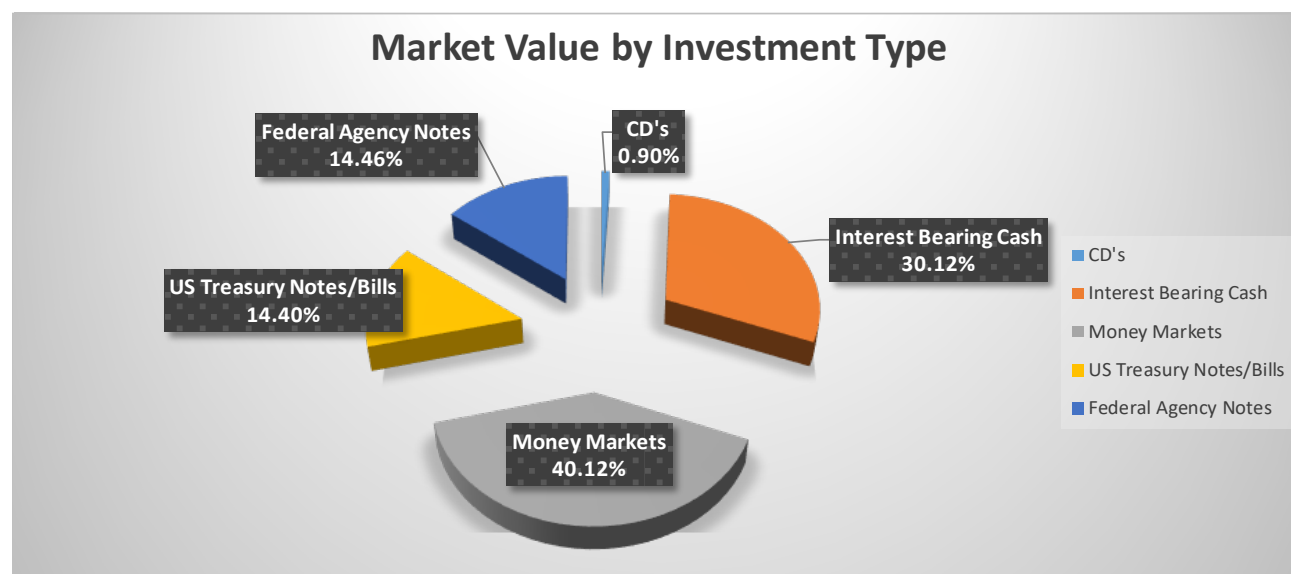
The *Investment Earnings* report shows income of \$1.7M and an overall annualized rate of return of 4.43% for the third quarter. This represents an increase in interest earned of approximately \$1.6M when compared to the same quarter of FY22. The increase in interest earned is primarily due to increasing market investment yields. Operating funds are invested in money markets, fixed income investments, and interest-bearing savings accounts to balance liquidity needs with investment earnings.

Indicators of economic activity point to modest growth, while job gains have been strong, and the unemployment rate remains low. However, inflation continues to remain elevated. To combat the high inflation, the Federal Open Market Committee at its March 2023 meeting raised the target range for the federal funds interest rate of 4.75% to 5%. The Committee anticipates some additional policy firming may be appropriate to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time. Economists believe the Committee may increase rates another 25 basis points at its May 2-3, 2023, meeting. Management is continuously monitoring market changes that will affect the university's cash management and investment goals. Management is committed to the fiscal sustainability of the university and is reviewing all available options for strengthening the university's cash position.

NORTHERN ILLINOIS UNIVERSITY
CASH and INVESTMENT HOLDINGS SUMMARY

March 31, 2023
For Fiscal Year 2023

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
CD's:			
Local Funds	\$ 1,540,425	\$ 1,540,425	\$ 1,540,425
Federal Agency Notes:			
Local Funds	\$ 24,484,372	\$ 24,818,256	\$ 24,805,380
Interest Bearing Cash Accounts:			
Local Funds	\$ 51,620,074	\$ 51,620,074	\$ 51,620,074
Money Markets:			
Contributory Trust	\$ 9,838,590	\$ 9,838,590	\$ 9,838,590
Escrow Account	1,203,764	1,203,764	1,203,764
Local Funds	57,720,573	57,720,573	57,720,573
	<u>\$ 68,762,927</u>	<u>\$ 68,762,927</u>	<u>\$ 68,762,927</u>
US Treasury Notes/Bills:			
Local Funds	\$ 24,477,203	\$ 24,680,963	\$ 24,675,087
TOTAL INVESTMENT HOLDINGS	\$ 170,885,001	\$ 171,422,645	\$ 171,403,893
Non-interest Bearing Cash	\$ 424,565	\$ 424,565	\$ 424,565
TOTAL CASH & INVESTMENT HOLDINGS	\$ 171,309,566	\$ 171,847,210	\$ 171,828,458
TOTAL REPORTED FOR 3/31/2022	\$ 170,366,497	\$ 170,339,023	\$ 170,334,935



* Amounts per Bank and Investment Statements
** Purchase price, net of accumulated amortization of premiums and discounts
*** Estimated price for which an investment would sell in the marketplace

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

NORTHERN ILLINOIS UNIVERSITY
INVESTMENT EARNINGS
For Fiscal Year 2023
January 1, 2023 - March 31, 2023

	March 31 Ending Balance	Qtr 3 Average Daily Balance	Percent of Portfolio	Qtr 3 Income Earned	Annualized Rates of Return				
					FY2023			FY 2022	
					3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	
Short-Term Investment Accounts									
Illinois Funds	\$ 57,720,573	\$ 41,725,212	27.34%	\$ 461,425	4.485%	3.491%	2.114%	0.764%	
Investment Accounts - Financial Institutions	\$ 51,620,074	\$ 49,295,058	32.30%	\$ 573,080	4.715%	3.406%	2.023%	0.778%	
Contributory Trust	\$ 9,838,590	\$ 9,838,809	6.45%	\$ 106,568	4.393%	3.526%	2.020%	0.651%	
Escrow Account	\$ 1,203,764	\$ 1,199,727	0.79%	\$ 12,356	4.177%	3.217%	0.000%	0.000%	
Investment Accounts - Project Funds	\$ -	\$ -	0.00%	\$ -	0.000%	0.000%	1.408%	0.235%	
CD's	\$ 1,540,425	\$ 1,531,319	1.00%	\$ 14,562	3.857%	2.763%	1.206%	0.206%	
ST Investment Accounts Total	\$ 121,923,426	\$ 103,590,125	67.88%	\$ 1,167,991	4.573%	3.444%	2.049%	0.753%	
Fixed Income Securities									
Local Funds	\$ 48,961,575	\$ 49,010,371	32.12%	\$ 500,372	4.141%	2.770%	2.102%	0.567%	
Fixed Income Securities Total	\$ 48,961,575	\$ 49,010,371	32.12%	\$ 500,372	4.141%	2.770%	2.102%	0.567%	
Non-interest Bearing Cash	\$ 424,565	-	-	-					
COMBINED TOTAL	\$ 171,309,566	\$ 152,600,496	100.00%	\$ 1,668,363	4.43%	3.25%	2.07%	0.71%	

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

FISCAL YEAR 2024 UNIVERSITY BUDGET PRELIMINARY SUMMARY

In preparation for June Board of Trustees consideration of the FY24 Internal Budget, University leadership continues to consult campus partners and the Office of Budget and Financial Planning to advance an all-funds fiscal year budget proposal. While some inputs into this budget proposal remain under development, several known and accepted parameters exist. This preliminary budget summary document reviews major assumptions and parameters and associated activities and initiatives that will shape both the FY24 budget and future multi-year budget planning efforts.

FY24 Revenue Budget Drivers

Four major revenue categories for the FY24 budget and relevant assumptions are outlined below:

State of Illinois Appropriation: Consistent with the 7% increase in appropriations proposed by Governor Pritzker in February, the FY24 budget plan anticipates \$98.3M in operating appropriations, a \$6.45M increase over the current fiscal year. The FY24 State of Illinois budget, including this proposed level of appropriation, is not yet final and may not be adopted until June. For reference, State appropriations represent 21.6% of projected FY23 all-funds NIU revenues.

Tuition and Student Fees: A revenue projection model for tuition and student fees informs the FY24 revenue budget based on anticipated levels of enrollment at both the undergraduate and graduate levels. Presently, the assumption utilized by this model is that full-year headcount enrollment will be flat to Fall 2022 10-day count census levels which is potentially better than our initial target of a 5% decrease. Enrollment projection updates are expected over the next several weeks as additional data on applications, acceptances, and confirmations is evaluated against the trends of recent admissions cycles. Tuition and fee rate information for the 2023-24 academic year were set by the Board of Trustees in February and April and any approved changes are reflected within the revenue projection model. Actual enrollments will be known in September as the 10-day census is finalized. A positive or negative 1% change in enrollment from this assumption is associated with a \$1.29M change in anticipated tuition and fee revenues. For reference, tuition and Student Fees represent 38.6% of projected FY23 revenues.

Auxiliary/Local Revenues: Beginning in March, units across campus began projecting and recording expected non-tuition and fee FY24 revenues using budget development worksheets. These revenues, derived from services like student housing and dining and entrepreneurial activities of colleges and units like Outreach, Engagement and Regional Development, comprise a significant portion of total university revenues - approximately 23% of projected FY23 revenues. Many of these revenue expectations utilize similar enrollment projections as tuition and student fee projections.

Gifts, Grants, & Contracts: Primarily representing sponsored research and instruction and State and Federal financial aid programs like the Pell Grant, this restricted-use revenue category is expected to fully support associated expenses over the entirety of a fiscal year. Estimates for these activities remain under development. For reference, Gifts, Grants, & Contracts represent 17.8% of projected FY23 revenues but that proportion is expected to decrease in FY24 with the exhaustion of federal and state pandemic relief grants.

FY24 Expense Budget Drivers

University leadership continues to work through budget priorities to identify strategies that will align with the University goals. The following three broad categories are of special note to the still-developing FY24 expense budget:

Education and General Operations Support: Revenue received from State Appropriations and most tuition and student fee revenues are available to support the Education and General operating activities of the University. The distribution of these revenues between and across University divisions is currently under consideration by senior university leadership. Personnel Services and Contractual Services are expected to be the largest Education and General categories in FY24.

- For Personnel Services, recently ratified collective bargaining agreements and FY24 non-represented employee increments planned for consideration by the Board will put pressure on personnel budgets. Additionally, three existing union contracts are scheduled to expire at the conclusion of FY23. Personnel Services typically account for 54% of all expenses.
- Contractual Services spending includes software licenses, conference registration fees, building and grounds repairs and maintenance and other services procured from external contractors. Many of these expenses have increased with inflation since the COVID-19 pandemic. Contractual Services spending is projected at 19% of all FY23 expenditures.

Scholarship Support: University revenues combine with State and Federal revenues to support annual scholarship program budgets. NIU provides institutional aid to students to promote affordability and, in some cases, to earn state matching funds that may also be available, including State funds through the AIM High program. The institutional aid and scholarships budget for FY24 continues to be developed. Additionally, the AIM High program is being considered for renewal and potential modification by State policymakers.

Debt Service: Based on schedules set during two recent bond refinancings, debt service obligations for the university are known for FY24. Overall, debt service expenditures will increase in FY24 to \$22.1M from \$17.8M in FY23.

Based on these factors and information currently under development, the proposed FY24 budget planned for presentation at the June Board of Trustees meeting will result in a deficit. Its consideration and adoption will serve as a springboard from which the recent findings and recommendations of the Budget Planning Resource Group (BPRG) can be leveraged toward creating and enacting a structurally balanced, multi-year budget plan and process. One of the recommendations of the BPRG is the continuation of an Innovation fund to incentivize programs that grow revenues and encourage inventive ways of delivering University services.

Consistent with established practice, the Board of Trustees will receive regular reports on progress toward FY24 budget plans and the development of a multi-year budget approach. The tentative plan outlined below includes FY24 budget-related progress reports to the Board of Trustees and its Finance, Audit, Compliance, Facilities and Operations (FACFO) Committee:

- June (Board of Trustees): Proposed FY24 Budget Framework
- November (FACFO): First Quarter Financial Summary
- February (FACFO): Second Quarter Financial Summary
- May (FACFO): Third Quarter Financial Summary
- November (FACFO): Fourth Quarter (Full Year) Financial Summary

SERVICES AND LEASE IN SUPPORT OF STUDENT HEALTH AND ATHLETIC CARE

Summary: Northern Illinois University is requesting to renew its contract with Northwestern Medicine (NM) for the management of health services for students and the provision of student athlete care. The new contract will include all existing services and add several enhanced offerings, such as increased psychiatric and mental health services and additional medical tests and screenings offered on campus. NM has also agreed to provide NIU faculty and staff access to urgent care at the Student Health Center and to provide certain occupational health services at the request of NIU Human Resource Services.

While the athletic services fee structure will remain the same as the existing contract, the fee for student health services has been transformed to align with NIU's billable credit hours. This new fee structure will allow NIU to better manage the revenue and expenses related to student health services based on credit hours versus a flat fee.

The university reserves the right to enhance the scope of services in the future and to negotiate pricing with NM upon the identification of new services. As such, the university is requesting the Board of Trustees delegate to the president, or designee, authority to negotiate these terms and implement the changes, reporting substantive transactions (not to include actions such as typographical error corrections and language changes to improve clarity), progress, and metrics on an annual basis at a meeting of the Board.

The new contract will supersede the existing contract which expires December 31, 2023, and have a start date of August 16, 2023, and an end date of August 15, 2028, with total costs to NM for all services NIU is obligated to pay not-to-exceed (NTE) \$9.5M over the course of the 5-year term.

Background: Northern Illinois University entered into the current contract with Northwestern Medicine (NM) in 2019 to provide student athlete care and to operate the Student Health Center. According to U.S. News and World Report, NM is one of the top medical groups in the nation and has the resources, expertise and capabilities required to provide excellent care for students. The initial contract also included a component whereby NM leased a portion of the Health Services Building to operate the Student Health Center within.

As a trusted and engaged partner, NM has shared and supported NIU's overall goal of strengthening the health and well-being of students and the campus community. NM was a critical partner throughout the pandemic, treating students with COVID-19 and overseeing NIU's gateway and surveillance testing programs, and has consistently demonstrated professional and compassionate care for the NIU community.

Throughout the last twelve months, stakeholders from NIU and NM have met to evaluate the existing agreement's components, identify service areas to expand upon, and propose a different cost structure that better aligns with financial management at the university. Over the past year, NM has been collegial and collaborative in the renegotiation of this agreement. NIU's requests for enhanced student services were well-received, and NM has been open and willing to offer services for NIU faculty and staff as well, all at a more beneficial and equitable pricing structure based on billable credit hours for the primary student health services offerings.

Term: The university is requesting approval to enter into an agreement with NM with an initial term starting August 16, 2023 and ending August 15, 2028. The new contract supersedes the existing contract, originally set to expire December 31, 2023.

Funding:

- Student Health Center: \$9,000,000 NTE
- Athletics: \$500,000 NTE

The new financial arrangement reflects the same pricing structure as the existing contract for student athlete services at approximately \$100K per year whereas management of the Student Health Center will reflect a new fee of \$5.40 per billable credit hour. The annual fee is estimated at \$1.66M per year using an estimated 307,000 billable credit hours, with a minimum floor of \$1.6M owed to NM per year. The \$9.5M total NTE figure is requested based on potential increases in enrollment and billable credit hours as well as to provide flexibility in the event additional services are identified throughout the term of the contract.

Faculty and staff occupational health services will be paid by the requesting departments as fees for services as a stand-alone payment separate from the rest of the agreement. Estimated spend is included in the \$9.5M above.

Faculty and staff urgent care health services will be at the employee's expense. NM will submit charges to the employee's insurance and the employee will be responsible for any charges not covered by insurance.

Lease: NM will lease approximately 13,000 square feet of the Health Services Building (including designated equipment and furniture that currently exist within the Health Services Building). The value of the lease is \$190K annually, resulting in \$950K in lease revenue in support of utilities and maintenance costs over the period of five years.

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

GRAPHIC DESIGN SERVICES

Summary: The Division of Enrollment Management, Marketing and Communications (EMMC) is requesting expenditure authority not-to-exceed \$1.35M over FY24, 25, and 26 to extend graphic design services with the firm Simple Truth. EMMC hired Simple Truth in FY23 to support the graphic design of all digital paid advertising. NIU's increased investment in digital and out-of-home advertising over the last several years required this additional support. Now the Division will lead the promotion of online programs, and EMMC plans to expand its work with Simple Truth to support these additional advertising campaigns.

Background: Graphic design is an important contribution to all recruitment, marketing and communication activities. Done well, it visually supports NIU's messages and assists in engaging the intended audience. Quality graphic design enables the university to better compete in what is already a very competitive marketplace. NIU's increased investment in advertising requires more graphic design services. Initially, it placed extra demands on the Creative Services team that were met, but unsustainable. If NIU is to maintain or increase its new level of investment in advertising, it requires additional graphic design services. A small team of graphic designers service NIU's entire campus community to support both external and internal promotions of academic offerings and campus programs, not including advertising. EMMC sought outside support for graphic design services last year to execute the Division's advertising plans.

In FY23, EMMC will spend approximately \$229K with Simple Truth, a BEP (majority woman-owned) Chicago-based creative branding agency the university has previously partnered with on graphic design, brand activation, website design, and audience research. They have been designing all assets required to fulfill this year's digital and paid advertising plan, including some out-of-home ads. For multiple campaigns, they determine key parameters for the project, develop a timeline to meet deadlines, and support copywriting efforts as it relates to the graphic design concepts created for each campaign.

As NIU faces the end of an existing contract for such services, EMMC has been approached to lead and support the online academic program advertising. These campaigns will require an additional investment in graphic design services. Moreover, the future growth of NIU's advertising efforts in general will require increased services of this kind.

Funding: Institutional Funds: \$1,350,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on June 15, 2023.

FISCAL YEAR 2024 NIU FOUNDATION PROFESSIONAL SERVICES CONTRACT

Summary: The Northern Illinois University Foundation (Foundation), an independent organization, operates to support the mission of Northern Illinois University through fundraising, asset management, and related support activities. Among such activities, the Foundation coordinates and manages cultivation, solicitation, acknowledgment, and receipting of all gifts; administers, invests, and disburses funds; maintains all constituent records; manages and coordinates communications with constituents; and performs alumni relations activities. The FY24 contract amount is \$743K, which covers salaries and other expenses for designated employees as well as a portion of programmatic services in accordance with contract obligations.

Background: The university and the Foundation annually enter into a contract which serves to outline the fundraising services and activities to be provided by the Foundation on behalf of the university each year. This contractual agreement is in accordance with the Legislative Audit Commission Guidelines. The amount represents no change over FY23.

Funding: Institutional Funds

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

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 15, 2023.

Amounts Approved:

FY23: \$743,600

FY22: \$743,600

FISCAL YEAR 2024 CISCO MAINTENANCE CONTRACT

Summary: The Division of Information Technology (DoIT) requests permission to purchase Cisco maintenance for hardware, software, and 24/7 technical support for FY24 in the amount of \$550K.

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

Funding: Institutional Funds

Presidio, Peoria, IL.....\$550,000

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 June 15, 2023.

Amounts Approved:

FY23: \$400,000

FY22: \$387,000

FY21: \$350,000

**FISCAL YEAR 2024 DIVISION OF INFORMATION TECHNOLOGY
ADOBE ENTERPRISE TERM LICENSE AGREEMENT**

Summary: The Division of Information Technology requests permission to enter into a three-year agreement with CDW-G for Adobe software suite during the license period July 1, 2023 to June 30, 2026. The suite of products included in this Enterprise Term License Agreement (ETLA) are Adobe Creative Cloud and Adobe Sign, greatly expanding access to Adobe application portfolio for NIU students, faculty, and staff. Adobe Sign, in particular, will be the designated electronic signature solution at NIU, as part of ongoing electronic workflow modernization. The amount of the contract will be \$840K over the course of the term.

Background: The licensing under this agreement has enabled the broad expansion of licensing for faculty/staff and students, growing from approximately 1,000 licenses to more than 10,000. This allows much more access for NIU to use Adobe’s Document Cloud, Creative Cloud portfolio and Adobe Sign application services. The Adobe Acrobat Document Cloud service is licensed to Faculty/Staff, and allows for PDF document creation, edit, fill, and sign functionality. Adobe’s Creative Cloud is licensed for Students and Faculty in coursework that requires functionality like Photoshop, Illustrator, InDesign, and more.

The expansion of Adobe’s portfolio of products, at a much lower unit price, is the result of ongoing efforts by Illinois Partnership for the Advancement of Technology in Higher Education (IPATHE), which is the State of Illinois university chief information officer’s group working collaboratively to develop shared purchasing solutions to drive value, enhance digital access and equity, and reduce unit pricing, all of which is achieved through this agreement. This initiative aligns with the University’s goals in that it has created a shared services agreement, and positioned NIU as a leader and valuable resource to other institutions in Illinois. It also meets the Sustainability Strategy 8 in Thriving IL by expanding joint purchases among institutions.

The Adobe shared purchasing initiative is in alignment with important strategies within higher education in Illinois, to bring institutions together to drive increased value in a more comprehensive, cost-effective way. This Adobe deal achieves that important strategic imperative.

Funding: Institutional Funds

CDW-G.....\$840,000

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 June 15, 2023.

FISCAL YEAR 2023 CAMPUS FLEET PRINTING ADDITIONAL FUNDING REQUEST

Summary: The Division of Information Technology (DoIT) Integrated Media Technologies program anticipates campus fleet printing to be higher than originally forecasted for FY23. Campus printing behavior has been uncertain and inconsistent since the beginning of the pandemic, making usage difficult to predict. With the volatility of usage and increased presence on campus as university operations commence, approval is being sought for an additional \$100K beyond the original FY23 request of \$400K. The total not-to-exceed for FY23 would be \$500K and will be processed in accordance with applicable Illinois procurement regulations and advertised, as required, on the *Illinois Procurement Bulletin*.

Background: The Board of Trustees recently approved a new contract for campus fleet printing which will commence in May 2023; however, the costs associated with the initial equipment removal and installation under the new agreement will overlap with the remaining printing and copier costs incurred under the contract which expires as of June 30, 2023. This has led to the request for an increase in the FY23 contract as opposed to shifting the cost under the new contract taking effect May 2023.

An increase of \$100K is considered sufficient to address the projected campus printing demands for the remainder of the fiscal year as the university migrates to the new contract. This amount does not reflect an obligation but serves as an upper limit for the amount of printing that may be used under the current agreement.

Funding: Institutional Funds

<i>Gordon Flesch Co – Geneva, IL</i>	<i>\$400,000</i>
<i>Increase</i>	<i>\$100,000</i>
<i>Revised FY23 Total</i>	<i>\$500,000</i>

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

CHARTER BUS SERVICES

Summary: Master agreements for chartered bus services are required to be established or renewed for FY24. These agreements provide an important streamlined contractual mechanism to engage companies effectively and efficiently while still maintaining price competitiveness. The types of activities supported include athletic sporting events, academic field trips, Admissions open house events, etc. The following renewals or new awards will be processed in accordance with applicable Illinois procurement regulations.

Background: The amounts listed below are not-to-exceed (NTE) limits established for FY24. Additionally, future agreements executed in FY24 for these services are planned to be arranged with 5-year terms and a cumulative NTE limit of \$1.5M each. The longer term will allow for more administrative efficiency. These NTE 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.

Funding: Institutional Funds

	<i>FY24</i>
<i>Van Galder Bus Company</i>	<i>\$300,000</i>
<i>Windstar Lines Inc</i>	<i>\$300,000</i>
<i>Green River Lines Inc</i>	<i>\$300,000</i>
<i>Future Awards (5-year agreements each, cumulative NTE)</i>	<i>\$1,500,000</i>

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 June 15, 2023.

COLLEGE OF BUSINESS BARSEMA HALL RENOVATION FOR NEW HAVI CENTER FOR ANALYTICS AND TECHNOLOGY

Summary: Following the success of the De La Vega Innovation Lab, the College of Business has developed a vision for a similar learning environment enhancement with the creation of the HAVI Center for Analytics and Technology. Supported by donation investments, the scope of work for this project will focus on the renovation of existing spaces in Barsema Hall with cutting-edge and emerging technologies to enhance a collaborative environment for faculty, students, and corporate partners to focus on digital innovations and data insights. The project cost is estimated at \$800K, with a completion goal of spring 2024.

Background: The vision of the College of Business is to provide spaces for students that serve as hubs for activities relating to various fields of focus. The college continues to solicit donor funding for projects that will house cutting-edge technologies and provide experiences that will not only give NIU students a competitive edge in the marketplace, but also draw faculty across many disciplines to collaborate in research and innovation beyond disciplinary boundaries. The current vision includes three laboratories.

The De La Vega Innovation Lab was the first and opened August 2021. The next priority is the development of this project for data analytics. HAVI, a global leader in supply chain analytics solutions, has made a significant financial and engagement commitment to this project, recognizing the need for intellectual talent in the field of AI and analytics. HAVI's values align with NIU College of Business' mission to nurture young minds to be leaders who transform the world.

The HAVI Center for Analytics and Technology will include the renovation of three rooms on the third floor of Barsema Hall involving about 1,500 square feet of space and is targeted for completion by spring 2024. A subsequent priority involves finance technology, which will be presented at a future meeting as this desire is developed further.

The HAVI Center for Analytics and Technology scope of work will include some limited demolition work, installation of a moveable partition, a glazed perimeter wall and new glazed entry area, interior finish upgrades, IT, electrical, lighting, mechanical and plumbing modification and upgrades, new white board walls, and new furniture, furnishings, and equipment. Following approval, design will be finalized, and drawings and specifications prepared for final bidding and execution.

Funding: Foundation Donation: \$800,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

**STEVENSON RESIDENTIAL COMPLEX TOWERS A, B, C, & D
WASHROOM FAUCET REPLACEMENTS
CAPITAL PROJECT APPROVAL**

Summary: The university is requesting to replace washroom faucets throughout the Stevenson Residential Complex, as the facility has experienced challenges with maintaining adequate hot water temperatures for the showers. While the issue was aggressively investigated and partially mitigated during fall/winter 2022, the interim mitigation left the washroom sinks without cold water. Failed washroom sink faucets were allowing excessive hot and cold water mixing in the lines which led to cooler temperatures for the showers. To completely resolve the water temperature issues, washroom faucets need to be replaced across approximately 36 floors of the complex.

To avoid this inconvenience for the 2023-2024 academic year, work is planned to be contracted in May 2023 and executed over the remainder of the summer, with a project estimate of \$650K.

Background: The Stevenson Residential Complex was originally constructed in 1967 and the existing plumbing infrastructure is largely original to the building other than isolated spot repairs. The scope of this project is to replace all faucets in all tower washrooms on floors 3 and up.

Under the coordination of a NIU project manager, the project will involve a combination of in-house and contracted work forces and is planned to be completed prior to the beginning of the fall semester move-in.

Funding: Institutional Funds: \$650,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

STEVENSON RESIDENTIAL COMPLEX TOWER ELEVATOR UPGRADES CAPITAL PROJECT APPROVAL

Summary: The university is requesting to replace the elevators which service the Stevenson residential complex. Stevenson has a total of eight passenger elevators between the four towers where the elevator doors and associated mechanisms are beyond their useful life. The elevators are heavily used by the students living in this complex particularly during the fall and spring semesters to travel from basement to twelfth floor levels. Although minor repairs have been made over their 55+ years of service these major upgrades are required to improve reliability. The project is estimated at \$560K and will commence summer 2023.

Background: In recent years, the elevators have been experiencing increased trouble calls and failures with the door operations, and repairs are increasingly challenging due to the age of the original equipment. The scope of the project will be to replace the doors, door operators, and associated mechanisms on all eight elevators with the intent for this work to be completed over summer 2023, prior to the fall semester. Cab interiors will also be replaced in a phased approach as materials are available and in coordination with housing staff to minimize impact to residents in the towers.

Funding: Institutional Funds: \$560,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

PATTERSON HALL EAST FIRE SPRINKLER SYSTEM PIPING REPLACEMENT

Summary: The north end of Patterson Hall East has experienced a few incidents of breaks in the fire sprinkler system over the past couple years which have disrupted student living areas and caused emergency cleanup and restoration expenses. Assessments indicate a risk with the plastic piping used in this portion of the building for the fire sprinkler distribution system. To avoid the risk of future line breaks, the university is requesting to replace the existing plastic fire protection piping with more durable metal piping for this portion of the complex, with a project cost estimate of \$1.65M to begin summer 2023.

Background: The existing systems in this complex are a combination of steel for main lines and plastic for branch lines. Due to the past leaks being in a very localized area and solely in plastic pipe sections, this is likely a latent defect with the materials used for this portion of the building and is currently not being presumed to be a problem for the entire complex.

The scope of work for the project will include replacement of all plastic piping within the existing sprinkler system at the north end of the Patterson Hall East building and include associated necessary ceiling and wall repairs. It is the intent for the work to be completed over summer 2023, prior to the fall semester occupancy.

Funding: Institutional Funds: \$1,650,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

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

Summary: This project was originally approved to proceed at the December 8, 2022 Board of Trustees meeting. Following receipt and review of finalized contractor pricing it has been determined that additional funding of \$115K is necessary to be able to replace both the weight room floor and the running track section. This is due to unforeseen cost escalations related to both materials and labor costs. Orders have been placed for the weight room floor to allow for that to proceed within the existing budget. With approval of this additional funding, the running track portion can be added back into the scope of work and installation should overall still be able to be completed within the original planned timeframe. Below is the original project scope description for reference.

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

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

Funding: Foundation Donations and Institutional Funds: \$465,000 (increase of \$115,000)

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on May 11, 2023.

CAMPUS PRINTER LEASE PROGRAM UPDATE

The Division of Information Technology (DoIT) Integrated Media Technologies previously requested, and was granted, Board of Trustee authorization at its April 3, 2023 meeting to issue an order for a new 60-month lease for the campus printer program, not-to-exceed \$4.1M over five years beginning May 2023. While funding remains the same, this item is providing clarification regarding vendor selection.

As opposed to contracting directly with prior provider Gordon Flesch Co., DoIT will partner with Ricoh, with a subcontract to Gordon Flesch Co., which will utilize pricing from the Illinois Public Higher Education Cooperative (IPHEC) contract to provide all hardware, software, service, and leasing for the campus printer program. All other information presented in the approved item from April 3, 2023 remains the same. This new program will consist of approximately 325 selected Ricoh multi-function devices (MFD), PaperCut Output Management Software, and Transact NFC Proximity Card Readers. Peripheral devices, such as fax boards and networking cards, are also included.

This new program will be provided as a 60-month lease. Commensurate with the current annual volume of 6,000,000 images, the base lease rate includes 400,000 monochrome and 100,000 color images per month, hardware, software, toner, and maintenance. Volumes beyond the base allowance will be charged monthly at a per copy rate.

Implementation of this new lease will require removal of the existing 410 Canon devices and strategic installation of 325 new Ricoh devices for use by students and administration. To help minimize the disruption, the new lease agreement is effective as of May 2023, the end of the Spring 2023 semester, when the campus population is smaller.

LONDON INTERBANK OFFERED RATE TRANSITION FOR SERIES 2020A BONDS

Overview and Summary: Northern Illinois University (NIU) has a stable debt portfolio. As shown in the table below, the majority of its debt is in fixed rate, tax-exempt bonds. The exception is the Series 2020A bonds, whose rates float based on the 1-Month London Interbank Offered Rate (LIBOR) index. However, on June 30, 2023, the 1-Month LIBOR will be sunsetting. The cessation of LIBOR was known and anticipated at the time of issuance of the Series 2020A bonds in 2020. A LIBOR replacement rider was included in the bond purchase agreement to make the transition to a new index simple and with no negative financial impact to the university.

Like thousands of other borrowers in the tax-exempt markets, NIU will need to amend its bond documents to allow for a new index to replace the sunsetting LIBOR index. In NIU's case, its underlying floating-rate index will change from 1-Month LIBOR to 1-Month Secured Overnight Financing Rate (SOFR). SOFR is the internationally recognized replacement rate that borrowers are using for facilities like NIU's 2020A bonds.

The University's management, general counsel, bond counsel, and financial advisors have reviewed the Series 2020A bond documentations. In 2020 the Board of Trustees delegated authority to the President, General Counsel, and Vice President of Administration and Finance/CFO to approve future amendments to the 2020A Bonds and management believes a briefing to the Board of these changes is appropriate.

NIU's management has been working with its financial advisor, Longhouse Capital Advisors (LCA), bond counsel, University counsel and the Purchaser of the 2020A Bonds, PNC Bank, to replace the 1-Month LIBOR index with the 1-Month SOFR index via a cost-effective and simple amendment to the Series 2020A bonds. In connection with the amendment:

- Safe harbor provisions are in place that do not require a reissuance of the bonds for tax purposes, simplifying the amendment process and additional documentation required.
- No other changes are being made to the terms of the bonds (covenants, PNC's credit commitment length, which still goes out to April 2027, rates, etc.).
- Build America Mutual (BAM), the bond insurer for the Series 2020A bonds, has been notified of the amendment, as required, and has provided its consent to the change.
- The amendment to the Series 2020A Bonds will be effective as of June 1, 2023, well in advance of the sunsetting of LIBOR on June 30, 2023.

SUMMARY OF NIU DEBT OUTSTANDING

Series	Outstanding Maturities (FY)	Mode	Tax Status	Call Provisions	Par Outstanding
Various Performance Contracts	2023-2031	Fixed	Taxable	Anytime at 2%-3% premiums	\$ 19,084,295
Capital Lease - IASBO Building	2023-2024	Fixed	Taxable	N/A	\$ 89,927
Series 2014 COPs	2023-2026	Fixed	Tax-Exempt	Non-Callable	\$ 2,910,000
Series 2020A AFS Refunding Bonds	2023-2041	Variable	Tax-Exempt	At any time	\$ 29,750,000
Series 2020B AFS Refunding Bonds	2023-2041	Fixed	Tax-Exempt	4/1/30 @ Par	\$124,140,000
Series 2021 AFS Bonds	2026-2044	Fixed	Tax-Exempt	4/1/31 @ Par	\$ 99,035,000
Total					\$275,009,222

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF
\$100,000 FOR THE PERIOD JANUARY 1, 2023 TO MARCH 31, 2023**

In accordance with *Board of Trustees Regulations* (Section V, Subsection B.5), this report of all obligations of financial resources greater than \$100,000 but less than \$250,000 is submitted at the end of each calendar quarter to the Board of Trustees. This quarterly report does not include commercial card obligations. Following is a summary of the number of transactions, fund source, total dollar amount, and transaction details for obligations incurred during the quarter ended March 31, 2023.

Purchase Amount	No. of Transactions	Appropriated*	Non-Appropriated	Total
Over \$100,000	15	\$625,815	\$1,823,843	\$2,449,659

TRANSACTIONS DETAIL:

Purchases:

1. The Division of Information Technology requested permission to purchase a one-year license for CrowdStrike. This is a 27/7 Security Operations Center (SOC) analyst service, vulnerability management, and Endpoint Detection & Response (EDR) ransomware protection as required for cyber insurance. (CDWG, Chicago, IL) 127,769*
2. The Division of Information Technology requested permission to purchase professional services to manage and support the university's voice infrastructure for the period February 1, 2023 through January 31, 2025. (Presidio Networked Solutions, Chicago, IL) 129,115*
3. The Office of General Counsel requested permission to issue an FY23 open order for legal representation of the NIU Board of Trustees and university interests in a matter for the period through June 30, 2023. (Jackson Lewis, Chicago, IL) 200,000
4. Financial Aid and Scholarships requested permission to enter into a three-year contract for the Academic Works Scholarship Management Platform, which is used campus-wide for awarding scholarships to prospective and current students. Contract period July 1, 2023 through June 30, 2026. (Blackbaud Inc., Charleston, SC) 167,530*
5. Illinois Interactive Report Cards, within the OERD division, requested permission to purchase services for web development and information security for IIRC projects through June 30, 2023. (Viva USA Inc., Rolling Meadows, IL) 140,454

- | | |
|--|----------|
| 6. Enrollment Management, Marketing and Communication requested an amendment to increase the open order to include a die-cut Huskie Head cutout piece, self-sealing envelopes, and postage. This item was originally approved on the June 17, 2022 President’s Report. (Motar GrafX LLC, Wheeling, IL) | 123,902* |
| 7. Housing and Residential Services requested permission to purchase new chairs to replace old and dated furniture currently being used in campus residence halls. (Southwest Contract, Tempe, AZ) | 114,420 |
| 8. The Division of Information Technology requested permission to enter into a five-year lease for fiber optic service with Kane County to provide connections to critical resources such as Internet 2, remote campus buildings, and Fermi Lab for the period May 1, 2023 through April 30, 2028. (Kane County, Geneva, IL) | 102,950 |
| 9. The College of Business requested permission to purchase an LED Video Wall system to replace the current video system being used in the Barsema Hall Auditorium. (ACP CreativIT LLC, Buffalo Grove, IL) | 239,219 |

Capital Improvement Projects:

- | | |
|--|-------------------|
| 1. HSC hot water converter tank replacement: This 60-year-old tank is leaking and is a critical part of the system which provides domestic hot water for the building. The scope of work will include necessary abatement work along with replacement of the tank in its entirety. | 145,750 |
| 2. Patterson Hall control valve replacement: Chilled water control valves have been incrementally failing since 2012. This project is to replace the remaining approximately 130 control valves to proactively avoid future failures and resulting water damage from leaks. The work is intended to be completed during the summer of 2023 while the building is largely unoccupied. | 210,850 |
| 3. Master Planning Framework development consultant services: A master planning framework will be developed to guide future campus planning efforts based on determined strategic objectives/principles. The resulting Framework and subsequent future detailed planning actions will collectively form a living master plan for the campus-built environment which will be agile while still grounded by consistent principles. | 77,500*
77,500 |
| 4. Neptune East resident room door replacements: The 65-year-old doors are worn, beyond their useful life and difficult to repair when parts for locks are no longer available. The scope of work for the project will be to replace 188 doors and install new locking hardware. Work is planned to be completed summer through winter 2023/2024. | 233,100 |
| 5. West Heating Plant annual maintenance and repairs: Includes necessary repairs related to worn, broken or non-functioning equipment that can cause serious operational and safety hazards and unplanned steam outages. Work items identified specifically include valve replacements and testing, boiler tuning and reverse osmosis system membrane replacement as well as other general maintenance items. | 110,600 |

6. Emergency repairs related to extreme freezing conditions: Due to freezing temperatures experienced near the end of December 2022, multiple sprinkler lines and water lines froze and broke at various locations in Patterson Hall Complex, Grant South, Neptune North, Northern View Complex, Parking Garage and Faraday Hall. This project documents the emergency actions taken to restore damage from resulting water releases. Insurance claims are being processed and may mitigate potentially 60% of the financial impact. 249,000

*Appropriated Funds