No item in this report for release prior to 11:00 a.m. Thursday, May 18, 2017.

AGENDA

NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS COMMITTEE
11:00 a.m. – Thursday – May 18, 2017
Board of Trustees Room
315 Altgeld Hall

1. Call to Order and Roll Call
2. Verification of Appropriate Notification of Public Meeting
3. Meeting Agenda Approval ................................................................. Action .... i
4. Review and Approval of Minutes of February 16, 2017 ..................................... Action ........ 1
5. Chair’s Comments/Announcements
6. Public Comment*
7. University Report
   a. Quarterly Financial Summary .......................................................... Information .... 7
   b. Fiscal Year 2018 Internal Budget ...................................................... Information .... 11
   c. Periodic Report on Investments ......................................................... Information .... 13
   d. Quarterly Summary Report of Transactions in Excess of $100,000 .............. Information .... 16
   e. Facilities Update ............................................................................... Information .... 20
   f. Semi-Annual Progress Report of Active Capital Projects ............................. Information .... 21
8. University Recommendations
   a. Boiler Assessment and Phase I Design (Capital Project Amendment Approval) .... Action .... 28
   c. Fiscal Year 2018 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal ................................................................. Action .... 30
   d. Fiscal Year 2018 Intercollegiate Athletics Air Charter Services for Football Team .... Action .... 31
   e. DoIT - Voice Trunking Services and Local Domestic/Long Distance Service Amendment .............................................................................. Action .... 32
f. DoIT EMC Storage Lease ........................................................................................................... Action........33

g. School of Nursing and Health Studies Study Materials .......................................................... Action.......34

h. Fiscal Year 2018 NIU Foundation Professional Services Contract ........................................... Action.......35

9. Other Matters

10. Next Meeting Date

11. Adjournment

*Individuals wishing to make an appearance before the Board should consult the *Bylaws of the Board of Trustees of Northern Illinois University*, Article II, Section 4 – Appearances before the Board. Appearance request forms will be available in the Board Room the day of the meeting. For more information contact Kathleen Carey, (kjahns@niu.edu) Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Ellen Andersen, Director of Special Events, at (815)753-1999, as soon as possible.
CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:16 p.m. by Committee Chair Tim Struthers in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call of the trustees. Members present were Trustee Dennis Barsema, Trustee Wheeler Coleman, Trustee Matthew Holmes, Board Chair John Butler, and Committee Chair Tim Struthers. Also present were Trustee Greg Wasowicz, Trustee Veronica Herrero, President Douglas Baker, Committee Liaison Alan Phillips, Vice President and Provost Lisa Freeman, Deputy General Counsel Greg Brady, and Board Liaison Mike Mann.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee John Butler; seconded by Trustee Wheeler Coleman. All were in favor. The motion passed.

REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the November 17, 2016 meeting was made by Trustee Matthew Holmes; seconded by Trustee John Butler. All were in favor. None were opposed. The motion passed.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Struthers spoke briefly about the detailed financial reporting and University debt.

Holly Nicholson of the University Advisory Council addressed comments to Dr. Phillips in appreciation for all he has done. Rebecca Shortridge echoed her comments. Chair Struthers also commented on how Dr. Phillips will be missed.

PUBLIC COMMENT

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

UNIVERSITY RECOMMENDATIONS/REPORTS

Information Item 7.a. – Quarterly Summary Report for Transactions in Excess of $100,000
Information Item 7.b. – Periodic Report on Investments
Information Item 7.c. – Quarterly Financial Summary
Information Item 7.d. – Housing Master Planning
Information Item 7.e. – Facilities Update
Action Item 8.a. – FY18 Architectural & Engineering Physical Plant Open Orders Contract Renewals

Dr. Phillips pointed out the amount approved for FY17 looks to be significantly less than being requested in 2018. However, he cited a change in how the information is being presented in 2018. In the past, open orders with these firms below the Board approval limit were not included in the annual approval level. In the spirit of being more transparent, all orders irrespective of the amount have been included. The University requests Board of Trustees approval to renew these agreements with the designated cumulative upper limits in the amount of $6.6 million.

A motion was made by Trustee Barsema: seconded by Trustee Coleman.

A roll call vote was conducted. Trustees Barsema, Butler, Coleman, and Holmes voted yes; Chair Struthers abstained. The motion carried.

Action Item 8.b. – FY18 DoIT – Integrated Media Technologies Printing Paper Open Order

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $500,000.

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

Action Item 8.c. – FY18 DoIT – Integrated Media Technologies Campus Copier Program Contract Renewal

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $975,000.

A motion was made by Trustee Butler; seconded by Trustee Holmes.

A discussion between Dr. Phillips and Trustee Coleman ensued mainly regarding the length of the contract. Specifically, Trustee Coleman encouraged shorter contract terms to increase flexibility.

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

Action Item 8.d. – FY18 Physical Plant Elevator Services and Maintenance Open Order Contract Renewal

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $325,000.

A motion was made by Trustee Coleman; seconded by Trustee Holmes. All were in favor. None were opposed. The motion carried.

Action Item 8.e. – FY18 International Programs Division Expenditures

Dr. Phillips explained, our International Programs Division is given an annual authorization for expenditures for foreign study programs. All expenditures are made from payments received from the approximately 600 students expected to enroll in these programs. The student fees cover these costs and is expense neutral to NIU. The University requests Board of Trustees approval of expenditure authority in the amount of $3,000,000.00.

A motion was made by Trustee Holmes; seconded by Trustee Barsema.
A discussion ensued between Trustee Coleman, Dr. Freeman, and Trustee Barsema to clarify what the funds are used for, how the funds are distributed, and how they're offset by student fee.

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

**Action Item 8.f. – FY18 Student Mass Transit Board Campus Busing System Contract Renewal**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $4,185,000.

A motion was made by Trustee Holmes; seconded by Trustee Butler. All were in favor. None were opposed. The motion carried.

**Action Item 8.g. – FY18 Transportation Services, Physical Plant, Facilities & Operations Motor Fuels**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $500,000.

A motion was made by Trustee Holmes; seconded by Trustee Butler. All were in favor. None were opposed. The motion carried.

**Action Item 8.h. – FY18 Multiple Departments – Non-Food, Food Service-Related Commodities Contract Renewals**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $410,000.

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

**Action Item 8.i. – FY18 Student Health Insurance**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $12,500,000.

A motion was made by Trustee Butler; seconded by Trustee Holmes.

A discussion ensued regarding negotiations for coverage, what is covered, and deductibles/co-pays.

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

**Action Item 8.j. – FY18 Materials Management Commodities Open Orders**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $850,000.

A motion was made by Trustee Holmes; seconded by Trustee Butler. All were in favor. None were opposed. The motion carried.

**Action Item 8.k. – Division of Enrollment Management, Marketing and Communications Media Buying Services**

Dr. Phillips requested approval to establish a master contract with a vendor for media buying services consolidating advertising to a single vendor versus multiple media outlets. The University requests Board of Trustees approval of expenditure authority of $2.4 million over five years.
A motion was made by Trustee Barsema; seconded by Trustee Butler.

A brief discussion ensued between Dr. Phillips and Chair Struthers regarding the benefit of consolidation and questioning what last years’ expenditure was.

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

**Action Item 8.l. – FY18 Transportation Services – Charter Bus Services**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $500,000.

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

**Action Item 8.m. – Division of Information Technology Internet Security Services**

Dr. Phillips pointed out, these services will enhance our security posture, reduce risk of a security breach, and help us stay in compliance with various regulatory requirements such as PCI, HIPAA, and CGI. The University requests Board of Trustees approval of expenditure authority of $546,000.

A motion was made by Trustee Holmes; seconded by Trustee Barsema.

A brief discussion was had for clarification purposes. Specifically, these services are for equipment, software, and service. Chair Struthers asked for the previous contract amount as a follow-up.

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

**Action Item 8.n. – FY17 Division of Information Technology Microsoft Licenses Amendment**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $350,000.

A motion was made by Trustee Holmes; seconded by Trustee Butler.

Chair Struthers shared information about previous expenditure amounts. He also expressed the desire for a much larger view of the cost of technology and what the plan is going forward, especially relative to technology needs correlating with reduction in enrollment.

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

**Action Item 8.o. – FY18 Division of Information Technology Infrastructure Applications Microsoft Enrollment Contract Renewal**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $400,000.

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

**Action Item 8.p. – FY18 University Outreach Education Centers Catering Services Contract Renewals**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $460,000.
A motion was made by Trustee Barsema; seconded by Trustee Butler.

A discussion arose regarding the length of the contract, and other contracts in general as to the ability to amend them. A request was made to look at all the nine-year contracts with a clear position by the Board to minimize contract terms in general.

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

**Action Item 8.q. – FY18 Campus Mail Services and Integrated Media Technologies-Postage**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $450,000.

A motion was made by Trustee Coleman; seconded by Trustee Butler. All were in favor. None were opposed. The motion carried.

**Action Item 8.r. – Treasury Operations – Signatory Authorization**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval for the designation of the Treasurer for the Board of Trustees, the Assistant Secretary/Assistant Treasurer for the Board of Trustees and the Director of Treasury Operations to be authorized signatories for all treasury operations.

A motion was made by Trustee Butler; seconded by Trustee Holmes. All were in favor. None were opposed. The motion carried.

**Action Item 8.s. – Appointment of an Acting Chief Financial Officer**

Dr. Phillips, on behalf of the University, recommends Lawrence Pinkleton, who is the Associate Vice President for Finance and Budget, be appointed as the Acting Chief Financial Officer effective March 1, 2017.

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

A conversation arose regarding time limits on acting and interim appointments, and the processes of replacing the CFO position and how administration determined if there was a need to go outside the University.

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

**Action Item 8.t. – Appointment of an Acting Treasurer**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval to designate and appoint Lawrence Pinkleton to serve as Acting Treasurer for the Board of Trustees effective March 1, provided he furnishes a fidelity bond to the Board in the amount of $500,000 to be secured by the state of Illinois Department of CMS.

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

**Action Item 8.u. – Stevens Building Project Authorization**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $500,000.

A motion was made by Trustee Barsema; seconded by Trustee Butler.
A discussion ensued regarding the amount already spent for weatherization issues.

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

**Action Item 8.v. – Neptune Residential Complex Upgrade (Capital Project Design Approval)**

Dr. Phillips, on behalf of the University, requests Board of Trustees approval of expenditure authority in the amount of $5,400,000.

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

There was extensive discussion on the subject including scope, timing, and prioritization. The Trustees asked Dr. Phillips to forward them a copy of the original (full scope) plan following the meeting.

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

**OTHER MATTERS**

Trustee Coleman requested some type of big picture report of the vendors we use, including contract values, type of work, geography, and other demographics.

President Baker spoke about Dr. Phillips retirement.

**NEXT MEETING DATE**

The next meeting of the Finance, Facilities and Operations Committee will be May 18, 2017.

**ADJOURNMENT**

A motion was made to adjourn by Trustee Dennis Barsema; seconded by Trustee Wheeler Coleman. The motion passed.

Meeting adjourned at 2:31 p.m.

Respectfully submitted,

Vicky Rippberger
Recording Secretary

*In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.*
QUARTERLY FINANCIAL SUMMARY
AS OF MARCH 31, 2017

Background Information: In an effort to provide more frequent information regarding the university’s financial position, the university has prepared the third quarter financial summary to the Board of Trustees.

EXECUTIVE SUMMARY

Year-To-Date Financial Results:

Revenue Components - there are small unfavorable variances to budget in Tuition & Fees and Rental & Room Income. The primary reason for these budget variances is the mix and level of student enrollment. We are also representing a $12.3M variance in our State of Illinois Appropriation. It’s important to note that this fourth quarter projection includes a $12M funding provision for operating expenses based on a recent budget bill circulating through the State Legislature. This bill is described as a “Life Line Budget” for the second half of FY17.

Expense Components – the University has maintained an aggressive stance on expense control throughout FY17. Tighter controls and evaluation of purchases through a mission critical filter has led to favorable variances in Personnel Services ($5.4M), Commodities ($1.3M), and Equipment & Library Materials ($3.2M). Scholarships expense is above budget ($5.5M) and requires further investigation.

Net Revenue – The full year projection indicates an unfavorable variance ($16.2M) to the FY17 Budget.

Prior Year Financial Results:

Revenue Components – A decline in enrollment continues to impact our Tuition & Fees and Rental & Room Income. The State of Illinois appropriation is favorable to prior year. However, this is based entirely on the timing of the prior year funding and the planning assumption mentioned above regarding receipt of $12M for the back half of FY17.

Expense Components – Current projections suggest improvement in year over year operating expenses by approximately $15M. Favorable variances are noted in Contractual Services ($4.1M), Scholarships ($5.1M), and Capital Repairs, Debt Service and All Other ($2.4M). These results demonstrate management’s ongoing leadership on developing strategies that will control expenses and contribute to long term financial sustainability.

Net Revenue – The full year projection shows a modest improvement ($12.5M) compared to FY16.

Future Outlook (balance of FY17):

NIU remains optimistic that the State Legislature will approve legislation that provides additional operating funds and MAP funding for the second half of FY17. The University will continue efforts to enhance brand awareness, develop strategies to grow revenue and effectively manage the expense base. In the aggregate, our projections suggest sufficient cash flow to manage through FY17.
Following is a financial summary of the university’s operations as of the end of March FY17 and a comparison perspective to March of FY16.
### Northern Illinois University
as of March 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
<th>Full Year</th>
<th>Annual Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Student Fees</td>
<td>$181,969</td>
<td>$3,987</td>
<td>$185,956</td>
<td>$187,858</td>
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<td>Gifts, Grants, &amp; Contracts</td>
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<td>Other Fees and Fines</td>
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<td>Rental &amp; Room Income</td>
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<td>$31,637</td>
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<td>Gate Receipts &amp; Commissions</td>
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<td>$3,577</td>
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<td>$2,603</td>
<td>$7,664</td>
<td>$9,681</td>
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<tr>
<td>State of Illinois</td>
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<td>$60,574</td>
<td>$72,910</td>
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<td>Capital Reserve Contributions &amp; Other Transfers</td>
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<td>$ -</td>
<td>$1,415</td>
<td>$ -</td>
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<tr>
<td><strong>Total Revenue &amp; Transfers</strong></td>
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<td>$393,776</td>
<td>$417,538</td>
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<td><strong>Expenses</strong></td>
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<td>Cost of Goods Sold</td>
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<td>$1,768</td>
<td>$9,302</td>
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<td>Personnel Services</td>
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<td>Travel</td>
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<td>Automotive</td>
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<td>Telecommunications</td>
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<td>Equipment &amp; Library Materials</td>
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<td>$38,632</td>
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<td><strong>Net Revenue</strong></td>
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<td>$(886)</td>
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### Prior Year

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
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<tr>
<td>Tuition &amp; Student Fees</td>
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<td><strong>Total Revenue &amp; Transfers</strong></td>
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<table>
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<th>Full Year</th>
<th>Annual Budget</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Cost of Goods Sold</td>
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<tr>
<td>Travel</td>
<td>$3,224</td>
<td>$82</td>
<td>$4,255</td>
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<tr>
<td>Automotive</td>
<td>$977</td>
<td>$62</td>
<td>$1,240</td>
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<td>Scholarships</td>
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</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$4,024</td>
<td>$41,728</td>
<td>$(29,580)</td>
<td>$12,538</td>
<td></td>
</tr>
</tbody>
</table>
Fund Codes and Definitions

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

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

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

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

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

6. **55 Funds (Restricted)**
a. Consists of: *Local Funds - Foundation Support*
b. To be used for payroll costs in support of the academic mission of the university
Background Information: Each year the University seeks the Board’s approval of the internal budget for the current fiscal year. In most years, the University receives its State appropriation in early June, but as a result of the State’s current financial situation, the State has not yet provided the University an appropriation for FY18. This year, during the FY18 budget development process, our approach in developing our recommendation to the Board has been to expand our engagement with the campus community and solicit their input more broadly. This has enabled us to make more well-informed critical and difficult decisions regarding our FY18 internal budget as we are facing declining revenue resulting from reduced state appropriations and continuing enrollment shortfalls. The University continues to work together to reduce expenses through prioritization, deferment, and collaboration in order to address the revenue shortfall. Once the University has received an enacted appropriation from the State, we will bring a final amended internal budget recommendation to the Board for approval.

Recommendation: Pursuant to Board of Trustees Bylaws, the University requests Board of Trustees approval of the FY18 Internal Budget as outlined in Table 1 and 2 below:

Table 1
FISCAL YEAR 2018 INTERNAL BUDGET
Summary of Budgeted Revenue by Source
($ in Thousands)

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Appropriated Revenues</td>
<td></td>
</tr>
<tr>
<td>General Revenue Fund</td>
<td>77,428.8 (b)</td>
</tr>
<tr>
<td>State College and University Trust (a)</td>
<td>36.0</td>
</tr>
<tr>
<td>Total Appropriated Fund Revenues</td>
<td>$ 77,464.8</td>
</tr>
<tr>
<td>University Nonappropriated Revenues</td>
<td></td>
</tr>
<tr>
<td>University Income Fund</td>
<td>154,245.5</td>
</tr>
<tr>
<td>Income from Auxiliary Enterprises:</td>
<td></td>
</tr>
<tr>
<td>From Operations in Revenue Bond Facilities</td>
<td>75,922.5</td>
</tr>
<tr>
<td>From Operations in Other Auxiliary Enterprises</td>
<td>22,458.3</td>
</tr>
<tr>
<td>Gifts, Grants and Contracts</td>
<td>50,000.0</td>
</tr>
<tr>
<td>Local Funds</td>
<td>44,157.7</td>
</tr>
<tr>
<td>Total Nonappropriated Revenues</td>
<td>$ 346,784.0</td>
</tr>
<tr>
<td>Total Anticipated Revenues</td>
<td>$ 424,248.8</td>
</tr>
</tbody>
</table>

(a) Generated from NIU license plate registrations; expenditures are limited to both the appropriation and revenues earned.
(b) Reflects the Governor’s Level Appropriation.
### Table 2

**FY18 INTERNAL BUDGET SUMMARY BY LINE ITEM**

($ in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY16 Actuals</th>
<th>FY17 Projected Actuals</th>
<th>FY18 Proposed Budget</th>
<th>Variance FY18-FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOURCES OF OPERATING REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Student Fees</td>
<td>$198,024.8</td>
<td>$185,955.8</td>
<td>183,872.7</td>
<td>(2,083.1)</td>
</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>$59,134.0</td>
<td>$56,468.0</td>
<td>62,494.3</td>
<td>6,026.3</td>
</tr>
<tr>
<td>Other Fees and Fines</td>
<td>$8,915.3</td>
<td>$8,216.0</td>
<td>9,092.1</td>
<td>876.1</td>
</tr>
<tr>
<td>Sales</td>
<td>$39,639.6</td>
<td>$38,269.7</td>
<td>38,637.8</td>
<td>368.1</td>
</tr>
<tr>
<td>Rental &amp; Room Income</td>
<td>$34,627.5</td>
<td>$31,637.0</td>
<td>34,554.9</td>
<td>2,917.9</td>
</tr>
<tr>
<td>Gate Receipts &amp; Commissions</td>
<td>$4,308.9</td>
<td>$3,577.1</td>
<td>4,376.8</td>
<td>799.7</td>
</tr>
<tr>
<td>Miscellaneous &amp; Investment Income</td>
<td>$11,453.4</td>
<td>$7,664.0</td>
<td>9,577.2</td>
<td>1,913.2</td>
</tr>
<tr>
<td>State of Illinois</td>
<td>$26,424.2</td>
<td>$60,573.5</td>
<td>77,464.8</td>
<td>16,891.3</td>
</tr>
<tr>
<td>Capital Reserve Contributions &amp; Other Transfers</td>
<td>$(9,937.2)</td>
<td>$1,414.5</td>
<td>4,178.2</td>
<td>2,763.7</td>
</tr>
<tr>
<td><strong>TOTAL, OPERATING REVENUES</strong></td>
<td>$372,590.5</td>
<td>$393,775.7</td>
<td>$424,248.8</td>
<td>$30,473.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES BY LINE ITEM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>$9,163.9</td>
<td>$9,301.7</td>
<td>11,708.4</td>
<td>2,406.7</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$219,240.2</td>
<td>$218,362.7</td>
<td>216,915.3</td>
<td>(1,447.5)</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$81,480.5</td>
<td>$77,390.0</td>
<td>81,750.9</td>
<td>4,360.9</td>
</tr>
<tr>
<td>Commodities</td>
<td>$7,263.1</td>
<td>$6,357.1</td>
<td>7,443.5</td>
<td>1,086.4</td>
</tr>
<tr>
<td>Travel</td>
<td>$4,254.6</td>
<td>$4,362.6</td>
<td>5,225.6</td>
<td>863.0</td>
</tr>
<tr>
<td>Automotive</td>
<td>$1,239.6</td>
<td>$1,318.4</td>
<td>1,254.2</td>
<td>(64.2)</td>
</tr>
<tr>
<td>Scholarships</td>
<td>$53,721.6</td>
<td>$48,640.3</td>
<td>56,859.6</td>
<td>8,219.3</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>$1,764.1</td>
<td>$278.1</td>
<td>966.1</td>
<td>688.0</td>
</tr>
<tr>
<td>Equipment &amp; Library Books</td>
<td>$6,689.4</td>
<td>$6,175.0</td>
<td>9,208.7</td>
<td>3,033.7</td>
</tr>
<tr>
<td>Capital Repairs, Debt Service &amp; All Other</td>
<td>$17,353.9</td>
<td>$38,631.8</td>
<td>$32,872.1</td>
<td>(5,759.7)</td>
</tr>
<tr>
<td><strong>TOTAL, OPERATING EXPENSES</strong></td>
<td>$402,170.9</td>
<td>$410,817.7</td>
<td>$424,204.4</td>
<td>$13,386.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME/(LOSS)</strong></td>
<td>$(29,580.4)</td>
<td>$(17,042.0)</td>
<td>44.4</td>
<td>17,086.4</td>
</tr>
</tbody>
</table>
PERIODIC REPORT ON INVESTMENTS
FOR PERIOD JULY 1, 2016 THROUGH MARCH 31, 2017

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

- Investment Holdings Summary as of March 31, 2017
- Investment Earnings by Type and Duration for the nine months ending March 31, 2017

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

Due to the uncertainty of future State appropriations and the need to ensure funds are highly liquid to sustain operations, investments proceeds from maturities and calls were deposited into an interest-bearing cash account rather than reinvested in long-term securities. The decrease in the Local Fund portfolio since second quarter is a result of using available cash for operations.

Within the Project Funds portfolio, investment of funds is limited to the money market fund established when the bonds were issued and US Treasury notes. During quarter three some money market funds were converted into US Treasury at a higher yield with maturities that coincide with anticipated project timeline.

Proactive actions taken by University leadership to reduce costs, identify new revenue streams, assess programmatic offerings, allocate scarce resources toward mission critical activities, and reengineer processes to yield efficient operations have partially mitigated the volatility in cash flow amid the State’s reduction of over $120M in general appropriations during a two-year budget impasse. Investment holdings are summarized in the attached report. In addition, the Federal Reserve raised its benchmark rate this quarter and left its plan for two more rate hikes this year essentially unchanged. The increases in the overnight lending rate may translate into higher yield rates for the University.

The attached earnings report shows interest income and rates of return for Local and Project Funds investments. The annualized rates of return are calculated using income earnings and average daily balances. The University’s average annualized rate of return at December 31, 2016 was .56%. At March 31, 2017, it was .61%.

It is anticipated that the University’s unrestricted cash and investment balances will continue to shrink should the State not provide any additional funding for FY17. Reserves may need to be utilized, and the lack of interest income will further strain cash inflows. To endure the State budget impasse, Treasury Operations will continue to monitor the external and internal environments and apply cash management strategies that maximize return while meeting cash flow demands.
## NORTHERN ILLINOIS UNIVERSITY
### INVESTMENT HOLDINGS SUMMARY
**March 31, 2017**
**For Fiscal Year 2017**

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Purch Price/Ending Bal</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Percent of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Agency Notes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$33,742,135</td>
<td>$33,739,928</td>
<td>$33,660,703</td>
<td>23.60%</td>
</tr>
<tr>
<td><strong>Interest Bearing Cash Accounts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$24,629,565</td>
<td>$24,629,565</td>
<td>$24,629,565</td>
<td>17.53%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>375,761</td>
<td>375,761</td>
<td>375,761</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$25,005,326</td>
<td>$25,005,326</td>
<td>$25,005,326</td>
<td>17.53%</td>
</tr>
<tr>
<td><strong>Money Markets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$38,222,587</td>
<td>$38,222,587</td>
<td>$38,222,587</td>
<td>31.54%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>6,772,135</td>
<td>6,772,135</td>
<td>6,772,135</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$44,994,722</td>
<td>$44,994,722</td>
<td>$44,994,722</td>
<td>31.54%</td>
</tr>
<tr>
<td><strong>US Treasury Notes/Bills:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$18,557,876</td>
<td>$18,546,431</td>
<td>$18,490,857</td>
<td>27.33%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>20,540,517</td>
<td>20,516,782</td>
<td>20,503,040</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$39,098,393</td>
<td>$39,063,213</td>
<td>$38,993,897</td>
<td>27.33%</td>
</tr>
</tbody>
</table>

**TOTAL INVESTMENT HOLDINGS**

**MARCH 31, 2017**

| | $142,840,576 | $142,803,189 | $142,654,648 | 100.00% |

**PREVIOUS YEAR HOLDINGS**

**MARCH 31, 2016**

| | $163,677,076 | $163,738,719 | $163,890,248 |

---

**Market Value by Investment Type**

- Federal Agency Notes: 23.60%
- Interest Bearing Cash: 17.53%
- Money Markets: 31.54%
- US Treasury Notes/Bills: 27.33%
### NORTHERN ILLINOIS UNIVERSITY

**INVESTMENT EARNINGS BY TYPE AND DURATION**

**For Fiscal Year 2017**

**July 1, 2016 - March 31, 2017**

<table>
<thead>
<tr>
<th>March 31 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned</th>
<th>Annualized Rate of Return</th>
</tr>
</thead>
</table>

**Short-Term Investment Accounts**

<table>
<thead>
<tr>
<th>Description</th>
<th>Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned</th>
<th>Annualized Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois Funds</td>
<td>$38,222,587</td>
<td>$49,780,695</td>
<td>30.04%</td>
<td>$176,740</td>
<td>0.473%</td>
</tr>
<tr>
<td>Investment Accounts - Financial Institutions</td>
<td>$24,629,565</td>
<td>$34,558,688</td>
<td>20.86%</td>
<td>$151,679</td>
<td>0.585%</td>
</tr>
<tr>
<td>Investment Accounts - Project Funds</td>
<td>$7,147,896</td>
<td>$15,822,163</td>
<td>9.55%</td>
<td>$4,696</td>
<td>0.040%</td>
</tr>
<tr>
<td><strong>ST Investment Accounts Total</strong></td>
<td>$70,000,048</td>
<td>$100,161,546</td>
<td>60.45%</td>
<td>$333,115</td>
<td></td>
</tr>
<tr>
<td><strong>ST Investment Accounts Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.443%</td>
<td></td>
</tr>
</tbody>
</table>

**Fixed Income Securities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned</th>
<th>Annualized Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds</td>
<td>$52,300,011</td>
<td>$53,644,259</td>
<td>32.38%</td>
<td>$351,457</td>
<td>0.874%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$20,540,517</td>
<td>$11,877,121</td>
<td>7.17%</td>
<td>$73,709</td>
<td>0.827%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities Total</strong></td>
<td>$72,840,528</td>
<td>$65,521,380</td>
<td>39.55%</td>
<td>$425,166</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Securities Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.865%</td>
<td></td>
</tr>
</tbody>
</table>

**COMBINED TOTAL**

<table>
<thead>
<tr>
<th>Description</th>
<th>Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio</th>
<th>Income Earned</th>
<th>Annualized Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMBINED TOTAL</strong></td>
<td>$142,840,576</td>
<td>$165,682,926</td>
<td>100.00%</td>
<td>$758,281</td>
<td></td>
</tr>
</tbody>
</table>

**AVERAGE ANNUALIZED RATE OF RETURN**

0.61%
QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF $100,000 FOR THE PERIOD JANUARY 1, 2017 TO MARCH 31, 2017

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>No. of Transactions</th>
<th>Appropriated</th>
<th>Non-A appropriated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $100,000</td>
<td>14</td>
<td>$435,000</td>
<td>$1,430,225.00</td>
<td>$1,865,225.00</td>
</tr>
</tbody>
</table>

TRANSACTIONS DETAIL:

Purchases:

1. The College of Business MBA Program requested permission to issue an order for travel services for the Spring 2017 International trip to Barcelona, Spain, and Paris, France, during the period March 18 - 26, 2017. Services included airfare, lodging, coach arrangements, cultural event, etc. for 30 to 35 participants. The trip focus was for students to gain a better understanding about global business. Pricing was based on a Request for Proposal that was opened on December 8, 2016. The award was advertised on the Illinois Procurement Bulletin. FY17 (Travelex International, Hoffman Estates, IL) 130,000

2. An amendment was required to increase an order for the planning and presentation of OSHA courses to be taught during the period October 1, 2016 through September 30, 2017. Original approval was given on August 12, 2016. This order was exempt from the Illinois Procurement Code, according to Section 30 ILCS 500/1-10(b)(8) [providing non-credit educational service]. FY17 (Construction Safety Council, Hillside, IL) Original amount $50,000, not previously reported in quarterly reports; amendment amount $195,000 245,000

3. The Division of Information Technology requested the purchase of the Illinois Century Network for 10 Gig NIU Internet connectivity during the period September 1, 2016 – June 30, 2017. NIU and NIUNet ISP Services continue to increase the need for Internet bandwidth. Internet services are a critical function to the University as more applications are pushed out to cloud services increasing the demand for off campus access resources. This request was to increase the bandwidth of Internet services by 10Gig through the State of Illinois Central Management System using the Illinois Century Network’s existing IGA that NIU has with CMS. Costs for this link were funded through a 41 account where a majority of the revenue comes from outside services. To offset costs for this link, NIU decommissioned another 1 Gig ISP service currently funded at $37,200/year. This order was exempt from advertisement on the Illinois Procurement Bulletin because the vendor is a governmental agency. FY17 (Central Management Services, Chicago, IL) 160,000
4. Transportation Services requested permission to purchase four new 2017 Transit Cargo Vans to handle the needs of campus departments. The trade-in values for five old NIU vehicles have been accounted for in the approval amount. This purchase was exempt from advertising on the Illinois Procurement Bulletin because State Contract #PSD4018029 is being utilized. FY17 (Landmark Ford, Springfield, IL) 102,301

5. The Division of Information Technology’s Integrated Media Technologies department requested permission to issue a Fiscal Year 2018 open order for support, maintenance and software upgrades as needed for the digital press provided as a result of the opening of RFP #TEM82301. This digital press is used for the production of university mainframe output, including payroll, year-end tax documents and student tuition billing. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin. FY17 (Xerox Corporation, Schaumburg, IL) 106,800

6. The Office of the President requested permission to enter into a contract for executive search firm services for executive leadership search services. The selected firm has been awarded by IPHEC for these services and this transaction was therefore exempt from Illinois Procurement Bulletin posting. FY17 (Witt/Kieffer, Oak Brook, IL) 200,000*

7. An amendment was required to increase the open order used to obtain chemicals and laboratory supplies for the Department of Chemistry and Biochemistry during Fiscal Year 2017. Original President’s approval was received on June 17, 2016, and the first amendment was approved on January 13, 2017. This order was exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. FY17 (Fisher Scientific, Hanover Park, IL) Original amount $98,000, not previously reported; amendment amount $17,000 115,000*

8. An amendment was required to cover the final invoice for four new 2017 Transit Cargo Vans being purchased to handle the needs of campus departments. The trade-in values for five old NIU vehicles have been accounted for in the approval amount. Original President’s approval was received on February 3, 2017. This purchase was exempt from advertising on the Illinois Procurement Bulletin because State Contract #PSD4018029 is being utilized. FY17 (Landmark Ford, Springfield, IL) Original amount $102,301 (see item #4); amendment amount $2,699 2,699

9. Intercollegiate Athletics/Administration requested permission to issue an order for Mid American Conference 2016-2017 officials payments for men’s and women’s basketball ($117,600 men’s and $53,400 women’s). Per the conference operating code, payments for men’s and women’s basketball officials will be paid by the league office and invoiced. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin. FY17 (Mid American Conference, Cleveland, OH) 171,000

10. Intercollegiate Athletics/Administration requested permission to issue an order for Mid American Conference 2016 payments for football officiating. Per the conference operating code, payments for football officials will be paid by the league office and invoiced. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin. FY17 (Mid American Conference, Cleveland, OH) 112,775
11. An amendment was required to increase the purchase order for a five-year contract for an electronic ticketing system for issuing tickets for the various venues at Northern Illinois University. The original five-year contract covered from FY 2013-2017. Additional costs for credit card processing and small convenience charges generated when Huskie season ticket holders use the system to purchase tickets online require an increase to cover the amount due. Original President’s approval was received on March 30, 2012 and the first amendment was approved on February 8, 2013. This change order was advertised on the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Ticketmaster LLC, Chicago, IL) Original amount 191,650 previously reported; amendment amount $8,350

12. The Division of Information Technology requested the purchase of voice trunking services, local and domestic long distance service, inbound toll free service, and associated fees and taxes during the period April 1, 2017 – March 31, 2018. This purchase was to continue service while NIU goes through the RFP evaluation process for a new telephony solution. The intent to award this contract as a sole source has been advertised in the Illinois Procurement Bulletin, Sole Source # CAB022817. FY17 (Frontier North, Sycamore, IL)
**Capital Improvement Projects:**

1. College of Law and Law Library occupy nearly 47,000 gross square feet located on three levels of Swen Parson Hall. This year the College is scheduled for re-accreditation by the American Bar Association, a process that occurs every eight years. The site/facilities review and evaluation portion of the process is scheduled to begin in March 2017. In preparation for this evaluation, a facilities review was conducted and a list was compiled, consisting mainly of minor updating and repair of damaged items, such as; repairs to painted wall and ceiling surfaces, repair areas of damaged or missing acoustic ceiling tile, replace worn and damaged carpet flooring, replace cracked windows, and worn window treatments. These updates will be initiated and completed as schedules and manpower is available. The work list and estimated budget may need to be adjusted based on the ABA’s site/facilities review and evaluation. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager.

   | 120,000* |

2. The AnywherePrints Program initiated by the Department of Information Technology is anticipated to achieve cost-savings for each university department. The program will reduce the number and types of print devices currently in use throughout campus, reducing IT support costs and supplies. In addition, the program will replace unmanaged, individual printers and copiers with new centrally managed devices. The devices have improved reliability are, integrated and programmed for full internet and wireless connectivity, and fully capable of allowing all users to monitor, control, and carefully manage their print and copy usage. This will ultimately reduce print volume resulting in cost savings.

   This project provides the necessary new electrical power and data infrastructure support for the installation of new printer/copiers to implement the AnywherePrints program. Initially DoIT has identified thirteen buildings that will require new or adjustment of existing electrical power and/or data infrastructure:
   - Academic Advising
   - Adams Hall
   - Faraday Hall
   - Gabel Hall
   - Graham Hall
   - LaTourette Hall
   - Montgomery Hall
   - Psychology/Computer Science
   - Reavis Hall
   - Still Hall
   - Still Gym
   - Watson Hall
   - Wirtz Hall

   When fully implemented AnywherePrints program will provide improved printing for the entire campus. Estimated project costs noted below reflect both facility modification work and DoIT wiring/equipment installation and anticipated costs associated with direct support efforts. Work will be completed by a combination of qualified contractors and in-house workforce under the coordination of NIU project managers.

   | 146,300 |

*Appropriated Income Funds*
FACILITIES UPDATE

Briefing presented at the meeting.
SEMI-ANNUAL PROGRESS REPORT OF ACTIVE CAPITAL PROJECTS
WITH A BUDGET OVER $100,000

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

CAPITAL DEVELOPMENT BOARD PROJECTS

I. Projects in the Planning Phase

N/A

II. Projects in the Design Phase

N/A

III. Projects in the Construction Phase

A. Remodeling and Rehabilitation

1. Stevens Building – Addition & Renovation

   Total Project Budget: $37,300,135 (estimated)
   Source of Funding: FY2010 – CDB Amended FY2017
                      FY2017 – NIU Appropriated Funds
   Architect/Engineer: PSA Dewberry/BCA - Elgin

   Status: On June 30, 2016 the State Legislature passed a ‘stop gap budget’ which reappropriated funding for the project. On July 21, 2016 the CDB lifted the stop work order, and directed the Contractor to inspect the project to identify the extent of damage that may have been caused by the construction inactivity since June 30, 2015. Construction work at the site resumed in late November and is currently approximately 65% completed. The project is projected to be substantially complete by late fall 2017.
NORTHERN ILLINOIS UNIVERSITY PROJECTS

I. Projects in the Planning Phase

A. Remodeling and Rehabilitation

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

   **Status:** Master planning work has been completed for both Holmes Student Center and Neptune Complex. The consultants have completed or are working on completing the remaining tasks that will facilitate the start of the renovation phase. Final payments for the planning work are in process.

2. Stevenson and Grant Residence Halls - Building Envelope Repairs
   - Total Project Budget: $525,000
   - Source of Funding: Institutional - Bond Reserves
   - Authorization Date: December 2016
   - Architect/Engineer: TBD

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

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

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

B. Site and Utilities

1. DeKalb Campus – East and West Heating Plant Boiler Assessment
   - Total Project Budget: $700,000
   - Source of Funding: Institutional - Bond Reserves
   - Authorization Date: March 2016
   - Architect/Engineer: Wills Burke Kelsey - Elgin
     Stanley Consultants - Chicago
Status: The budget above was for the assessment of the existing campus heating system; to determine the priority and sequence of renovation/replacement investments; to ensure the most cost/energy efficient and reliable heating system for the long term. The A/E has completed the investigation, assessment, and provided the final report. Final payments for the assessment are in process.

II. Projects in the Design Phase

A. Remodeling and Rehabilitation

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

Status: Project design is scheduled for early summer 2017. Construction work is planned and scheduled to take advantage of semester break and summer schedules.

2. Holmes Student Center - Phase I Redevelopment
Total Project Budget: $20,000,000
Source of Funding: Bond Series 2010 Project
Authorization Date: June 2016
Architect/Engineer: Dewberry - Peoria

Status: IBHE approval for Phase I Redevelopment project was granted on September 27, 2016. The University successfully completed the Qualification Based Selection process and the Consulting A/E Contracts. The University will provide regular updates to the Board as the design work progresses.

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

Status: Project design is scheduled for early summer 2017. Construction work is planned to take advantage of semester break and summer schedules.

4. Neptune Complex Upgrade
Total Project Budget: $5,400,000
Source of Funding: Bond Series 2010 Project
Authorization Date: March 2017
Architect/Engineer: Cordogan Clark - Aurora
NIU A/E Services

Status: Project prioritization and design work is in process with University staff. The University has contracted with a qualified Architectural/Engineering firm to provide design and construction document phases for the renovation work.
B. Site and Utilities

1. Naperville Parking Lot Reconstruction – Phase II
   Total Project Budget: $1,215,000
   Source of Funding: Local Funds - NIU Naperville Operations
   Authorization Date: September 2015

   Status: Phase II Design Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the project is expected to be completed in 24 months.

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

   Status: State of Illinois Department of Transportation will administer this project. The selection process for the civil engineer for Phase I and Phase II engineering design will begin in late spring 2017.

III. Projects in the Construction Phase

A. Remodeling and Rehabilitation

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

   Status: This project encompasses the final phase of the campus alert system. The work is approximately 70% complete. The construction work will be planned and scheduled to take advantage of semester breaks, weekends, and summer schedules. Project has been temporarily delayed due to cash flow considerations. Once the overall University budget is stabilized, the project is expected to be completed in 18 months.

2. Montgomery & Psych/Computer Science – Animal Facilities Renovation
   Total Project Budget: $3,476,535 (estimated)
   Source of Funding: Institutional – Local Funds
   Authorization Date: September 2014
   Architect/Engineer: NIU A/E Services

   Status: Montgomery Hall renovation of HVAC system is complete. Psych/Computer Science renovation is complete. Performance Contract Phase 11A was being leveraged to renovate the HVAC at Psych/Computer Science. The contractor is completing punch list and commissioning work. Final payments are in process.
3. **Adams Hall – Replace HVAC Equipment**
   - **Total Project Budget:** $570,150 (estimated)
   - **Source of Funding:** Performance Contract Phase 11A - Financed
   - **Authorization Date:** December 2014
   - **Architect/Engineer:** Energy Systems Group – Itasca, IL

   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

4. **East Heating Plant – Repair Two Boilers – Burners and Controls**
   - **Total Project Budget:** $290,394 (estimated)
   - **Source of Funding:** Performance Contract Phase 11A - Financed
   - **Authorization Date:** December 2014
   - **Architect/Engineer:** Energy Systems Group – Itasca, IL

   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

5. **Gabel Hall – Roof Repairs Phase I**
   - **Total Project Budget:** $1,250,000
   - **Source of Funding:** Institutional – Local Funds
   - **Authorization Date:** March 2016
   - **Architect/Engineer:** NIU A&E Services

   **Status:** This will be a phased project; Phase I repairs estimated at $250,000 have been completed. As funding is identified, the University will request Board approval to proceed with Phase II repairs. Final payments to the contractor for Phase I work have been made. This will be the final report on this project.

6. **East Heating Plant – New Soft Water System**
   - **Total Project Budget:** $1,363,000 (estimated)
   - **Source of Funding:** Performance Contract Phase 11A - Financed
   - **Authorization Date:** December 2014
   - **Architect/Engineer:** Energy Systems Group – Itasca, IL

   **Status:** Construction work is complete. The contractor is completing punch list and commissioning work. Final payments are in process.

7. **Anderson Hall – Replace Pool Filtration System**
   - **Total Project Budget:** $300,366 (estimated)
   - **Source of Funding:** Performance Contract Phase 11A - Financed
   - **Authorization Date:** December 2014
   - **Architect/Engineer:** Energy Systems Group – Itasca, IL

   **Status:** Construction work is complete. The contractor is completing punch list and commissioning work. Final payments are in process.

8. **Residence Halls – FY17 Rotation Painting**
   - **Total Project Budget:** $249,000
   - **Source of Funding:** Institutional – Revenue Bond Reserves
   - **Authorization Date:** June 2016
   - **Architect/Engineer:** NIU Physical Plant
Status: Work will be scheduled when feasible and will be scheduled to take advantage of semester breaks to minimize disruptions. The work is approximately 50% complete; the work will continue with completion anticipated in June 2017.

   Total Project Budget: $249,000
   Source of Funding: Institutional – Revenue Bond Reserves
   Authorization Date: December 2016
   Architect/Engineer: NIU Physical Plant - A/E Services

   Status: Emergency repair of the 4” diameter main water supply for Neptune Residential Complex has been completed. The current estimated costs of restoration are $192,250 with the understanding that the University’s liability is expected to be approximately $100,000 of this amount after reimbursement from the insurer. Final payments to the contractors are in process.

10. Swen Parson – College of Law – Accreditation Updates
    Total Project Budget: $120,000
    Source of Funding: Appropriated – Income Funds
    Authorization Date: February 2017
    Architect/Engineer: NIU Physical Plant - A/E Services

    Status: Repair work was started and in process during the Accreditation Committee site visit. Work is 75% complete and is planned to continue to take advantage of class schedules and breaks with completion during summer of 2017.

B. Site and Utilities

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

   Status: Construction work is complete on stair #2, #3, and 4; the project is 75% complete. Work on stair #1 is scheduled to begin spring 2017 with completion during summer of 2017.

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

   Status: Construction started in fall 2013 and is approximately 95% complete. A consulting engineer is completing a critical survey of the existing electrical service at each building. This work will continue to be scheduled to take advantage of semester breaks and as schedules allow. The project is expected to be completed late winter 2017.
3. DeKalb Campus - Electrical Infrastructure Replacement Phase III
   Total Project Budget: $2,550,000 (estimated)
   Source of Funding: Appropriated Funds
   Bond Series 2010 Project
   Authorization Date: March 2014
   Architect/Engineer: NIU A&E Services

   Status: Construction work began in late 2014 and is approximately 29% complete. Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the project is expected to be completed in 24 months.

4. Lucinda Avenue Extension
   Total Project Budget: $4,500,000 (estimated)
   Source of Funding: Bond Series 2010 (amended)
   Authorization Date: March 2014 (amended June 2014)
   Architect/Engineer: Knight E/A, Inc. - Chicago

   Status: The contractor is completing warranty work on the storm drain system. Final payments are in process.

5. DeKalb Campus – Grant South Steam Vault Repairs
   Total Project Budget: $750,000
   Source of Funding: Institutional - Bond Reserve
   Authorization Date: June 2016
   Architect/Engineer: NIU A&E Services

   Status: The construction work started in early fall 2016 and is approximately 90% complete and will continue through summer 2017. Anticipated completion will be late summer 2017.

   Total Project Budget: $146,300
   Source of Funding: Institutional – Local Funds
   Authorization Date: March 2017
   Architect/Engineer: NIU DoIT and A/E Services

   Status: The work is approximately 90% complete and will continue through summer 2017. Anticipated completion will be late summer 2017.
Agenda Item 8.a.  
May 18, 2017

BOILER ASSESSMENT AND PHASE I DESIGN  
CAPITAL PROJECT AMENDMENT APPROVAL

Summary: At the March 2016 regular meeting, approval was provided to assess the condition of the fifty-year-old steam boiler and heating system on the DeKalb main campus. The approval included the design effort for the anticipated Phase I replacement of the boiler system estimated at $5 M.

Based on the assessment of the system and evaluation of the possible replacement options, the recommended phase I scope requires the construction of a new building to house the new steam generation capability and the need to replace two boilers initially to provide the minimal operating capability necessary to partially transition from the old system. This results in the following revised estimates:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steam assessment (actual)</td>
<td>$133,794</td>
</tr>
<tr>
<td>Phase I Design and Construction Amendment Approval</td>
<td>$15,800,000</td>
</tr>
<tr>
<td>Total anticipated Assessment &amp; Phase I costs (design &amp; construction)</td>
<td>$15,933,794</td>
</tr>
<tr>
<td>Amended Approval Request</td>
<td>$16,000,000</td>
</tr>
</tbody>
</table>

Funding: Institutional – Bond Reserves / Utility Stabilization Reserve & Appropriated / Income Funds as available. Phase I* includes overall system assessment, design and construction.

Recommendation: The University requests Board of Trustees approval to continue a multi-year project to implement a heating system replacement investment strategy. Amended approval is sought to increase the authorized amount to $16M, and proceed with the design and construction efforts for the Phase I scope for two boilers. The University will provide informational updates to the Board as efforts progress on the design and construction.

* This project in its entirety is estimated at $30M. Phase I is the first of three phases determined to complete this project; Phase I is estimated at $16M, Phase II estimated at $6.5M, and Phase III is estimated at $7.5M.
FISCAL YEAR 2018 WASTE MANAGEMENT AND UTILITIES - SOLID WASTE REMOVAL AND RECYCLING AT NIU DEKALB CONTRACT RENEWAL

Summary: Facilities Management and Campus Services requests permission to issue open orders for the removal of solid waste and recyclable materials for the period July 1, 2017 - June 30, 2018. This is the last year of nine renewal options based on a proposal that was opened on April 8, 2008. The renewal award was advertised in the *Illinois Procurement Bulletin* and has been waived by the Procurement Policy Board.

Funding: Institutional – Local Funds, 41 OP58044

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

*Waste Management of IL Inc. – Batavia, IL* ......................................................... $420,000

Amount Approved for FY17: $420,000
**Agenda Item 8.c.**
*May 18, 2017*

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**FISCAL YEAR 2018 INTERCOLLEGIATE ATHLETICS SECONDARY STUDENT HEALTH INSURANCE CONTRACT RENEWAL**

**Summary:** NIU Intercollegiate Athletics requires annual secondary health insurance to meet the needs for insurance coverage for accident claims for student athletes for athletically related illnesses and injuries. The secondary insurance is required in addition to coverage that the student athletes may have through their own primary insurance. The secondary insurance product being purchased has been designed uniquely and specifically for NCAA members with the Master Policy form negotiated on behalf of the schools in accordance with NCAA regulations. This FY18 approval amount is for the NCAA Group Basic Accident Medical Program Insurance Plan, administrative fees, and aggregate deductible claims coverage, available exclusively through Ascension Benefits & Insurance Solutions/Mutual of Omaha as agent and claims administrator. This renewal is year four of nine, one-year renewal options to be determined annually, based on a Request for Proposal that opened on July 16, 2013. The renewal award will be advertised in the *Illinois Procurement Bulletin*.

**Funding:** Institutional – Local Funds

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

> *Ascension Benefits & Insurance Solutions, IL* ................................. $315,000

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Amount Approved for FY17: $315,000
FISCAL YEAR 2018 INTERCOLLEGIATE ATHLETICS
AIR CHARTER SERVICES FOR FOOTBALL TEAM

Summary: Intercollegiate Athletics requests permission to purchase air travel services for the NIU Football Team. The team will fly out of Rockford, IL, for games at: University of Nebraska-Lincoln, Lincoln, NE, September 16; San Diego State, San Diego, CA, September 30; University of Buffalo, Buffalo, NY, October 14; Bowling Green State University, Bowling Green, OH, October 21 (one way); and University of Toledo, Toledo, OH, November 2. A Request for Proposal will be opened on April 11, 2017, to determine vendor(s) and pricing. Once an award is made, it will be advertised in the Illinois Procurement Bulletin.

Funding: Institutional – Local Funds, 41 TD56481

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

Vendor to be determined ........................................................................................................... $500,000 NTE

Amount Approved for FY17: $400,000
DIVISION OF INFORMATION TECHNOLOGY – VOICE TRUNKING SERVICES AND LOCAL DOMESTIC/LONG DISTANCE SERVICE AMENDMENT

Summary: The Division of Information Technology requests the purchase of voice trunking services, local and domestic long distance service, inbound toll free service, and associated fees and taxes during the period April 1, 2017 – March 31, 2018. This purchase is to continue service while NIU goes through the RFP evaluation process for a new telephony solution. This is a sole source purchase posted on the Illinois Procurement Bulletin under reference # CAB022817. Due to taxes and administrative fees, this purchase needs to be increased by $60,000.00. Original President’s approval was received on March 24, 2017.

(Finite-only--An interim purchase order was previously approved and processed in the amount of $79,900 to cover the period of December 1, 2016 through March 31, 2017.)

Funding: Institutional – Local Funds, 41 UE58184

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY17-18 as follows:

Frontier North – Sycamore, IL

Original Approval ................................................................. $245,000
Amendment ........................................................................... $60,000

New Approval Amount .......................................................... $305,000

Amount Approved for FY12-17 (Nov ‘11-Nov ‘16): $1,500,000
DIVISION OF INFORMATION TECHNOLOGY
EMC STORAGE LEASE

Summary: The Division of Information Technology (DoIT) requests approval to make a $2.777M acquisition of storage equipment and associated software to replace all three types of enterprise storage in use within DoIT. In order to preserve working capital, the University will enter a five-year lease for $555K per year. In comparison, previously the University’s cost for storage was $397K annually, but that expense only included hardware/software licensing and maintenance, and did not invest in capital refresh. The annual lease cost of $555K will provide both hardware/software licensing and maintenance in addition to the acquisition cost for the hardware.

Replacement of storage is necessary because all three types of storage are past their "end-of-life" date, and in July two of the three will also be past their "end-of-support" date. This means that the manufacturer of the equipment will not provide, at any cost, software or hardware fixes when items break. DoIT currently relies on our maintenance contract every week to replace failed hard drives. This storage is where we store critical data and backups of our enterprise systems. DoIT has a strategic plan that involves moving a great deal of our applications and data to the cloud. Because of this, the long-term trend for our on-campus data needs should see declining total storage needs, which has been taken into account in this request.

When replaced, the new storage platforms will lower the cost of per-gigabyte storage by 70% while also allowing DoIT to pursue external revenue from institutions in the region who are already asking us to host their data. DoIT has already had to turn away contracts, but with the new storage we anticipate generating over $500K in external revenue (over the life of the lease) that can help offset the cost of providing for the University’s data storage needs.

This order will be made using an existing Illinois Public Higher Education Cooperative pre-approved vendor.

Funding: Institutional – Local Funds, 41 UB58064

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

CDW-G – Vernon Hills, IL ................................................................. $2,800,000

Amount Approved for FY17 (EMC Maintenance): $397,000
**Agenda Item 8.g.**
**May 18, 2017**

**SCHOOL OF NURSING AND HEALTH STUDIES**
**STUDY MATERIALS**

**Summary:** The School of Nursing and Health Studies requests permission to establish an open order for study guides, practice tests, specialty exams and other materials for all Nursing students for the period of July 1, 2017 – June 30, 2021. The materials will provide the students with the tools necessary to prepare them for the NCLEX-RN exam. The NCLEX exam is the licensure exam all nursing students must pass after graduation to practice as a registered nurse. A program’s first-time NCLEX pass rate is considered by many to be the best single measure of a nursing program’s quality. Specific program completion rates and first-time pass rates are required by the program’s accrediting agency. Following a significant downward trend in its first-time NCLEX pass rate, the Nursing program began using this testing/study package. Since beginning use of these materials in 2013, the first-time NCLEX pass rate has improved markedly. These products, used in nursing programs throughout the United States, are used from the beginning to the end of each student’s program. Pricing remains consistent for each cohort through graduation. The order was advertised as a sole source in the *Illinois Procurement Bulletin.*

**Funding:** Income Funds, 04 MF15301

**Recommendation:** The University requests Board of Trustees approval of expenditure authority for FY18-FY21 as follows:

Elsevier – Houston, TX .......................................................... $450,000

Amount Approved yearly in President’s Report for:
FY17 $90,000
FY16 $85,000
FY15 $80,000
FY14 $80,000
FISCAL YEAR 2018 NIU FOUNDATION PROFESSIONAL SERVICES CONTRACT

**Summary:** The Northern Illinois University 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; administrates, invests and disburses funds; maintains all constituent records; manages and coordinates communications with constituents; and performs alumni relations activities. 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 contract amount assessed is $630,052, which covers partial salaries and benefits for those “assigned employees” as well as a portion of programmatic services in accordance with contract obligations. The remaining portion of the salaries for those employees is paid from the General Revenue budget of the University.

**Funding:** Appropriated/Income Funds

**Recommendation:** The University requests Board of Trustees approval of a renewal order for the FY18 contract for the Northern Illinois University Foundation in the amount of $630,052.

Amount Approved for FY17: $630,052