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*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, normally at least a week before the scheduled Board meeting.
CALL TO ORDER AND ROLL CALL

The meeting was called to order at 3:26 p.m. by Chair Strauss in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Kathleen Carey conducted a roll call. Members present were Trustees Robert Boey, John Butler, Wheeler Coleman, Robert Marshall, Cherilyn Murer, Tim Struthers, James Zanayed and Chair Marc Strauss. Also present: President Doug Baker, Board Liaison Mike Mann, General Counsel Jerry Blakemore, and Executive Vice President and Provost Lisa Freeman, Vice President Al Phillips.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

Chair Strauss asked for a motion to approve the meeting agenda. Trustee Zanayed so moved and Trustee Butler seconded. The motion was approved.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Strauss indicated he had no additional comments or announcements. He welcomed the University Advisory Committee and asked for any comments.

Greg Long responded regarding agenda item 6.b., specifically the rescission of the honorary degree, indicating that both the Faculty Senate and University Council members support this recommendation.

PUBLIC COMMENT

General Counsel Blakemore indicated that there were no request for public comment.

PRESIDENT’S REPORT NO. 105

Agenda Item 6.a. Dean, College of Law

President Baker began, the first item on the agenda is one of a very positive action. It is the appointment of the Dean of the College of Law, Eric Dannenmaier. He comes to us from Indiana University’s School of Law. His specialties are property, natural resources, water, and constitutional law. He has professional experience as well as having served as an environmental attorney and litigator and also was the Director of the Environmental Law Program at the United States Agency for International Development. Very distinguished educational background with doctoral and master’s degrees from Columbia University, a master’s degree from Oxford University and a J.D. from Boston University. It is my recommendation that Dr. Eric Dannenmaier be appointed Dean of the College of Law with the rank of Professor with tenure in the College of Law effective June 1, 2016.
Chair Strauss called for a motion. Trustee Butler so moved and Trustee Zanayed seconded. The motion carried.

**Agenda Item 6.b. Rescind Honorary Degree**

President Baker continued, the second item is the revocation of honorary degree and Greg Long just spoke to that. It’s an unfortunate thing that we bring to you today. As you know I’m sure, Dennis Hastert was recently convicted of felony for fraudulent banking transactions and also provided testimony of sexual child abuse. Consequently, although unprecedented, the Graduate Council's Honorary Degree Committee has reviewed and submits to us a recommendation for revocation of the honorary doctor of laws degree awarded to Dennis Hastert in 1999. I bring to you a recommendation, by unanimous vote of the Graduate Council's Honorary Degree Committee, that the Board of Trustees revoke the honorary doctor of laws degree awarded to J. Dennis Hastert in 1999.

Chair Strauss called for a motion. Trustee Coleman so moved and Trustee Zanayed seconded. The motion carried.

**Agenda Item 6.c. Resolution to Retain 911 Center Public Safety Answering Points**

President Baker continued, the final action item deals with the 911 call center. The State of Illinois has passed a statute to consolidate 911 centers. There’s four in DeKalb County including the County, NIU, City of DeKalb, and the City of Sandwich. DeKalb County is electing to proceed with a consolidation exemption. They’re essentially saying the county would be better if we did not do this and so they’re asking for an exemption. We concur with that. We believe it would increase the response time rather than reduce it and it would not reduce expenses. We bring to you a resolution stating whereas it would be resolved that Northern Illinois University Board of Trustees stands in support of the DeKalb County ETSB and the PSAP consolidation exemption request in order to retain local 911 service calls at each of DeKalb County’s four PSAPs, including Northern Illinois University.

Chair Strauss called for a motion. Trustee Boey so moved and Trustee Butler seconded. The motion was approved.

**OTHER MATTERS**

No other matters were discussed.

**NEXT MEETING**

The Board of Trustees will meet on Thursday, June 16, 2016, 9 a.m., in Altgeld Hall 315.

**CLOSED SESSION**

Chair Strauss asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act, as amended: personnel matters as generally described under sections 2.c.1, 2, 3 and 21 of the Open Meetings Act; collective bargaining matters as generally described under section 2.c.2 of the Open Meetings Act; litigation and risk management matters as generally described under section 2.c.11 and 12 of the Open Meetings Act; discussion involving internal control effectiveness as generally described under section 2.c.29 of the Open Meetings Act. Trustee Butler so moved, seconded by Trustee Marshall. A roll call vote of the Trustees to recess to Closed Session was as follows:
The meeting is now closed and will re-open at the conclusion of the closed session in approximately one hour. The Board adjourned for closed session at 3:32 p.m.

The Board of Trustees of Northern Illinois University reconvened on Thursday, May 19, 2016, at 4:59 p.m. Chair Strauss announced they were reconvening after the closed session and asked for a roll call. Present: Trustees Robert Boey, John Butler, Wheeler Coleman, Robert Marshall, James Zanayed, Board Chair Marc Strauss. Absent: Trustees Cherilyn Murer and Tim Struthers.

### ADJOURNMENT

Chair Strauss asked for a motion to adjourn. Trustee Coleman so moved and Trustee Zanayed seconded. The motion was approved. Meeting adjourned at 5 p.m.

Respectfully submitted,

Kathleen Carey
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.
1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:02 a.m. by Board Chair Marc Strauss in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Kathy Carey conducted a roll call. Members present were Trustees Robert Boey, Wheeler Coleman, Robert Marshall, Tim Struthers, James Zanayed, John Butler and Board Chair Marc Strauss. Members Absent: Trustee Cherilyn Murer.

Also present: President Doug Baker, Board Liaison Mike Mann; General Counsel Jerry Blakemore, Executive Vice President and Provost Lisa Freeman, Vice President Al Phillips, Vice President Anne Kaplan, University Advisory Council (UAC) Representatives Greg Long, Holly Nicholson and Dan Gebo, Catherine Squires, Jerry Blazey, Eric Weldy, Vernese Edghill-Walden, Denise Schoenbacher, Promod Vohra, Lisa Miner, Laurie Elish-Piper. Matthew Holmes, Balaji Rajagopalan, Eric Dannenmaier, and Paul Kassel.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTIFICATION OF PUBLIC MEETING

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

3. MEETING AGENDA APPROVAL

Chair Strauss asked for a motion to approve the meeting agenda with the following items moved to the consent agenda: 8.a.1. – 8.a.13., 8.a.17, 8.a.18. and 8.a.21.; 8.b.1. – 8.b.11; 8.b.13 - 8.b.15. Trustee Coleman so moved and Trustee Butler seconded. The motion passed.

4. REVIEW AND APPROVAL OF MINUTES OF FEBRUARY, 18, 2016; MARCH 17, 2016; APRIL 14, 2016

Chair Strauss noted at today’s meeting we will be approving three sets of minutes. He began by asking for a motion to approve the minutes of the Board of Trustees Special Meeting of February 18, 2016, Trustee Coleman so moved and Trustee Zanayed seconded. The motion passed.

Chair Strauss continued, asking for a motion to approve the minutes from the Regular Meeting of the Board of Trustees March 17, 2016. Trustee Coleman so moved and Trustee Zanayed seconded. The motion passed.

Chair Strauss called for a motion to approve the minutes of the Special Meeting of the Board of Trustees on April 14, 2016. Trustee Marshall so moved and Trustee Boey seconded. The motion passed.

5. PUBLIC COMMENT*

General Counsel Blakemore indicated that there were three requests for public comment.

Derek Van Buer: Good morning. Thank you for the opportunity to speak this morning. I’m going to speak today about ethically inspired leadership and spin control. As many of you are aware there have been many issues with President Baker such as College Town Partners and not-for-profit. Do you remember when he said it to you during a committee meeting that NIU had no financial interest in John Street and
College Avenue, but NIU did. The Alvarez subcontract, the hiring of Wally Pfeiffer, the hiring of Keith Echols, and the list goes on. Recently we had the e-mail from Ron Walters to Wally Pfeiffer which Mr. Walters states, “I was well received although Doug had already gotten some flak for hiring his buddy right off the bat to come in under some lucrative consulting contract that wasn’t put out for bid.” Last evening I e-mailed you information about the super university model. A new board emerged and all foundations and alumni associations access to local taxes. Were you as a Board aware of this activity as I don’t recall it being discussed in an open meeting. Do you know who Craig Burkhardt is? How much has Craig Burkhardt invoiced NIU? When bad news hits President Baker do you know what he does? It appears from his e-mails that he quickly contacts Mr. Teller to do some spin control. Look what happened when the news about the inappropriate travel expenses was released. On February 10, 2016 President Baker penned an article in NIU Today. How did President Baker start his article? It said, “Almost immediately upon my arrival at NIU I set forth ethically inspired leadership as one of the pillars that would support all of my administration’s efforts on behalf of the university. Key to delivering on this commitment is to be clear and transparent in our response to issues raised about our stewardship of university resources.” The article had a link to the Faculty Senate meeting on September 4, 2013. There is a section on ethically inspired leadership. There are five bullets but I will only read the first and the fifth. Ethically inspired leadership requires a leader to behave and make decision in an ethical manner. However, ethically inspired leadership is not merely leading by example. There is an expectation that ethically inspired leadership will be the culture of ethics that permeates all levels of the administration and the entire NIU community. Bullet five states values will be applied to the decision making process in a transparent manner and all within the NIU community, especially the leaders, must be accountable for their actions and decisions. I don’t believe that it was ethically inspired to hire his good buddy Ron Walters without going through the procurement process or any other matters that had been raised. President Baker here’s your chance to abide by item five. Please explain to the Board and the public in a transparent and honest manner. Do not try to spin it. Please be accountable for your actions. If you can’t, I am asking the Board again to take action and either place President Baker on administrative leave or fire him. Thank you.

Sharon May: Good morning. Thank you for the opportunity to speak today. I would like to address the opening comments at the last CARL committee meeting as attributed to Committee Chair Murer. I must say attributed as I was not in attendance and for some reason the audio recording did not start until later in the meeting. But what I was told is that Chair Murer had implied that the OEIG investigation was merely the result of disgruntled employees. Really? Later in the meeting Chair Murer used the word inflammatory to describe a public speakers comments. This could be a good word to describe her comments as well. However, there may be better words to use. Would inappropriate work? Oh yes, with limited exceptions, if any employee did file a complaint with the OEIG it is doubtful they would allow the OEIG to use their name as a complainant due to the known appetite for retribution that has been exhibited by this administration. Therefore this Board probably does not or actually should not know each and every person who filed a complaint. It is inappropriate to create a generic group that is then dismissed as simply “disgruntled employees” and upon which you place all blame for this administration’s violations of state rules. Would irresponsible work? Oh yes, Chair Murer seemed to be akin to wanting to place the blame on someone who reported a murder with the murder rather than charging the person that actually pulled the trigger. The Board is apparently ignoring its own responsibility to investigate an act upon these well documented complaints and instead is irresponsibly trying to shift blame for this administration’s actions to those who possibly reported the violations. But ultimately the best word to describe her comments is irrelevant. The OEIG would not investigate unless there was sufficient cause shown, regardless of the sources of the complaints. Apparently there were enough causes for investigation as it appears they had in excess of 36,000 pages of documents. With 36,000 plus pages there must be at least some truth to the complaints regardless of who filed them. Further, Chair Murer and this Board appear so eager to parse the new ethics rules and focus only upon the penalties for those employees who file deliberate false complaints that they seem to ignore the rest of the new rules. Now an employee must report violations when they become aware of the violation. Must! Therefore, even given Chair Murer’s desire to misdirect the blame for the OEIG investigation if any employee did report
the violations of this administration, he or she should be lauded as proactive under the new rule rather than dismissed as a disgruntled employee. Stop deflecting the blame for the ills that have befallen this institution and act to correct the issue at the source. Please note that as always I speak as an independent individual. I speak only for myself not on behalf of any others. Thank you again for the opportunity to speak.

Bessie Chronopoulos: Thank you for the opportunity to speak. I just gave Trustee Struthers a hard copy of articles from Illinois Leaks. I think you might find them interesting. This is the type of information that citizens like myself, who live in DeKalb, who love DeKalb, whose alma mater happens to be NIU are subjected to on a continual basis and people are very concerned about the stability of this institution. Very concerned. Perhaps some of you in the last couple of years are dismissing some of the information that is coming out about this institution, the negatives. I hope not. I hope you’re really looking into every single allegation and trying to come to a conclusion about what it is that you need to do because I tell you if NIU is not viable neither is the city of DeKalb. As I mentioned to you another time when I came to speak to you, DeKalb and the university are married for life. There is no such thing as a divorce in that relationship and they do need to work together. But I don’t see that happening in a positive way. I’ve been involved in this community for many, many years in many positions and I know some of you personally, we have worked together on a variety of items, and I find it to be very honest, and forgive me for being so bold, appalling that you are not taking a more serious stance on what is going on. You need to speak up Mr. Struthers I know you, Mr. Boey I know you, Mr. Strauss, Mr. Butler. I know you. I know you would not run your personal businesses in a bad way. I know that you would be very, very aggressive about doing the right thing. You need to do the same thing here because the buck stops here. Something is amiss. Something is amiss and it needs to be taken care of and maybe you’ll listen to what people are saying, maybe you’ll dismiss, I don’t know. All I can do is speak out and do my best to advocate for what I think is just and right for this community. Thank you.

Chair Strauss responded thank you. I believe Trustee Coleman would like to speak.

Trustee Coleman responded, first of all I want to thank all of our speakers for coming out today and, for many, for coming out to each and every one of our meetings. I want to let everybody know that we are inundated with e-mails, correspondence and conversations from a handful of individuals and typically the same individuals that are providing us information and concerns about the institution. I want to assure everybody in this room that we don’t take any of these allegations lightly. I also want you to know that there is a process and if the state is investigating then we need to let them do their investigation. I personally take offense when anybody accuses me or other members of the Board of taking their duties and responsibilities lightly. We have a vested interest in this institution’s success. We want to see this institution succeed. We take our responsibility very, very seriously. If someone is advocating that we terminate, suspend, or fire anybody we’re not going to take that action based on some e-mails or somebody getting up in front of us sharing their wishes. It has to be fact based. I know many of the comments that were made, there’s e-mails and FOIA requests that you’re trying to hang your hat on, but there’s a due process here. I believe that we’ve got to let that process take place. I believe we’re also crossing the line when we’re making personal attacks at Board members that are volunteering their time to see this institution go to the next level.

6. CHAIR’S COMMENTS/ ANNOUNCEMENTS

Chair Strauss noted he had no comments or announcements and offered the opportunity to speak to representatives from the University Advisory Council.

Speaker Greg Long commented, thank you Chair Strauss. My name is Greg Long. I am the Faculty Senate President and Executive Secretary of University Council. I have 30 years’ experience as a faculty member and I’m just completing my first year of experience as the Faculty Senate President and I will tell you it’s been an eye opening experience with a significant learning curve. Because prior to this, I had no
experience with the Board of Trustees, the operations, organization, governance documents; so I’ve learned a lot. It’s been a good learning curve and part of that has also then provided me perspective on how much trustees, yourselves, work to support the university and I want to thank you on behalf of NIU and the State for the work you’re doing and encourage your continued advocacy on our behalf. We need you to be talking to our legislators and anything we can do to push things forward to get a budget because everything that we’re doing right now does depend upon having a budget to make the university work. So as a Board, I would encourage you to please continue your advocacy in that regard. Also, another point of suggestion would be to take advantage of us as our University Council Advisory Committee. I think as faculty and staff we have a lot of information and suggestions and perspectives that we would be more than happy to share and would like to play an ever increasing role in that regard. We are working on that. We have a meeting scheduled with President Baker and some others to talk about how we can increase the role and function and efficiency of the University Advisory Council because our inclusion is very important at this point. We are in uncharted waters with the budget impasse, with salary issues, with workload issues, program prioritization, all those things are just what’s happening but they have led to a situation where faculty and staff are frustrated, the morale is low. We’re facing some difficult times now. I think on the faculty side we’ve seen that faculty respond to this and moving to unionization. With that, I support the decisions of the faculty. My role is neither to be opposed to or in support of, so I do support the faculties decision. My concern as we move forward with this though as the Faculty Senate President and Executive Secretary of University Council is that we maintain the integrity of shared governance. That shared governance cannot be pushed to the side. We want to have continued input and responsibility particularly with regard to curricular matters and academic freedom issues. As you’ll hear later, we are continuing to review the constitution and bylaws. You’ve got a report coming later on that and I think that’s going to be helpful as well. As we consolidate and look at policies and placement of where things are and so overall I would just like to thank you for the opportunity to speak this morning and I look forward to our continued interaction and collaboration.

Speaker Holly Nicholson commented, thank you for the opportunity. I was thinking back to last year when we were facing this year of uncertainty and where we are today and I think that we’re in a stronger place. Probably many people couldn’t have imagined that we would be in as strong of a place this year. However, there’s still, of course the fact that we’re facing the same uncertainties coming into this next year. Greg touched a little bit on the challenges that we faced in the past year and staff especially have some additional challenges coming up. There’s some uncertainty about our benefits as it relates to insurance premiums and also a change to the fair labor standards act which could have significant financial implications on possibly 500 of our employees. I’m just asking that the university be open in communications, communicate early and often to mitigate any rumors and to help the staff feel more comfortable. Thank you.

7. REPORTS OF BOARD COMMITTEES AND BOARD LIASIONS

a. Executive Committee

Chair Strauss indicated the Executive Committee has not met so there will be no report.

b. Academic Affairs, Student Affairs and Personnel Committee (AASAP)

Trustee Marshall reported, at the May 19, 2016 meeting of the Academic Affairs, Student Affairs and Personnel Committee, we approved four items for forwarding to the full Board. Those items were the recommendations for faculty promotions, tenure, and promotions with tenure for 2016 through 2017. We also approved a request for a new degree program, the Bachelor of Fine Arts in Dance Performance. Another was the request for a new degree program in the Master of Science in Athletic Training. The last was the review of the Oral English Proficiency Annual Report from the previous academic year of 2014-2015. We did deal with two information items; presentations from the Chief Diversity Officer, the year in review, and presentation on NIU and the Association for Black Culture Centers.
c. Compliance, Audit, Risk Management and Legal Affairs Committee (CARL)

Trustee Struthers, who serves as the Vice Chair, reported the CARL committee met on Thursday, May 19, 2016. The minutes of the February 18, 2016 CARL committee meeting were approved. The agenda for the May 19, 2016 meeting including both information and action items. An update on the enterprise risk management initiative by Dr. Alan Phillips, Vice President for Administration and Finance. Dr. Phillips also provided the committee a summary of the 2015 external audit summary. An update was given by Special Counsel and University Ethics Officer, James Guagliardo, and the governor's executive order 16-04 in whistle blower protections. The executive order imposes additional reporting requirement on all state and university employees. A report of the recently completed quality review of our Internal Audit Department was provided by Danielle Schultz, Director of Internal Audit. It is a pleasure to confirm that the State Internal Audit Advisory Board provided President Baker with a letter accepting NIU's report and confirming NIU's Internal Audit Department generally conformed to the Institute of Internal Auditors International Standards for the Professional Practice in Auditing and Code of Ethics. To report further, it was identified that NIU complied in all material respects with the Illinois Fiscal Control and Internal Auditing Act. Ms. Schultz also provided a review of the Internal Audit Department charter and proposed approval of the charter. The committee unanimously approved the proposed charter. The committee recommends that the full Board of Trustees approve the proposed update internal audit charter.

d. Finance, Facilities and Operations Committee (FFO)

Trustee Butler reported the Finance, Facilities and Operations Committee met on May 19, 2016. The committee considered six information items including a semi-annual progress report of active capital projects; a report of transactions in excess of $100,000; a periodic report on investments; a quarterly financial summary; a fiscal year 2017 internal budget; and a presentation of a five year repair and improvement planning protocol. The committee also considered 14 action items including the fiscal year 2017 university outreach education centers catering services contract renewals; the Intercollegiate Athletics fiscal year 2017 student health insurance contract renewal; the Intercollegiate Athletics fiscal year 2017 air charter services for the football team; the Department of Information Technology security hardware and software amendment; the Department of Information Technology network and communication services voice trunking services and local domestic long distance services amendment; the fiscal year 2017 Department of Information Technology document services and materials management printing paper open orders contract renewal; the waste management and utilities fiscal year 2017 solid waste removal and recycling at NIU DeKalb contract renewal; the fiscal year 2017 EMC maintenance renewal; two capital project approvals, one dealing with Grant South steam vault replacement and another the Holmes Student Center phase one redevelopment project which has significant amount of attention by the committee in prior meetings as well; the Zeke Giorgi Law Clinic lease renewal; a real property lease for the School of Art; the fiscal year 2017 materials, management, commodities open orders; and the fiscal year 2016 internal budget amendment.

e. Legislative Affairs, Research and Innovation Committee (LARI)

Trustee Coleman, who serves as Vice Chair of the committee, reported last month the Legislative Affairs, Research and Innovation Committee report included four items, three of which were presented to the committee. Mike Mann provided an update on the difficult budget situation in Springfield that we all are very familiar with. We were pleased to learn that some partial funding for the university was provided. I'm looking forward to an update today during the President Baker's report on the budget situation. Dr. Anna Quider presented the federal update via Skype. Unfortunately, there has been limited legislative activities in Washington this summer increasing the likelihood of a continuing resolution for fiscal year '17. Among the issues she revealed were overtime rule changes and the cancer moonshot initiative. As part of our survey of NIU research, we heard from the College of Engineering Dr. Mansour who provided an overview of the college program and Professor Sciammarella focused on applied manufacturing. Although not reported verbally, I’d like to mention that the sponsored research in the 3rd quarter
included 45 awards totaling $3.1 million. Cumulative external funding through the end of the 3rd quarter was $17.2 million with an end-year projection of $25 million.

f. Ad Hoc Committee on Enrollment

Chair Strauss reported the ad hoc committee did meet on April 14th. There were four agenda items. Two were updates; one on historical enrollment trends and one on undergraduate recruitment and retention. These were designed simply to provide data over the period of time from the last similar reports received by the committee and give us some context for our consideration of the more in depth issues that were before the Ad Hoc Committee on Enrollment. We spent most time on two other reports; one on graduate recruitment and retention and the other on off campus recruitment and retention. We had focused our primary effort up until these reports on undergraduate, particularly the mechanisms involved with the day-to-day functioning of our enrollment operation. So these last two agenda items before the ad hoc committee were really the start of consideration of new ground to make sure that we understood that there were different mechanisms that were used for the admissions and recruitment processes within those two areas. We have our next meeting scheduled for July 21st.

g. Ad Hoc Committee on Governance

Trustee Butler reported the Ad Hoc Committee on Governance met also on April 14, 2016, where we reviewed the achievements of the committee to date and indicated issues that the committee intended to address going forward. Particular to the April meeting was the committee’s extensive discussion of the naming rights policy we are considering for adoption today. Vice President Alan Phillips described his work with Vice President for Advancement Catherine Squires to put together a proposed new naming policy and an accompanying Board regulation change. The committee offered significant input and recommended that the policy revised with the input under consideration be forwarded to the full board for adoption and that is item 9.b.1 on our agenda today. We then received and update on the ongoing constitution reform effort from Greg Long, the Executive Secretary of the University Council, and considered a reform protocol recommended by the Office of the General Counsel in cooperation with Dr. Long. We also received an update from Dr. Long about changes to Article 22 of the NIU constitution and bylaws which altered the voting threshold for changes to the bylaws which is an important first step in making overall constitutional and university regulation reforms. The committee adopted a motion to delegate the responsibility to the appropriate university staff to participate in the ongoing negotiations regarding the reform of the organic university governing documents and that such university staff remain in close consultation and communication with the committee. Finally, the committee received copies of the existing descriptions contained in the Board bylaws concerning the mandates of each of the Board’s existing standing committees and materials related to the formation of the Board’s existing ad hoc committees. The committee charged itself with the task of reviewing these mandates and goals so that we could discuss possible alterations to those mandates, expansion of the descriptions of those mandates and the bylaws and/or other changes that might be proposed to the Board’s committee structure included possibly making the enrollment and/or matters of the enrollment and/or governance ad hoc committee matters a permanent standing committee concern in some form.

h. Illinois Board of Higher Education

President Baker reported the Illinois Board of Higher Education has not met so there will be no report.

i. Universities Civil Service Merit Board

Trustee Marshall reported, the Merit Board was able to meet on May 11, 2016, and one of the first items before the Board were two discipline cases. In giving some information on that, the Board has the option of termination, suspension, sometimes reassignment to another area for the employee and it exercised in both of the discipline cases this past meeting a 60 day suspension for the two employees involved, and a
reassignment where they could use their current knowledge in another position at their two different institutions. Along with that, there was discussion on changing some of the rules and policies that are tied into the discharge procedures so that is still ongoing and there will be upcoming information to you on that. On proposed rulemaking there was another important item. The code regarding furloughs, while I have no information of any impending furloughs or anything like that at NIU, remember that this furlough rule is set for the state universities and a number of the serving agencies including SURS. With that, it was recommended by the state legislature that the new furlough rule be placed in its own section instead of adding to a current section of the administrative rules. There will be an automatic repeal date of October 1, 2017 for this particular rule when it becomes final. Regarding discharge procedures also, the Merit Board has authorized the circulation of this rule making proposal to the universities that are a part of our system and affiliated agencies for comments and publications in the Illinois register for the first public notice period. Upon a voice vote that was passed, we have action. The system budget for FY2017, while we don’t quite have a budget for this year, a motion was made and seconded authorizing the executive director to implement the FY2017 budget as funds become available. That motion passed. The report of the executive director; in the past there was a question on whether the advisory committees to the Merit Board were obligated to follow the Open Meetings Act. We were able to get an opinion from the Attorney General and the various committees, Human Resource and any of the committees, will be required in their meetings to go by the rules of the Open Meetings Act. There was a legal counsel report and for the year that we’re finishing out, charges for discharge served on employees, 11 employees have requested a hearing out of a total number of 46 who were scheduled for discharge hearings.

j. Northern Illinois University Foundation

Vice President Squires commented, it has been one year since my arrival and I appreciate the opportunity to give you an update on how things have been going. As Trustee Strauss mentioned this is a joint report and I’ll speak to the Alumni Association in a second. First of all, I’m very happy to report that as of the end of May the NIU Foundation has successfully raised $27.5 million on a goal of $16 million for this fiscal year. This is 70% over the goal that we set for ourselves for this year, and 71% over last year’s performance. That’s pretty extraordinary in a time when there’s lots of consternation swirling around campus and around the state. So I’m immensely proud of the staff who’s done a great deal of work to make this happen and I hope that you all will share in my enthusiasm. This eclipses successfully the 2001 which was a $27 million year which the year many of you remember Dennis and Stacey Barsema made their $20 million gift to the College of Business. What’s remarkable, I think as bookends, many of you know Dennis has ended his tenure as chairman of the Foundation Board, so the largest year in the history of giving to NIU was in the year when he made his transformational gift and now we have eclipsed that as Dennis sunsets his tenure. So I think it’s actually perfect to have Dennis end his tenure on such a high note. But like every year for us, philanthropy comes to us in a variety of ways. Cash giving is a very important part of our income. We have many people who generously make multi-year pledges that get collected over time, and then there are generous commitments from donors who recognize NIU in their estate plans and it was nearly 50% of our success this year that came from donors such as those who made a provision and shared with us their plans to remember NIU in their estate plans at a very specific amount. Of course we want to recognize those gifts in the lifetime and it gives us a wonderful opportunity to talk about transformative philanthropy at a time when the donors are with us and very engaged in how their gifts will ultimately be put to work. So I say that for a couple of reasons. I think it’s easy to hear a big number like $27.5 million and wonder where all that cash is, and unfortunately it doesn’t always come that way, but it’s important nevertheless for a couple of reasons. One is we’re probably going to be planning very shortly, as the trustees have indicated an interest, in having a next capital campaign for NIU and having a very strong fundraising year upon which we can build not only our case for support, but our case with donors that despite tough times, philanthropy is making a real difference here at NIU. It doesn’t solve all the problems that we have financially and fiscally, but it really, really helps and I think having a strong year like this becomes something very important upon which we can build. So I would ask that the public record reflect the profound gratitude of the Board and the staff.
of the NIU Foundation as well as all the members of the Advancement Division to the loyal donors, alumni, and friends of NIU for the extraordinary and generous commitment that has been made to NIU this year and on behalf of all of Huskie nation, I acknowledge and profoundly thank the trustees and President Baker for your partnership and your support. It’s a partnership and it takes all of us working together in close concert to make results like this a reality for NIU. Personally I’m immensely grateful that in my first year I have had to do little else than pick up the phone and ask for help and you have been there and I’m immensely grateful, thank you.

k. Northern Illinois University Alumni Association

Vice President Squires continued, on behalf of the Alumni Association, I know that the Board is aware that Joseph Matty, after 15 years of dedicated service, has transitioned to another important role in his career and he left us last week. I am working in very close concert with the NIU AA Board to identify and recruit his successor. Those efforts are ongoing and our goal is to have someone in place by fall. That might feel a little ambitious but the phone is ringing. I think Joe did a number of important things for NIU and not the least of which was raising the public profile not only of our Alumni Association to his colleagues in other institutions, but also the unique partnership between the Foundation and the Alumni Association working together which is very unusual in many public institutes of higher learning. He’s left a foundation that I think is very attractive to other candidates who may come to us from smaller universities and are ready to step up to a bigger job or a number two in a big place who wants to run their own shop. It’s a great opportunity. The phone is ringing. They are big shoes to fill, but I have every confidence that working together with the Board we will identify and successfully recruit a worthy successor. The Board also has undertaken a strategic planning initiative which has been very robust and thorough over the last few months. Many of you, I’m sure, have received phone calls and were interviewed. President Baker has now had a chance to review as I have the first draft of their task force recommendation; and again great, introverted analysis about their own operations, great external review and feedback which will help us with our plans going forward and I think they are eager to share some of their learnings with President Baker with the Chairman of this Board with the leadership of the Foundation and again working all together in close concert. I think we have a lot of good work to do ahead informed by real opinions and that’s never a bad place to be.

Chair Strauss responded, thank you for your report. Congratulations on the first year and please convey our gratitude to the Boards of both organizations.

I. Northern Illinois Research Foundation

Vice President Blazey reported, NIRF met twice since I last reported, on March 10, 2016 and June 14, 2016. At the highest level, NIRF has been working on process improvements and strategy development. As recommended by the recent NIRF audit and consistent with best practices, the NIRF Board has chartered an audit committee to oversee NIRF financial activities. The Board was just sort of doing that itself over the past years and a recommendation was clear that we should have an independent audit committee. The charter was approved March 10th and the committee had their first conference call on June 9th to discuss the upcoming audit and reported back to the full Board at our meeting on Tuesday. Also consistent with best practice, the committee has been updating and completing policies including a bank reconciliation policy, a whistle-blower policy, and record retention policy. During the last two meetings the Board reviewed and improved the process for selecting IP for licensing. Prior to that, the method had been rather ad hoc because our through-put was rather low. It’s starting to require us to take a hard look and actually start thinking about the pros and cons and each licensing opportunity. At this week’s meeting the Board heard the year-end financial report for the year from the treasurer. The report offered context for a lively discussion on future directions and investments for NIRF assets and much like the Foundation, we are starting to think about the strategy moving forward and I’m looking forward to further discussion in this direction.

Trustee Zanayed moved to approve all items above on consent agenda, Trustee Coleman seconded. The motion passed.

**UNIVERSITY RECOMMENDATIONS FORWARDED BY THE BOARD COMMITTEES**

**Agenda Item 8.a.(1) - Recommendations for Faculty Promotions, Tenure, and Promotions with Tenure for 2016-2017 - Consent Agenda**

**Agenda Item 8.a.(2) - Request for New Degree Program: B.F.A. Dance Performance - Consent Agenda**

**Agenda Item 8.a.(3) - Request for New Degree Program: M.S. Athletic Training - Consent Agenda**

**Agenda Item 8.a.(4) - Oral English Proficiency Annual Report 2014-2015 - Consent Agenda**

**Agenda Item 8.a.(5) - Fiscal Year 2017 University Outreach Education Centers Catering Services Contract Renewals - Consent Agenda**

**Agenda Item 8.a.(6) - Intercollegiate Athletics Fiscal Year 2017 Secondary Student Health Insurance Contract Renewal - Consent Agenda**

**Agenda Item 8.a.(7) - Intercollegiate Athletics Fiscal Year 2017 Air Charter Services for Football Team - Consent Agenda**

**Agenda Item 8.a.(8) - DoIT-Security Hardware and Software Amendment - Consent Agenda**

**Agenda Item 8.a.(9) - DoIT-Network & Communication Services - Voice Trunking Services and Local Domestic/ Long Distance Service Amendment - Consent Agenda**

**Agenda Item 8.a.(10) - Fiscal Year 2017 DoIT Document Services and Materials Management Printing Paper Open Orders Contract Renewal - Consent Agenda**

**Agenda Item 8.a.(11) - Waste Management and Utilities - Fiscal Year 2017 Solid Waste Removal and Recycling at NIU DeKalb Contract Renewal - Consent Agenda**

**Agenda Item 8.a.(12) - Fiscal Year 2017 EMC Maintenance Renewal - Consent Agenda**

**Agenda Item 8.a.(13) - Grant South Steam Vault Replacement (Capital Project Approval) - Consent Agenda**

**Agenda Item 8.a.(14) - Holmes Student Center Phase I Redevelopment (Capital Project Approval)**

President Baker: Comments made regarding outgoing deans/new dean – Denise Schoenbachler, Dean, College of Business incoming Dean Balaji Rajagopalan; outgoing College of Engineering and Engineering
President Baker began, I want to take this time to talk about some transitions that are underway. Dean Promod Vohra and Dean Denise Schoenbachler are celebrating their careers and we thanking them for their work. They've done amazing jobs for the university. We're going to miss them deeply. They've left their marks over long periods of time and I'd like to ask everyone to give them a round of applause.

Chair Strauss asked, before you move on, there may be trustees who wish to speak.

Trustee Struthers commented, I know both of these individuals very well and I just look at them as absolutely the models of what we desire to have at our university. I mean talented, caring, committed folks who have really moved the needle. You've done it the right way in my view; and I think and I'll wander a little bit here with Catherine's report of Joe Matty's departure and that just catches my attention in a pretty big way. Another one of our solid contributors and a real pillar in our organization. When I think of the stress in the State of Illinois, the stress of the Illinois system, higher education system in Illinois and the stress of NIU and the importance of good faculty and staff, nothing else happens without the faculty and staff. That's the only thing that matters. The work that's done every day by folks like you and Joe and to see folks leaving for various reasons it's right at the heart and soul of what we need to do to advance. It is with real appreciation that I see as you go about the next chapter of your lives and sincerely thank you for your contributions and hopefully we can replace you and the folks that are sitting in that chair 15 years from now we can say the same about would be critical to the success of our institution. Thank you.

Trustee Marshall commented, rather than addressing you as deans, I would say leaders.

Trustee Boey remarked, I've known both of you for way too many years, over 20 if I remember correctly. Both of you share the same kind of tremendous personalities; honestly, always do the right things and we will miss you dearly. There's no question about it, both of you. Thank you for all those good years and best wishes.

Trustee Butler added, I wanted to just say thank you for your service. I've enjoyed getting to know both of you in particular I've scheduled a visit to both of your colleges and spent half a day with each of you playing around particularly at the College of Engineering we made things and I still have them at home and I recall the process. I learned a lot about some of the laboratories and the research that was going on, and in the College of Business I learned a great deal about the graduate programs and the experiential learning center. Both of you have lead vibrant colleges and you've witnessed the advancement of those colleges and been significantly involved in a number of efforts to increase the activity of graduates of the college in terms of finances and donations to the university and the development of programs. Promod in particular, as most of us in this room know, literally has been involved with the college from the ground up and leaves it in terrific shape. Thank you very much for your service and I hope that you'll stay close to us Promod and I know that you will as well Denise.

Trustee Coleman commented, first of all I want to say congratulations on a really successful career here at NIU. We know you will do well in your next endeavor. We appreciate the leadership that you've provided for both the College of Business as well as the College of Engineering. I envision both of the colleges as growth engines for this institution. It's remarkable how my interaction in the business community how people talk about both our College of Engineering as well as our College of Business. We're going to miss you, but you laid a great foundation and that we're going to attempt to build on.

Chair Strauss noted, I’ll add my thanks as well. I know Promod is going to continue to live in the community so we look forward to your participation as you’re able. Denise, my understanding is that...
after a brief absence, you're going to remain on campus. We look forward to your continuing contributions. Thanks again for your service.

President Baker continued, we have all four incoming deans with us today and I’d like to have each one of them come to the podium and introduce themselves and say a few words about their visions. We’ll start with the College of Business, Dean Balaji Rajagopalan. Will you come up and say a few words.

Dean Rajagopalan began, good morning. It’s been a pleasure and I’m really honored and humbled to be given this tremendous opportunity as you all heard about the tremendous work that Denise has done over the years. I hope I can continue to build the College of Business and hopefully in the many years to come that you will hear great things happening like you did for the many years that she had worked on. I want to thank everybody during the process. When I first came to the airport interview and met the committee, I felt this was the place where I could work with a group of people that are inspired and inspire me to do great work. Thank you very much for this tremendous opportunity and I hope to continue to work with all of you.

President Baker continued, next Eric Dannenmaier, the incoming dean for the College of Law. As we all know we have not had a state budget yet and it’s not the easiest place to hire somebody to come to, but we did. We hired four amazing people to lead the colleges. My congratulations to Lisa Freeman as the Provost and Executive Vice President for guiding those efforts to the search teams and actually to the consulting firms that helped us, the search firms get great pools of candidates and you’ll see each one of these people is very distinguished and is going to contribute a great deal to this institution.

Dean Eric Dannenmaier, College of Law, began, thank you President Baker, Chairman Strauss, trustees, and the Provost for the trust, the faith you’ve shown in me to invite me here to join the College of Law. These are not easy times in higher education generally. They’re not easy times in legal education. There’s a lot of change, but there’s a lot of opportunity. There’s an excellent foundation both at the university and at the law school and I’m looking forward to building on that. There are opportunities in student recruitment, working up stream, bringing in even better performing students. There are opportunities in academic initiatives both at the law school and also interdisciplinary initiatives across colleges and I’ve already been engaging in my first eight business days on campus, with my colleagues and other deans to talk about those initiatives and there are opportunities to strengthen the student experience. Obviously that feeds back into the recruitment potential and the academic experience. I too am please, humbled indeed to be here and to be joining this really impressive community, this family if I may, and I look forward to working with you all.

President Baker asked Dean Laurie Elish-Piper, College of Education, to speak next. She is outgoing interim dean of the College of Education and the incoming permanent dean of the College of Education.

Dean Elish-Piper responded, good morning. I guess I’m unique in the sense that I’ve been here since 1995. I started my academic career as a brand new Ph.D. Assistant Professor and I never thought I would have the opportunity to serve as acting dean of the College of Education this past year. It’s been an amazing opportunity to work on the climate in the college, to work on leveraging some of our strengths to really come together and look at opportunities to work to build our programs, to enhance our recruitment and retention, to build engagement opportunities for students, to look at opportunities to build mentoring for both faculty, staff, as well as our students. Then to have the opportunity to not only be the acting dean, but to be the real dean is very exciting as well. So I’m really looking forward to working with the wonderful faculty, staff, students, our alumni, our community, and school partners to move the College of Education forward into the future. Thank you for the opportunity and it’s great to say that as an internal person at NIU that I hope to not only have built my career here but to finish my career here as well.

Lastly, President Baker asked Dean Paul Kassel, College of Visual and Performing Arts, to speak.
Dean Kassel began, I began my career as a performing artist many, many years ago as a young man and it's surprising to be at this position. I'm really gratified and honored of course. I echo the sentiments of my fellow deans how grateful I am and how wonderful the process has been to arrive at this moment. Being a performing artist in New York City, it was the last thing in my mind that I'd end up being a dean, but looking back I see the trajectory actually has a through line and it's my commitment to the arts and my passion for arts and arts education that it is. As Susanne Langer, the philosopher, said the creation of forms symbolic of human feeling, and recently, a professor of Northeastern University, published an article in New York Times about how emotional intelligence can be found in increasing the vocabulary and that vocabulary can be best achieved through the study and making of art because art gives name to the unnamable, that feelings that cannot be otherwise articulated except in the forms of art. It's my privilege and honor to champion art and the study of art and to bring it all to students, faculty, administrators, staff, and to the greater DeKalb community.

President Baker added, that's an impressive cast of deans. I want to recognize three other people. We had two interim deans, Paul Bauer from the College of Visual and Performing Arts and Mark Cordes from the College of Law. I want to thank them for serving nobly this year and doing outstanding jobs in the transition. Then one final transition that's underway, Dr. David Stone who is working diligently under enterprise risk management, has taken a new job. Dr. Stone will become the Chief Research Officer at Oakland University in Rochester, Michigan. This will allow him and his family to return to Ann Arbor where their family is. He will serve as a professor of public health and a professor of philosophy there as well as the Chief Research Officer. We want to thank you for your decades of long service to us and most recently your enterprise risk management.

Chair Strauss noted, we will move on to Action Item 8.a.14.

President Baker responded, the first item is Holmes Student Center Phase 1 Redevelopment on page 44. As you know, we've had almost two years now of looking at Holmes Student Center and the core of campus and what we want to be doing there. We're now at a point where we want to move forward with additional architectural work. During that process, we identified Holmes was probably the place with the greatest potential to provide catalytic changes to the look and feel of campus, particularly the core of campus, and we need to do that through updating our existing facilities. The student center was initially the focus of our investments, in particular on the ground floor renovations involving restructuring the food and retail operations and accomplishing some critical repairs to the area, as well as helping the flow of traffic. As you probably know, that's a kind of chopped up area that's hard to navigate and not very welcoming. As we go through this process we'll continue to give you progress reports and show the Board where we're going. We will come back to you with more details as we get to the construction phase, but this is the next phase of architectural design. We'll be using the 2010 Build America Bonds, the series 2010 Build America Bond funds that we need to expend shortly because of the time we've had them. We've also unencumbered some of those dollars that were headed for parking lots P and PS, about $1.7 million, and pulled them back to put it in this project so we have adequate funds to do that. So we're shifting funds from parking and allocating them to this project. Our recommendation is that the Board authorize to contract with an architectural and engineering firm and proceed with the design phase of this project based on a total project cost of approximately 20 million dollars. This approval includes the authorization to unencumber those two parking lots P and PS and to make appropriate requests to the Illinois Board of Higher Education. Updates will be provided to the Board as appropriate and once the design phase has been completed, subsequent approval of the project will be requested from the Board prior to proceeding with constructions.

Chair Strauss asked for a motion to that affect. Trustee Struthers so moved and Trustee Coleman seconded followed by discussion.

Chair Butler commented, I just want to point out to the Board and the public here that this has been a project that has received a significant amount of attention from the Board. The Finance and Facilities
Committee has received three full scale comprehensive reports on this project and engaged the presenters with a significant amount of questions both at the meeting and members individually subsequently going on now for quite some time. I greatly appreciate as Chair of the Finance and Facilities Committee the work of the university administration and the capital planning personnel on this project. They’ve worked really closely with us and answered a lot of our questions and gone back to the drawing board so to speak many times. I think what we have here is a big project and it’s a big project in the context of the state’s current situation and the universities current situation, but it’s an important project. I’m grateful, and I think I speak for the Board when I say that we are grateful for the work that you have done on this.

Trustee Boey added, I’m truly excited. I see a chance to elevate the campus at NIU with the completion of this project. When we have people around here who have seen this campus for way over 20 years and this is the first major change we’re going to make. The other day when I got a chance to drive on this straight road, all the way on Lucinda, all the way straight through to the Convocation Center. It’s exciting. This is another chance to elevate our campus appearance. I think it’s an opportunity to do this.

Trustee Struthers commented, I would ask that emphasis on the plan includes significant exterior enhancements that has a conspicuous change to the overall appearance and an inviting and welcoming and easily accessible access to that building and something that as folks look at the campus at a broad high level that it is clearly a vibrant place and a center of campus. The other comment would simply be to again emphasize the obvious of the strict adherence to our procurement processes as we go about the hiring of the architects and engineers.

Trustee Zanayed added, I also want to extend my excitement for this project. When I was in undergrad here in the student government, this project was number one on our list that we thought would really improve student life on campus and I know that once some of my old colleagues find out about this project they’re going to be very excited and know that at least they contributed to the change. I really appreciate the work done here.

Trustee Marshall commented, looking at the areas of retention and recruitment, when you think about first sight on a campus for potential incoming students, it would be great to have someplace that they really like. In this area it will be important that students who come into the center during their years at NIU will be there because of the activities and a comfortable place to be. I sense you’ll also raise the retention rate.

Chair Strauss called for a roll call vote:

- Trustee Robert Boey: Yes
- Trustee Wheeler Coleman: Yes
- Trustee Robert Marshall: Yes
- Trustee Cherilyn Murer: Absent
- Trustee Tim Struthers: Yes
- Trustee James Zanayed: Yes
- Vice Chair John Butler: Yes
- Chair Marc Strauss: Abstain

Motion Passed.

**Agenda Item 8.a.(15) – Zeke Giorgi Law Clinic Lease Renewal**

President Baker continued, the next item is the Zeke Giorgi Law Clinic lease renewal. As many of you know, we have an outstanding program in downtown Rockford. That’s where our third year law students serve those who would otherwise not have legal services. I’ve met with the bar and the bench in Rockford and they’ve been extraordinarily positive about this program. It’s a real model for our students to go and work there. Some of the students I’ve interviewed have said I learned doctrine in DeKalb and learned how to be a lawyer in Rockford at the Zeke Giorgi Clinic. It’s a transformative place. They do criminal defense, elder law, domestic and violence, and mediation kinds of work. They’re right downtown where they need to be near the courthouse. We have a lease renewal. It expires currently June 30, 2016 and based on an RFI opened April 20, 2010, NIU wishes to exercise the second of two three-year renewal options and the lease agreement would begin July 1st, 2016 and end June 30, 2019. The lease terms are
for this 13,000 square foot facility at a rate of about $106,000 per year. The university requests the Board of Trustees approval of expenditure authority for the fiscal year 2017 through 2019 for the Urban Properties LLC in Rockford for that amount.

Chair Strauss asked for a motion to that affect. Trustee Coleman so moved and Trustee Marshall seconded followed by discussion.

Trustee Boey noted, I would just add one comment. It may not be public knowledge, but Zeke Giorgi’s own daughter was one of the original trustees of NIU when we had our first Board of Trustees. It goes far back and Zeke Giorgi’s location continues to be, as you said, a gathering area for our future lawyers. It’s exciting.

Chair Strauss called for a roll call vote:

Trustee Robert Boey: Yes  Trustee Tim Struthers: Yes
Trustee Wheeler Coleman: Yes  Trustee James Zanayed: Yes
Trustee Robert Marshall: Yes  Vice Chair John Butler: Yes
Trustee Cherilyn Murer: Absent  Chair Marc Strauss: Abstain

Motion Passed.

Agenda Item 8.a.(16) - Real Property - Lease for School of Art

President Baker continued, the next Item is 8.a.16. for the lease for the School of Art in downtown DeKalb. The university currently leases art studio space for a 3D graduate art program at that location. We wish to exercise the one five year renewal option that we have. That will begin July 1, 2016 through June 30, 2021. I will note that our Administration and Finance area is looking at all of our leases around the city and other locations to make sure these are appropriate and if there are better ways to do that. At the current time this does look like the right step to take but we will continue to review these and see if there are ways to reduce our lease costs for these kinds of programs. The program has been there for a number of years and the current space serves it well. The university recommends to the Board of Trustees approval to enter into a five year lease renewal agreement under the above terms and conditions for the fiscal year 2017 through fiscal year 2021 and the total cost over that period would be $479,940.

Chair Strauss asked for a motion to that affect. Trustee Coleman so moved and Trustee Butler seconded.

Chair Strauss called for a roll call vote:

Trustee Robert Boey: Yes  Trustee Tim Struthers: Abstain
Trustee Wheeler Coleman: Yes  Trustee James Zanayed: Yes
Trustee Robert Marshall: Yes  Vice Chair John Butler: Yes
Trustee Cherilyn Murer: Absent  Chair Marc Strauss: Abstain

Motion Passed.

Agenda Item 8.a.(17) - Fiscal Year 2017 Materials Management Commodities Open Orders - Consent Agenda

Agenda Item 8.a.(18) - Fiscal Year 2016 Internal Budget Amendment - Consent Agenda

Agenda Item 8.a.(19) - Fiscal Year 2017 NIU Foundation Professional Services Contract

President Baker noted, the next item is the 2017 NIU Foundation Professional Services contract. As you know we contract with the Foundation, which is an independent 501C3, to support the mission of NIU through fundraising asset management related support activities. The contract amount is $630,052 which covers partial salaries and benefits for these assigned employees as well as a portion of programmatic services in accordance with the contract obligations. The remaining portion of the salaries for those
employees are paid from general revenue budget of the university. We ask at this time the Board of Trustees approve a renewal order of the fiscal year '16 contract for the Northern Illinois Foundation in the amount of $630,052.

Chair Strauss asked for a motion to that affect. Trustee Struthers so moved and Trustee Boey seconded. Motion Passed.

**Agenda Item 8.a.(20) - Fiscal Year 2017 Internal Budget**

President Baker noted, the next Item is 8.a.20. Fiscal Year 2017 Internal Budget. I believe Vice President Phillips has spoken to most of you about this and given you an overview. Obviously an important piece for us given where we are with the state. We do need to move the institution forward. We have the resources to do so. With that, pursuant to the Board of Trustees bylaws, the university requests the Board of Trustees approval for the fiscal year 2017 internal budget as outlined in table 2.

Chair Strauss asked for a motion to that affect. Trustee Butler so moved and Trustee Zanayed seconded followed by discussion.

Trustee Struthers asked on page 1 is the 2016 expenses, I’m reading that to be the projected fiscal or actual fiscal 2016 expenses.

Vice President Phillips responded, that's correct.

Trustee Struthers continued, then we turn to Table 2 which is what we're essentially looking to approve, is the projected revenue for 2017 and in that we have gifts, grants, and contracts that 58 university income funds and general funds.

Vice President Phillips responded, the key issue there is the level of our assumption for the level of state funding.

Trustee Struthers added, that's my question and where is that in those line items and what number is it?

Vice President Phillips responded, that is the very first number, the general GRF funding. That assumption is based on the Governor's recommendation to the General Assembly that he made. This number is different than the number for fiscal year '16 which to date is only $26.4 million. While we do not know exactly what that number is going to be as the folks in Springfield are still trying to sort that out. The request is for the authority to spend up to the $417 million level which is actually less than we actually spent for fiscal year '16 with the understanding that once we do have a final appropriation and know what that number is going to be, we will come back to the Board with a final budget for fiscal year '17. This is a provisional budget. This gives us the authority to spend funds as of 1 July and it's based on an assumption that we would get $72 million from the state. That's a 20% reduction in funding from 2015 which was the last year we received a full appropriation. That's $10 million more than we budgeted for in '16 of which we got $26.4 million.

Trustee Struthers responded, I fully understand all of that, I just needed to know where exactly that number was and it does strike me that that is an aggressive position to budget the $72 million. No one can predict exactly what we will get of course.

Vice President Phillips responded, that's correct. Normally we try to pick a number that has been put on the table. We are however running a number of different scenarios based on different levels of funding we might receive from the state that would be other than that.

Trustee Struthers noted, I get the fact too if we put a very low number in there does that to some degree telegraph or send a mixed message that that is what we could survive on. I get the optics of that.
Vice President Phillips responded, we would prefer to use the governor’s number.

Trustee Struthers agreed. Let me ask from a practical perspective, if we learn throughout the year at some point that the number will be less, just as you mentioned; so the appropriation comes back at a higher number we would readjust. Would we also readjust our expense plan should the number be lower as soon as we know that number?

Vice President Phillips responded, correct and actually this is the revenue side; we are still working to address the expense side. We are asking for authority to spend up to that level. We should know long before we ever get to that point what our funding from the state would be and at this point in time nobody knows.

Chair Strauss noted, in addition to having the administration come back to us in the event that events change, we also retain the ability given our read of what’s happening to ask for a revision. I just want to make sure that this is clear that it works both ways and it’s an unusual situation and if we don’t have any guidance from Springfield, but it’s a normal occurrence for us because we, for quite some time, have never had firm guidance from Springfield before we enter into a fiscal year. We have to take some leap of faith to authorize the expenditure of funds between our meetings. So that’s really the action that we’re taking today.

Trustee Coleman asked, if this is a provisional budget, should we call it such? I know we haven’t in the past. Is that something that we want to continue to do in light of what’s going on in Springfield?

Chair Strauss responded, if you feel strongly about it we can amend the motion to retitle the budget, but I believe in the comments so far it’s clear that that’s the way that it’s being viewed.

President Baker noted, I would just say all budgets are provisional. You make adjustments as you see the revenues and expenses and you hit things you didn’t know were coming at you and you have to make adjustments throughout the year. We will certainly come back to you given this rather unusual environment that we’re in as we know more from the legislature.

Vice President Phillips added, in the financial reports that we bring to the Board you will see the actual numbers so you’ll be able to tell exactly our revenue and expenses to date based on the reports we provide the Board. So that will also provide additional information.

Chair Strauss called for a vote and the motion carried.

**Agenda Item 8.a.(21) – Audit Department Charter Approval – Consent Agenda**

**UNIVERSITY REPORTS FORWARDED BY THE BOARD COMMITTEES**

**Agenda Item 8.b.(1) – Presentation: NIU and the Association of Black Cultural Centers – Consent Agenda**

**Agenda Item 8.b.(2) – Presentation: Chief Diversity Officer: Year in Review – Consent Agenda**

**Agenda Item 8.b.(3) – Semi-Annual Progress Report of Active Capital Projects- Consent Agenda**

**Agenda Item 8.b.(4) – Quarterly Summary Report of Transactions in Excess of $100,000 – Consent Agenda**
M. Mann reported on May 19th I gave the LARI Committee an update on the progress in the optimistic hope for some sort of budget resolution that might be achieved by May 31st and I had hoped that by today’s meeting I’d be able to come here and share with you some results. Unfortunately, that’s not really the case. As you know, the General Assembly adjourned on May 31st without reaching a solution or compromise on either an FY16 budget or an FY17 budget for the state. There are bipartisan working groups that continue to work behind the scenes to find some sort of solution that will keep the state operating. Details coming out of those groups are pretty limited. They’re so limited in fact and I’m not even sure that some of those members themselves know if they’re working on an FY16 conclusion budget or an FY17 bridge budget or a grand compromise that includes 16 and 17 and revenue options. It’s very, very inexact on the type of information coming out of Springfield right now. I will tell you that there is some hope, cautious optimism that the June 30th deadline is prompting rank and file legislators to want to reach an agreement on something despite the rhetoric that is still coming out from the governor’s office as well as the Speaker of the House. You may recall near the end of the legislative session that the Speaker pledged that the House would be in session, they would work on Wednesdays through the end of June. So far this month both of the Wednesday sessions have been canceled. However, behind the scenes the working groups continue to meet anyway. I don’t know how much progress they are making. I would like to turn your attention to the table that’s up on the screen and the page that has been passed out. On May 30th the day before the adjournment date, the Governor’s office proposed an FY17 bridge budget that would provide higher education with $600 million as well fund to K12 and some other aspects of state operations. In the table you will notice that one of the components of this bridge budget is funding for each of the public universities and you’ll see that we are treated like the U of I system and the SIU system and several other institutions where in this bridge proposal we would only receive about 31% of our FY15 final state budget. That corresponds to the percentage increase you see in the table of a negative 68.9%. You will also notice that there are three institutions who, in the waning days of the legislative session, made a pitch to the Governor’s office and the legislative leaders that without some sort of bridge funding that they might have difficulty making their payroll come August. Those three institutions in this proposal receive approximately 85 to 87% of their FY15 budget. The three institutions being Chicago State, Eastern and Western. This bridge proposal which came out May 30th was put into Senate Bill 3435 and House Bill 6585, however the General Assembly did not take action on this legislation on May 31st. We are hearing that this bridge proposal remains to be the basis of some sort of model that the legislative working group is working toward. President Baker and I are working to advocate our position. We are working with the other institutions that only receive 31% in this proposal and we are advocating heavily for equal treatment for all of the institutions. The six month budget should include, if that’s the road they go down, a six month budget should include 50% for all schools and not differentiate in this manner. That’s the work that we’ve been pursuing in recent days. The only other thing I would mention is that on June 28th the Illinois Coalition to
invest in higher education is holding a budget rally and press conference in Springfield urging legislators to once again take action before the state’s system of higher education is dismantled and I think I’ll stop there and see if anybody has any questions.

Trustee Butler asked, what you refer to as the June 30th deadline is tethered to the Speaker’s promise.

M. Mann responded, I’m sorry, the Speaker’s promise to continue meeting through the end of the state fiscal year?

Trustee Butler noted, is that what is represented by the notion of a June 30th deadline?

M. Mann responded, well that and just being the end of the state fiscal year upon which the state comptroller has predicted that once we kick into FY17 there are a lot of various components of state budget, state operations that will cease come July 1st. Also there’s a major concern that without something happening very soon that K12 schools will have difficulty opening in time come August.

Trustee Butler continued, my second question is the position of the monetary award program in all of this mix, is there any dialog on that?

M. Mann responded, you’ll notice and this is very distressing and this is one of our other key arguments that I’ve been making to legislative staff, you’ll notice in the bridge budget which is the final column before the change columns, the monetary award program is not funded in the bridge proposal. I don’t know the reason for that. President Baker and I both have argued, have questioned that, have argued for that and will continue to do so. We have heard that the working groups are also concerned about the lack of MAP in any type of six month budget or bridge budget. We’re still advocating for FY16 spring MAP funding as well as prospective FY17 MAP funds, but you are correct, it’s not in the mix in this current bridge.

Agenda Item 8.b.(13) – Federal Legislative Report– Consent Agenda

Agenda Item 8.b.(14) – Sponsored Programs Administration Report– Consent Agenda

Agenda Item 8.b.(15) – Engineering Research Overview– Consent Agenda

ITEMS DIRECTLY FROM THE PRESIDENT

Agenda Item 8.c.(1) – Search Firm Services for Dean of College of Engineering and Engineering Technology

President Baker began, this is the authorization to retain executive searches to support components of the next permanent Dean of the College of Engineering and Engineering Technology. As I introduce that item I do want to note that Provost Freeman has appointed Omar Grayed, who is the Associate Dean currently, as the Acting Dean of the College of Engineering and Engineering Technology. He has a strong career and has been at the university a long time and really helped build both his department before moving into the Associate Dean role and subsequently in the Acting Dean role. We welcome him aboard. I don’t think he’s here today but will be introduced at a later time and we will bring him forward at the next Board meeting. His appointment pending your approval at that time. I think here we show that we hired outstanding deans and we couldn’t have done it without the search firms I believe. It’s our recommendation that the President be authorized to select an executive search firms services to support the search of the Dean for the College of Engineering and Engineering Technology. Further it suggested that a fee for service model be pursued in order to allow the university to purchase selected components of the search process thereby utilizing search firm services in a cost effective manner. It’s recommended that the President report back to the Board regarding the selection and the status of the search.
Chair Strauss asked for a motion to that affect. Trustee Coleman so moved and Trustee Boey seconded, followed by discussion.

Trustee Struthers asked, I’d like to be informed as the process goes along regarding the fee for service. I appreciate that and the focus on trying to be as cost conscience as we can, but it would be nice to be informed as we go along how that model and expectation is being achieved based on expectations.

President Baker responded, this is the first time we've used it here and so we'll be studying it, assessing it, and we'll report back to you.

Chair Strauss called for a vote and the motion passed.

9. CHAIR’S REPORT NO. 74

Agenda Item 9.a. – Closed Session Minutes Review and Release

Chair Strauss indicated there are three items on his report today. Item 9.a relates to closed session minutes review and release. The Illinois Open Meetings Act requires public bodies to review the minutes of their closed session minutes on a semi-annual basis and to determine what parts of the minutes they should make available to the public because they no longer require confidential treatment. Upon review and advice of the Board's parliamentarian, it’s recommended that the Board approve no additional release from confidentiality of any of the previously unreleased sessions of the executive session minutes at this time. Those sections which are still subject to confidentiality together with sections from subsequent meetings will be considered again in six months.

Chair Strauss asked for a motion to approve. Trustee Coleman so moved and Trustee Butler seconded.

Chair Strauss called for a roll call vote:

Trustee Robert Boey: Yes
Trustee Wheeler Coleman: Yes
Trustee Robert Marshall: Yes
Trustee Cherilyn Murer: Yes
Trustee Tim Struthers: Yes
Trustee James Zanayed: Yes
Vice Chair John Butler: Yes
Chair Marc Strauss: Yes

Motion Passed.

Agenda Item 9.b.1. - Ad Hoc Committee on Governance Proposals - Naming Rights

Chair Strauss continued, 9.b.1 is a proposal regarding naming rights. The members of the Ad Hoc Committee on Governance will recall that there has been discussion on several occasions regarding this proposal. We have had a very short statement regarding naming rights that respected that the Board of Trustees retained final authority with regard to naming rights matters that were a portion of one of our governing instruments. This has provided insufficient guidance in many circumstances. Some of them have come to the Board on a hap-hazard basis as need arose and they included proposals to name various building components. Thinking that it was time that there be an integrated approach to the consideration of all of the issues related to naming rights and reconcile various documents that we had including university policies for bylaws, university regulations; the Foundation and the university administration have worked cooperatively to be able to develop a new set of documents that will stand on their own and will allow us to take a fresh look at the way in which all of these items are being handled. In very broad brush stroke, items that relate to the naming of an entire facility, a building, will still wind up after a full work-up by the Foundation and the university administration accompanied by a recommendation, come to the Board for final approval. Those items that relate to the naming of a facility component, such as a room, a hallway, a bulletin board, anything else to which naming rights might be available would be processed consistently pursuant to a new university policy which is in the material that you have been provided. Again, I’m speaking in very broad strokes as to what was intended by the material that's in front of us today. In the event that we have changes to the university policy that would
impact the naming of something other than a facility, the proposed amendment to those regulations or the policy would come back to the Board for approval before it would be implemented. The overall concept is that with regard to anything less than a building there is delegated authority, but the process changes would come back to the Board so that we would have the opportunity to monitor it again.

Vice President Phillips added, in terms of a clarification of the documentation, there’s actually two documents. The last page of this item actually relates to the Board regulations. The rest of the document is the university policy for naming. So there are actually two documents. I just want to make sure that you were aware that one is a Board document; the other is a university document.

Chair Strauss continued, the action that’s required of us is the approval of the proposed changes to the regulations. Can I have a motion to approve the proposed changes to the regulations relating to section 6?

Trustee Butler so moved, and Trustee Struthers seconded the motion. Motion passed.

Agenda Item 9.b.2. - Ad Hoc Committee on Governance Proposal - NIU Constitution Article 2 Revision

Chair Strauss continued, Agenda item 9.b.2 relates to a proposed modification the NIU Constitution Article 2. Again, let me make an effort to summarize and to the extent that I haven’t accurately summarized it, we’ll defer to Dr. Long. This comes as a result of the work of the University Council. Their interest was to see that the time tables were aligned between the compilation of data which was used to be able to determine the representation of people who were going to stand for election for seats within the University Council, line up with the calendar for that election. All that’s happening is that the amendment changes the reference date for the data to be used so that it’s the most current data that would be available prior to the election. The recommendation is that the university requests that the Board of Trustees adopt the amendment to change Article 2.2.3. of the NIU Constitution and Bylaws to use data collected and reported by the Office of the Executive Vice President and Provost in September of each year when determining the reapportionment calculation for faculty seats available to serve on the University Council. Can I have a motion to that affect please?

Trustee Butler so moved and Trustee Zanayed seconded. Trustee Butler noted, this was one of those items that was enthusiastically received by the Governance Ad Hoc Committee also. Motion Carried.

Agenda Item 9.c. - Resolution Honoring Student Trustee James Zanayed

Chair Strauss continued, Agenda item 9.c. is a resolution honoring Student Trustee James Zanayed for his service. Before I ask Trustee Zanayed to join me at the podium we’ll read the resolution, can I have a motion to adopt it please? Trustee Butler so moved and Trustee Boey seconded. Motion passed.

RESOLUTION
HONORING
STUDENT TRUSTEE JAMES ZANAYED

WHEREAS, James Zanayed has faithfully served as a student member of the Northern Illinois University Board of Trustees from March 17, 2016, through June 30, 2016; and

WHEREAS, prior to his appointment as Student Trustee, James has been very active on a variety of committees serving in a variety of roles representing students and working to improve student life on-campus and off-campus. He has served as the Speaker for the Student Association and Chairman of the Campus Life and Greek Affairs Committee of the Student Association. James also served as a member of the Mass Transit Board of the NIU Student Association. During his sophomore year, he
served on the DeKalb Mayor’s Housing Task Force, which examined many issues, most notable, safety for students living off-campus.

WHEREAS, as a member of the Board of Trustees, James contributed valuable insight and information regarding the student perspective. James served as an active and engaged member of the Ad Hoc Committee on Enrollment; the Academic Affairs, Student Affairs and Personnel Committee; Legislative Affairs, Research and Innovation Committee; the Finance, Facilities and Operations Committee; and, the Compliance, Audit, Risk Management, and Legal Affairs Committee; and

WHEREAS, we, as his colleagues on the Board of Trustees, want to express our appreciation for James’ service to the NIU students and community, congratulate him on his achievement of his undergraduate degree in Political Science at NIU and wish him continued success at the NIU College of Law and future completion of a Juris Doctorate of Law; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Northern Illinois University in formal meeting herein assembled, extends its grateful appreciation to James Zanayed for his leadership and service to Northern Illinois University students and the Board of Trustees.

BE IT FURTHER RESOLVED that this RESOLUTION be presented to James Zanayed and a copy of this document be placed in the official files of the Board of Trustees as part of the permanent record of the university and the great State of Illinois and as a lasting tribute to the accomplishments of James Zanayed.

Adopted in a regular meeting assembled this 16th day of June 2016.

BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY

Marc J. Strauss
Chair

Robert T. Marshall
Secretary

Trustee Zanayed commented, thank you everybody. Those are such kind words. Thank you both Chair Strauss and thank you to the rest of the trustees. It’s been an honor to work with all of you even though it was a short time it really was an honor to work with everybody here and such esteemed individuals. I said it in my opening remarks when I was sworn in, but I owe a lot to this university and I know that throughout my career as a student I’ve been open to representing the students, but as an alumni after I leave the College of Law, I pledge that I will also always be willing to answer the call to the University because I owe my life to this University, I owe everything to it, so I really do appreciate everything that it has given me. Moreover, I also wish to express my confidence in the incoming trustee Matthew Holmes. He’s here today. I know he’s going to do a great job in carrying the torch for the students. Thank you very much everybody. It’s an honor.

Agenda Item 9.d. - Fiscal Year 2017 Election of Board Officers and Civil Service Representative

Chair Strauss continued, let’s now turn our attention to the 2017 election of Board officers and civil service representative. I’m going to let Mr. Blakemore deal with the mechanics of this process.

General Counsel Blakemore responded, Mr. Chair, Members of the Board, I’m going to just briefly outline what the legal requirements are with respect to election of Board members. It’s within the purview of the Chair to outline the method in which the elections will be done. That’s a fancy way of saying you can tell me what order you want the positions to come. Four major points, one the NIU law requires annual election of officers, specifically the chair and the secretary. The NIU regulations or bylaws have expanded that to include all elected positions and all officers. Your bylaws allow for any member to serve for any
position with the exception of a student trustee who is an undergrad. That person cannot serve as either chair or vice-chair. Your bylaws also require or prohibit serving more than two consecutive terms in any of the officer positions. The current officers, and in fact all members of the Board of Trustees with the exception of the incoming student trustee, are eligible to serve in any of the offices. Given the fact that the current set of officers have not served two consecutive terms, everyone is eligible. There is an Attorney General’s decision related to the method of voting and the Board has two options. One option is to actually do the voting in open session one by one, or to use a secret ballot which is a requirement of your bylaws. We have provided you prior to this meeting a listing for each position with each of the members who are eligible for each of those positions names on that ballot. We, however, will distribute a ballot now. We will start this way unless there’s objection. We will start with the chair, after which we will vote vice-chair, after which we will vote secretary, the fourth member of the executive committee, and then the representative as elected by this Board to serve as the representative to the University Civil Service Merit Board. We will distribute the ballot for the chair. I will collect those ballots. The board recording secretary and I will count those votes and I will announce the winner. I will also point out to the Board that your bylaws require five votes or more for each position. So it is not a majority of a quorum, it is a super quorum that you need for the election of officers.

General Council Blakemore continued, Mr. Chair the requisite number of votes have been cast in favor of the current chair to continue to serve as chair. Congratulations.

General Council Blakemore continued, Mr. Chair and Members of the Board, for the position of Vice Chair Dr. Butler has obtained sufficient number of votes to be elected to the position of Vice-Chair. Congratulations.

General Council Blakemore continued, Mr. Chair, Members of the Board, Trustee Timothy Struthers has met the requisite number of votes necessary to be elected to the position of secretary of the Board. Congratulations.

General Council Blakemore continued, in addition to the three offices that have just been elected, there is a fourth member of the executive committee of the Board that is also elected. Mr. Chair, Members of the Board, Trustee Cherilyn Murer has received the requisite number of votes to be elected to the fourth member of the executive committee and I’ll say congratulations even though she’s not here.

General Council Blakemore continued, we will now pass the ballot for the university Civil Service Merit Board representative. Mr. Chair, Members of the Board, we have a contested convention. We do not have sufficient number of votes for the last position of representative to the university Civil Service Merit Board under the regulations. There is a revote that will take place. The process requires us to do that for it’s either three or four times before you basically are required to come back at another date. I won’t disclose the names of the individual and the number of votes. I will indicate to you that five is the required number of votes. So we will do a revote.

General Counsel Blakemore continued, Mr. Chair, Members of the Board, as you are voting I want to provide further clarification. Under your current rules you will do a vote for, you have two opportunities in addition to obviously the initial opportunity after that you can be provided a ballot that only has the top two persons and that would be the third vote that you would do, but it would be limited to the top two. Mr. Chair, Members of the Board, the requisite number is five, we do not have five votes for one individual. We will, pursuant to the rules, provide the Board a final opportunity to vote with all members of the Board being eligible for the office. In the event we do not reach the five number, then my office will prepare ballots with the top two vote persons and you will be asked to vote amongst them. We’ll go with the ballot and see what happens here.

General Council Blakemore continued, Mr. Chair, Members of the Board, this is the third time and the last time that the votes will be cast wherein all members of the Board would be eligible to serve. We do not
Chair Strauss replied, I’d like to suggest that we take a ten minute break at this point so it will allow
people to tend to necessary business or reflect on the election and Mr. Blakemore can also complete the
ballots. Can I have a motion to adjourn for ten minutes please? Trustee Butler so moved and Trustee
Boey seconded. Motion passed.

Chair Strauss continued, thank you all for cooperating and getting us back pretty close to the scheduled
time. Kathy, you may need to do another roll call just so the record is accurate. Present: Trustees
Robert Boey, John Butler, Wheeler Coleman, Robert Marshall, Tim Struthers, James Zanayed and Board
Chair Mark Strauss. Members Absent: Trustee Cherilyn Murer.

Chair Strauss added, Mr. Blakemore I believe you have actually gone back to the bylaw provisions so
maybe you can refresh our recollection as to what we do from here.

General Counsel Blakemore began, your current bylaws under elections specifically section five, number
three of section five, and I’ll just read it verbatim:  If a majority of votes cast is not achieved by one
member of the office in the second balloting, a third balloting shall occur consisting of all eligible
members for that office. If no member achieves a majority of the full board, which is five, during the
third balloting all but the two names of members who receive the most votes shall be dropped from the
succeeding final ballot. If at the conclusion of the final round of voting no member achieves a majority
vote of the full board, the board chair shall declare the election an impasse. In the event of an impasse,
expressions of interest, vision and willingness to serve are reopened and the next election will be
conducted at the next regularly scheduled meeting of the board or special meeting of the board. This is
the final ballot for today. In the event that we do not achieve the five votes necessary to meet the
majority Board requirement, then at your next either regularly or special scheduled meeting of the Board,
the election for this particular office would need to take place.

General Counsel Blakemore continued, Mr. Chair, Members of the Board, I am pleased to announce that
the requisite number minimum has been met and that Trustee Robert Marshall has been elected to serve
as the Board of Trustees liaison to the university Civil Service Merit Board. Congratulations.

Chair Strauss announced the results of the election for the 2016/2017 term as follows:
Chair Marc Strauss
Vice Chair John Butler
Secretary Tim Struthers
4th Member of the Executive Committee Cherilyn Murer
Representative to the University Civil Service Merit Board Robert Marshall

10. OTHER MATTERS

No other matters were discussed.

11. NEXT MEETING DATE

Next regular meeting of the Board of Trustees is scheduled for September 15, 2016 at 9 a.m.
Board of Trustees Committee meetings will be held August 25, 2016, beginning at 9 a.m.
12. CLOSED SESSION

Chair Strauss asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act, as amended: personnel matters as generally described under sections 2.C.1, 2, 3, and 21 of the Open Meetings Act; collective bargaining matters as generally described under sections 2.C.2 of the Open Meetings Act; litigation and risk management matters as generally described under sections 2.C.11 and 12 of the Open Meetings Act; discussion involving internal control effectiveness as generally described under sections 2.C.29 of the Open Meetings Act. Trustee Zanayed so moved, seconded by Trustee Butler. A roll call vote of the Trustees to recess to Closed Session was as follows:

- Trustee Robert Boey: Yes
- Vice Chair John Butler: Yes
- Trustee Wheeler Coleman: Yes
- Trustee Robert Marshall: Yes
- Trustee Cherilyn Murer: Absent
- Trustee Tim Struthers: Yes
- Trustee James Zanayed: Yes
- Board Chair Marc Strauss: Yes

Chair Strauss announced the motion is approved. The meeting is now closed and will be reopened at the conclusion of the Board's closed session for the purpose of adjournment. No public business will be transacted upon the Board's return to Altgeld 315 to formally adjourn the regular Board meeting. I would expect that we would be out for at least three hours. Obviously anybody who wishes to attend our adjournment is welcome to do so and I believe that we have a communication mechanism in place to give people notice when we're about to leave the closed session. We will now recess to the closed session in room 225.

The meeting is now closed and will re-open at the conclusion of the closed session in approximately three hours. The Board adjourned for closed session at 11:47 a.m.

The Board of Trustees dismissed from closed session for lunch at 11:55 a.m. and returned to closed session at 12:30 p.m. A roll call vote of the Trustees attending Closed Session was as follows:

- Trustee Robert Boey: Yes
- Vice Chair John Butler: Yes
- Trustee Wheeler Coleman: Yes
- Trustee Robert Marshall: Yes
- Trustee Cherilyn Murer: Absent
- Trustee Tim Struthers: Yes
- Trustee James Zanayed: Yes
- Board Chair Marc Strauss: Yes

The Board of Trustees of Northern Illinois University reconvened on June 16, 2016, at 4:50 p.m. Chair Strauss announced they were reconvening after the closed session and asked for a roll call.

Members present were Trustees Robert Boey, Wheeler Coleman, Robert Marshall, Tim Struthers, James Zanayed, John Butler and Board Chair Marc Strauss. Absent: Trustee Cherilyn Murer.

13. ADJOURNMENT

Chair Strauss asked for a motion to adjourn. Trustee Butler so moved and Trustee Coleman seconded. The motion was approved. Meeting adjourned at 4:51 p.m.

Respectfully submitted,

Kathy Carey
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.
1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:48 p.m. by Chair Marc Strauss in the Board of Trustees Room 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call. Members present were Trustee Robert Boey, John Butler, Wheeler Coleman, Matthew Holmes, Robert Marshall, Tim Struthers, and Board Chair Marc Strauss. Members absent were Trustee Cherilyn Murer. Also present were General Counsel Jerry Blakemore, Board Liaison Mike Mann, President Doug Baker, Executive Vice President and Provost Lisa Freeman, Vice President Al Phillips, and UAC Representative Greg Long.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

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

3. MEETING AGENDA APPROVAL

Chair Strauss asked for a motion to approve the meeting agenda. Trustee Marshall so moved and Trustee Holmes seconded. The motion was approved.

4. CHAIR’S COMMENTS/ANNOUNCEMENTS

No additional comments or announcements were made.

5. PUBLIC COMMENT

Chair Strauss confirmed with General Council Blakemore there were two requests for public comment.

Speaker Bessie Chronopolis: You each have a copy of this two page handout. It’s dated July 21st and basically the first three paragraphs are addressed to you so please take a moment or two, perhaps not now necessarily but later, to read through what I have here which is a copy from an article in a blog that I think you might find interesting and at the end of that, as indicated in my short note to you, is a comment that I made on that blog. The information that was stated here in this article is quite disturbing because it deals with some negative actions on the part of past and present NIU administrators involving certain zoning regulations with the City of DeKalb. As a matter of fact anything that is negative that comes out of the university is of great interest to me and to many others because, as I’ve stated before when I’ve met with you, NIU and the City of DeKalb are very important entities and we need to look at situations that are brought to our attention very diligently to make sure that only appropriate behavior and procedures and interactions are taking place. I’m urging you to take the time to study through this, talk amongst yourselves and at least promise me that you’ll be diligent in looking through this. I know many of you personally over the years and you know where I’m coming from. All I’m interested in is best practices and transparency. It’s as simple as that. Thank you very much. Any questions? You can call me any time you want.

Speaker Virginia Naples: I have spoken before this body before about sex discrimination on salaries and, because there was not a very long amount of time available, I just thought I’d come back and give you
an update and a brand new installment. I very much appreciate the opportunity to speak. This is my university and my university Board of Trustees and administrators and I’d like to have you be well informed about what is going on. There is some things that I have presented the last time. I gave you the pink and blue spreadsheet and talked about the entire College of Liberal Arts and Sciences faculty and, what is to most people’s view, a very clear case of sex discrimination - pink for girls, blue for boys. I kept the pink theme here but I didn’t do the blue because it was a little bit too busy. I have a much greater detailed analysis here of Biological Sciences. If you just want to follow through with this, what I’m doing is for the first column. I have changed people’s names to letters, but the letters are consistent across. The pink ones are the females; this is from the inception of their hiring at NIU to 2010. Now we all know that faculty have a variety of responsibilities and those responsibilities typically are divided into teaching, research, and service. That is ostensibly what everyone is to be evaluated upon whether it’s an annual or a bi-annual evaluation. In practice, there is lip service given to teaching unless there’s something extraordinary about it or there’s a specific contract for an individual to be primarily teaching or a teaching only appointment, but for the average professor who is engaging in those three kinds of activities, teaching is not counted very much if at all in the evaluations, in practice although not on paper. The professional public service component likewise is looked at and perhaps debated and discusses, but pretty much ignored as well. What it comes down to, what faculty are evaluated upon in reality, is number of research publications in peer review journals. There is also variably some credit given for grantsmanship, but this is not consistent. It is not consistent within my department, which is what I know the most about, from year to year. I know from talking with other collaborators and colleagues across campus it is not consistent within their departments or across departments by any means. What I’m looking at here is in 2010 I’m comparing the number of publications, which if you look at the first column number A, this is a person who at that point in 2010 had 86 peer reviewed publications. The FP is for full professor, and that person is Person A and you can see as you go across where their salaries are and what I did was I compared the ranking for research which is what the evaluation is dependent upon and the salary. You can see it doesn’t correlate for any of the women. Now in all honesty, when I did the arrows the other way, about 50% of the males had a higher research score than their salary would indicate in the rank order, but also 50% of them were also lower; so it was about half and half. But 100% of the women’s salaries are way down with the exception of, if you look at number Z or Z, number 26, this was an individual who had severe health problems and ultimately died as a result of complication of health problems, it had probably affected her entire adult life and was just not capable of dealing with the issues. Then I looked at a comparison in 2014 and again you can see that the salaries are going down. The arrow is going down, again you get kind of a mix with the males, but with all the females they are going down with the exception of the last two who are the brand new assistant professors. Most of the other people have been in rank for a very long period of time. If you go down a little bit below, if we could go to the next thing on the screen, just pull up from 2008 down, that is the female means compared to the males means for Biological Sciences and they vary from 90% of the male mean down to 80% of the male mean through various years and it changes depending on the composition of the faculty; how many full professors, how many associate, how many assistant professors. Biological Sciences went through a very great bottle-neck. For many years there were no faculty hired so those of us who were in the early cohort, I was hired in 1983. I have actually completed my 32nd year here and I have kept statistics and tracked all those data for all that length of time. I could tell you for hours about statistical things and the financial issues and still working on it, but this is a very consistent pattern. And this is a very subtle pattern and what it is, is simply again, I’m calling this another version of a smoking gun that shows that the accomplishments of women faculty are discounted in comparison to their male counterparts because women’s performance in terms of publications which is the only thing that has been valued by the evaluations committees are higher than their salaries. I had some instances where, to use my own as an example, I was told when I first got there most of my publications were sole author. I was told that not a good thing, that I needed to acquire collaborators because it looked like I was not collegial enough to work with other people. I acquired collaborators and I still did some publications that were on my own and I was told that well the collaborators were the ones that had contributed the data and I just got my name on the paper because I walked down the hall at the right time and that the papers that I
was still publishing had a single author, I just had not given credit to the people who had actually done the work. Those are the levels of subtle forms of discrimination that these numbers demonstrate in Biological Sciences. Now we’ve had faculty salary equity task forces done in 2004, 2008, and again an in-house one in 2011/2012 and with the first two we could not get an actual understanding of the analysis. We were told because I was on the Presidential Commission of the Status of Women at the time and Steve Cunningham, whom some of you may know and remember, was asked to come and speak to us and he very nearly didn’t escape that room alive without agreeing that they would release something about the methodologies for the Presidential Commission on the Status of Women. This was the 2007/2008 season where it was done and what they finally released was the executive summary and the executive summary said they use sophisticated multiple regression analysis. Well I’m a biologist. Not only do I do math, I do statistics. I like numbers, I deal with numbers. I never got the memo that girls can’t do math and science. Sorry, never got delivered. I looked at that and from those reports it said that 20 some odd factors were used to do those sophisticated multiple regression analysis. Anyone who does scientific work faces the fact that you cannot use that many parameters because every time you add a new parameter to your analysis you are adding a series of additional assumptions that are going to skew the results in unpredictable ways. You just can’t do it. You can’t get a big enough data set and, if you keep throwing things in there, eventually you’ll find some sort of a spurious correlation but it may very well be just imaginary. And so, I’ve gone through that and one of the things that people have said is that there were four factors that were ultimately were used; sex because we’re looking at male versus female that’s logical; length of time in rank that presumably assumes that you get salary increments as you go along through your career; and then annual merit; and then long term merit. I was told long term merit was 15 years. That immediately makes it impossible to use long term merit evaluations for either assistant or associate professors. I do not believe in the history of NIU there has been an assistant professor in a tenure track position that could come up for associate professor that has been there for more than the six or maybe seven years and certainly not 15. The vast majority of people who achieve tenure and are associate professors are not necessarily going to be in rank for 15 years because the average person will try to come up for promotion to full professor in again another sixth year or seventh year. Then if you achieve full professor status having an additional 15 years is not necessarily likely to happen. That will bring the average person who starts their assistant professor track in their early 30’s to close to retirement time by the time they have achieve 15 years. 15 years is a very difficult number to deal with. One of the other things that I wanted to mention is that in Biological Sciences, all of the women who have attempted in the last 32 years to be promoted from assistant to associate professors have been judged by their peers both with the university and outside and have been awarded tenure. 94% of the mail candidates have done so. So it’s a 6% difference but it is something. But the other thing when you look at the length of time in rank from being an associate professor to being promoted to full professor for the women is 9.9 years when it is 6.1 for the men. So those are very significant differences. I could run percentages and stuff but I didn’t do that for you. It’s all on here. I don’t believe that this is an unbiased analysis of the accomplishments of the women. 100% of the women should not have their salaries lower than their research publications should merit they would do. I have suffered very greatly from this as have all the women in my department. This is the subtle reality of what is going on with the sex discrimination that is happening on campus and I’m sure a comparable analysis could be done for every other department and you would probably see very similar results. I did it for Biology because I can get the data. All of my data have come from public sources and I didn’t reveal any individual salaries. You could go over to the working papers and look that all up. I just wanted to try to inform you of this and I have lots more data. I’ll be happy to come back and talk to you about these issues in the future as well.

Greg Long asked to respond with an update on the salary work that is being done currently. He began by thanking Professor Naples as this something that as a university we want to look at and be sure that we do pay people equitably and that there’s no gender bias. Dr. Long continued, I would also second what she said in term of the report that was put out in 2011. It was an executive summary and so there was no accompanying technical reports such that people could access the data nor look at it in any greater depth. Those are certainly legitimate concerns. As a result of some of her concerns in April, Provost Freeman and CFO Phillips asked that I initiate a task force to look at a salary study. We have at
this point two people who are co-chairs of this, one is Dr. Virginia Wilcox-Gok. She is a labor relations specialist and former chair of the Department of Economics. She would have quantitative expertise and the qualitative expertise looking at the stories, looking at the reasons behind things, we have Professor Kristen Myers and she is looking at that. Our goal on this is to do this in-house with the expertise that we have available and have it be something where we do within the group have diversity of race, gender, and sexual orientation. We're looking at the Presidential Commissions. We're looking at getting people with specific expertise such that the colleges are represented. Ultimately we'd have an executive task force and then you'd have a qualitative committee and a quantitative committee. Again the whole point on this though is to do this in a way that is replicable, that's transparent and that we will make available to people after we're done. We're looking at it more broadly than just gender. We're including other variables such as race. Also looking at it in terms of salary inversion and compression. For those of us who've been here a long time, salary compression is a real issue much like Dr. Naples was mentioning. So looking at a broad based salary study that we will share with the Faculty Senate, University Council, as well as you. So I did want to let you know that we are as a senate and as a body responding to the concerns she raised because we want to be sure that if these issues do exist, let's know about it and respond to them.

6. PRESIDENT’S REPORT NO. 107

Agenda Item 6.a. Appointment of Acting Dean, College of Engineering & Engineering Technology

President Baker indicated there are two action items and Provost Freeman will provide background information for both items.

Provost Freeman began, the members of the committee heard from Dr. Ghrayeb this morning when he spoke about some of the efforts to close equity gaps and achieve equal outcomes that have been ongoing in the College of Engineering and Engineering Technology. He spoke this morning as the Acting Dean but he has been an Associate Dean in that College, involved in all of their efforts related to community college partnerships, industry partnerships, curriculum development, advising; and so he comes well qualified to serve as the Acting Dean. He was selected in consultation with members of the College of Engineering and Engineering Technology. There was an anonymous survey asking for individuals who would be interested to serve in this capacity and four qualified individuals expressed interest in leading the college. Dr. Ghrayeb was the most qualified of those and we're pleased to have him serving in that capacity. The recommendation to the Board is that Dr. Omar Ghrayeb be appointed Acting Dean of the College of Engineering and Engineering Technology retroactively effective July 1, 2016.

Chair Strauss asked for a motion. Trustee Boey so moved and Trustee Struthers seconded. A roll call vote was taken:

Trustee Robert Boey: Yes
Trustee Wheeler Coleman: Yes
Trustee Mathews Holmes: Abstain
Trustee Robert Marshall: Yes
Trustee Tim Struthers: Yes
Vice Chair John Butler: Yes
Board Chair Marc Strauss: Yes

The motion passed.

Agenda Item 6.b. Request to Transition Tenure Homes
President Baker began, the second item is the movement for some faculty to new tenure homes. One of the main pieces of this is that in February you approved a name change for the School of Nursing and we need to align the faculty with the new department or the new school. In addition there are two faculty members being moved from the Department of Leadership, Educational Psychology and Foundations to the Department of Literacy and Elementary Education. Those change in homes is in response to program prioritization work and better alignment of faculty in the program of curriculum and instruction that had been split between the two departments. All the CI faculty will now be in one department of Literacy and Elementary Education which will allow the program to expand in innovative ways. So we would ask you approve these changes in tenure homes.

Chair Strauss asked for a motion to approve the recommendation to transition tenure homes effective August 16, 2016. Trustee Boey so moved and Trustee Coleman seconded. A roll call vote was taken.

   Trustee Robert Boey: Yes
   Trustee Wheeler Coleman: Yes
   Trustee Mathews Holmes: Abstain
   Trustee Robert Marshall: Yes
   Trustee Tim Struthers: Yes
   Vice Chair John Butler: Yes
   Board Chair Marc Strauss: Yes

7. OTHER MATTERS

No other matters were discussed.

8. NEXT MEETING

Chair: Strauss indicated the next full Board of Trustees meeting is scheduled for September 15th.

9. CLOSED SESSION

No Closed Session was held.

10. ADJOURNMENT

Chair Strauss asked for a motion to adjourn. Trustee Holmes so moved and Trustee Marshall seconded. The motion was approved. Meeting adjourned at 2:12 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.
REQUEST FOR NEW SPECIALIZATION

New subdivisions of existing graduate programs are called specializations and require the approval of the Board of Trustees. If the board approves these additions, the university will report them in the Annual Listing of Changes sent to the Illinois Board of Higher Education in June 2017. These requests come to the Academic Affairs, Student Affairs and Personnel Committee after receiving approval from the curriculum committees at the department, college and university levels and the concurrence of the provost.

**Specialization in Community College Leadership (within the Ed.D in Adult and Higher Education)**

**Description:** The university proposes to add a specialization within the Doctor of Education (Ed.D) in Adult and Higher Education program.

**Rationale:** According to a recent Research Brief from the College Board (April, 2016), Illinois reports over 65% of its undergraduate students are enrolled in two-year colleges; this places Illinois among the top three states for percent of students enrolled in two-year schools as compared to four-year institutions. Providing a degree specifically targeted to community college administrators will help diversify and better prepare individuals for the leadership pipeline for community colleges.

The national Bureau of Labor Statistics predicted a higher than average growth rate of 15% for the number of Postsecondary Education Administrators between the years of 2012 (161,800) to 2022 (185,300). In addition, the need for doctoral training in community college-specific administration and leadership was shared with NIU administrators and faculty, providing the impetus to develop a specialization that addressed current issues facing community college administrators and was predominantly online with an annual “summer intensive” face-to-face one-week component.

Over the past few years, site-based doctoral cohort programs have been delivered at area community colleges including Harper College, Elgin Community College, and the College of Lake County. By offering the Specialization in Community College Leadership within the Ed.D in Adult and Higher Education program online, we will be able to expand the market for this degree program beyond the immediate area to incorporate national recruitment opportunities. Geared to working professionals in the field of educational administration, we will be providing an accessible, cost effective way of earning a doctoral degree that incorporates the dissertation of practice, and would prepare students to be leaders in both Academic Affairs and Student Affairs in community college settings.

**Cost:** No new resources will be needed.

**Recommendation:** The university recommends that the Academic Affairs, Student Affairs, and Personnel 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 September 15, 2016.
COLLECTIVE BARGAINING AGREEMENT

Summary: Northern Illinois University negotiates with fifteen collective bargaining organizations representing different employee groups. Salary increases and other terms/conditions of employment for bargaining unit members are subject to negotiation and final agreements are submitted for approval to the Board of Trustees. The following collective bargaining agreement is the outcome of interest arbitration and is submitted to the Board of Trustees for approval.

1) **Bargaining unit:** Metropolitan Alliance of Police, Chapter 292, representing approximately thirteen (13) employees in the classification of Police Sergeant.

**Scope of Negotiations:** Full agreement

**Tentative Agreement for Board Action:** A four-year agreement, retroactively effective from July 1, 2014 through June 30, 2018.

Recommendation: Terms and conditions of this agreement are consistent with University policies and guidelines. The university recommends that the Academic Affairs, Student Affairs, and Personnel 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 September 15, 2016.
FISCAL YEAR 2018 BUDGET GUIDELINES

**Background Information:** Each year, at this time, staff seeks the Board’s approval of the budget request guidelines that will be used to develop the University budget request for the upcoming fiscal year. This is the first step in the state budget development process which will continue throughout the next 9 or 10 months. This year, during the FY18 budget development process, a number of significant events and issues will play a major factor in the outcome of the University’s final budget for FY18. The Budget Session will likely focus on the tax increase issue and possible action on the current year budget. Depending on the outcome of legislative debate later this fall, taxes, pensions, and budget issues are the topics likely to dominate the spring 2017 session.

In FY17 the University, according to the Board of Trustees approved guidelines, submitted a budget request of $93,862,600 to the IBHE. This was based off of the FY15 revised appropriated budget of $91,092,700 plus the approved increases for salaries, utilities, library/technology expenditures, program priority requests, deferred maintenance, and general cost increases. The guidelines recommended by the University for Board of Trustees approval represent a return to the FY15 revised appropriation level.

**FY 2018 Budget Request Guidelines**

Overall return to revised FY15 funding level of $91,092,700.

This includes $2,535,900 in Program Priority Requests: To continue programmatic efforts to enhance and strengthen academic commitments in education and off-campus programs in conjunction with the Program Prioritization Initiative the following have been identified as the top priorities:

- **$764,200: Teacher Preparation-STEM Areas.** This initiative will provide opportunities for the professional development of practicing teachers in key science, technology, engineering and mathematics (STEM) areas. Preparing “highly qualified” teachers in the STEM areas will improve the competencies of high school graduates who enter higher education and increase baccalaureate degree completions.

- **$554,900: Nursing and Medical Laboratory Sciences.** To provide the resources needed to increase enrollments and the numbers of degrees awarded in nursing and medical laboratory sciences, which would contribute to the key work force needs in the State of Illinois.

- **$613,800: Health Information Management.** To support the development of a new degree program that exists at the intersection of information science, computer science, and health care. A Health Information Management degree will provide undergraduates and graduates with the skills needed to enter high demand health fields dealing with the acquisition, storage, retrieval, and use of information related to health and health services.

- **$603,000: Expanding Offerings of Industrial & Systems Engineering and Mechanical Engineering Programs with Pathways with Community Colleges in the State of IL.** To support these priority programs, specifically with a 2 + 2 pathway from local community colleges. The proposed expanded programs will provide an opportunity to attain skills to qualify them for high-skill jobs in different sectors including advanced manufacturing, health care, distribution/logistics, and financial sector jobs.
In addition to state funding support, the University will also seek reforms that impact University resources but are considered non-budgetary in nature. Staff will work with the IBHE, the Governor’s Office, legislators, and other institutions to seek relief from unfunded mandates and burdensome regulations and requirements related to procurement and civil service. In short, more flexibility is needed in order to adapt and thrive in today’s environment.

**Recommendation:** To develop the FY18 budget request, the University recommends Board of Trustees approval of the budget request of $91,092,700 in order to ensure the timely preparation and submission of the University’s FY18 detailed budget request to the IBHE.
Summary: The Illinois Board of Higher Education (IBHE) Capital Budget Request is submitted in the fall prior to the budget year in order to meet IBHE and state capital project review and approval submission schedules. The Capital Budget Request consists of two principal categories of projects requesting state funding support and a third category that provides notification of anticipated non-instructional projects that might eventually require specific IBHE approval.

Requests for state funding support, indicated in table C101, include regular capital projects which represent major investments for new construction, renovation, and repairs; and capital renewal projects which lists repair and renovation projects with estimated budgets in excess of $100,000. When funding for this program occurs, specific approvals are provided for the regular capital projects and lump funding is provided for capital renewal projects. While changes in priority for regular capital projects may affect the current standing of these projects within the integrated IBHE project listing, capital renewal projects do not have this restriction and have been prioritized to generally conform to current developments with the multi-year major repair investment plan. Table 17 is an excerpt from the FY16 IBHE budget recommendation showing the integrated priorities of capital projects. NIU’s first four projects are listed as priorities 2, 13, 19, and 28.

The non-instructional capital project listing, indicated in table C105, pertains to an initial notification step for eventually requesting IBHE approval for anticipated projects in excess of $2,000,000. The second step is a specific project request with accompanying scope narrative and background which would be submitted for IBHE approval subsequent to Board of Trustees project approval.

Recommendation: The University requests Board of Trustees approval for the proposed Fiscal Year 2018 Capital Budget Request submission. The request will then be submitted to the Illinois Board of Higher Education for consideration and inclusion in the statewide Fiscal Year 2018 IBHE Capital Budget Recommendation.
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### TABLE C101
**SUMMARY OF BUDGET YEAR CAPITAL IMPROVEMENT REQUESTS**
**LIMITED IN PRIORITY ORDER**
**NORTHERN ILLINOIS UNIVERSITY**

**FISCAL YEAR 2018**
**CAPITAL REQUEST**

**IN THOUSANDS OF DOLLARS**

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**TOTAL, CAPITAL RENEWAL PROJECTS** | 59,081.8 | 59,081.8 | - | - | - | - | - | - | X | |

**GRAND TOTAL** | $413,707.2 | $419,919.8 | $2,787.4 | $ - | $ - | - | - | - | - | - |
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<th>Budget Category</th>
<th>FY2014 Biennial Recommendation</th>
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* In some cases, BHEF capital recommendations are partial project funding for initial phases such as planning and scoping. Total project cost reflects the full cost of project completion including construction, renovation, utilities, and equipment.

**Note:** Total project costs do not include any state appropriations and non-state funds.

1 Planning funds were included in the FY2013 Illinois State University program for these projects: (Planning & Construction for the STEM Education Building and CSU Child Care Center.)

2 The project received $93 million in the FY2013 Illinois State University program. This request is to acquire the initial fund costs for the project from the original request dates.
Narrative on Priority Rationale - Capital Projects

1. Health Informatics & Technology Center

The University is requesting funding for a new Health Informatics & Technology Center. In the last decade the demand for college graduates with expertise in health-based technology fields has increased exponentially. The new facility will offer students a unique learning environment combining the best of a time-honored college education driven by a focus on advancing health technology. The center will have extensive infrastructure to accommodate a broad range of equipment necessary to develop a nationally competitive program with potential for industry and professional certification programs, custom health informatics learning labs, and single classes for corporations and individuals. Experience using “cutting edge” technology in a well-planned, well-equipped facility will prepare students to compete and succeed in the intense technologically complex world of the future.

2. Wirtz Hall Renovation

This project will provide improvements for programmatic spaces and building efficiency. The need for an upgraded and remodeled building to house the Health & Human Sciences College is substantiated by the dramatic changes in the type of physical facilities needed by a modern college to support new learning outcomes and increase interaction with the health community. Plans will focus on the consolidation of the college’s space needs into Wirtz Hall. The Health & Human Sciences College will be housed in a remodeled, dedicated building that will provide classrooms that facilitate group discussion, laboratories that allow students to refine presentation skills, computer laboratory spaces, faculty and administrative offices, and spaces that facilitate student interaction and interdisciplinary faculty relationships. This request will provide funding for the planning, design, and construction of remodeling Wirtz Hall.

3. Roadway Reconfiguration and Repair

Most roadways serving the NIU campus were constructed and are owned by the University, except Lucinda Avenue, Normal Road, Carroll Avenue, Locust Street, and Annie Glidden Road. The majority of the road construction coincided with the building surge in the 1950s and 1960s, though much of the East Campus road construction pre-dates that period. During the 1970s and 1980s several campus roadways were resurfaced, however, the only significant reconstruction projects that have been completed in recent years are Lucinda Ave, Castle Dr, Gilbert Dr, a section of Stadium Drive West, and a section of College Ave. Deterioration of campus streets has progressed to the point that maintenance efforts can no longer keep up with the disintegration on a localized basis. In addition to normal freeze/thaw damage, repairs due to construction projects (underground utility replacement, etc.) have led to a patchwork of street surfaces, each with seams that let more water penetrate and add to the deterioration. The additional burden of Huskie Bus traffic on University streets has accelerated the breakdown, particularly at bus stop locations.

4. Davis Hall Renovation

This Gothic style building was built in 1942 and constructed with steel, steel reinforced concrete, and then sheathed with Joliet Limestone. The building consists of 65,500 gross square feet of which 42,493 are assignable. Davis Hall was constructed as the institutions first Science Building and now houses the Geology (Geology and Environmental Geosciences) and Geography departments.

Other than the installation of a telescope in 1965 and air conditioning systems in 1975, no other major renovations have occurred to Davis Hall over the last 70+ years. The building still utilizes the original fused electrical panels. Available power is completely inadequate for modern lab requirements. Davis’ mechanical systems are inefficient, inadequate, and antiquated. The flat roof sections are failing and two sides of the building need major repairs to the stonework, including overall tuck pointing. In order to
continue to be of functional value, the building requires a number of comprehensive infrastructure updates. This would include a new HVAC system that can take advantage of the East Campus Chilled Water line which has been brought to the building's east foundation wall, as well as an upgraded electrical system, etc. In FY15, NIU successfully connected Davis Hall to the East Chiller Plant, providing chilled water to the building, thus completing the first step necessary in the process of updating the building's HVAC systems. Existing fume hoods are not able to satisfactorily accommodate the needs of the scientists that are assigned to Davis. There is no elevator service to the 6th and 7th floors. Restroom locations are not compliant with today's code requirements.

5. Adams Hall Renovation

Originally a woman's dormitory, Adams Hall which opened in 1949 was built with joliet marble shaped in collegiate Gothic style for the exterior of the building. In 1967 the building was converted into a general revenue administration building. Since the space within Adams Hall was originally designed to accommodate a dormitory, the current use of the building for administrative functions is not compatible with the historical space design. Currently the building houses Faculty Development, Student Academic Success, Testing Services, Academic Advising Center, Graduate Studies, Office of Sponsored Projects, Family and Consumer Nutrition, and Internal Audit Departments. In order to achieve an optimal working environment for these departments, significant renovations to the building need to occur.

Other than the installation of fan coil units in approximately 1967, no other major renovations have occurred in Adams Hall over the last 66 years. Available power is inadequate to meet modern technology demands. Mechanical systems are inefficient and antiquated. The existing building supply fan is original to the building and does not provide modern capabilities to temper outside air and reduce humidity levels within the building. This and the need to provide major repairs to the existing masonry structure and tuck pointing have caused significant problems with the University's ability to control the indoor air quality. High humidity levels in the building within the summer months have created optimal conditions for mold and mildew growth.

In order to continue to provide a healthy and productive work environment for the faculty, staff, and students that occupy the building, the University seeks to preform major renovations on Adams Hall to address the space functionality of the building and the overall building structure and systems.

6. McMurry Hall Renovation

This Georgian style building was constructed in 1911 and is the second oldest building at Northern Illinois University. The building was constructed of brick and limestone consisting of 33,649 gross square feet of which 26,694 are assignable. The first floor was used to educate the lower grades and the second floor was used for the upper grades. McMurry was eventually converted into classrooms and offices for the College of Business. In 2002, the College of Business constructed Barsema Hall and McMurry became the home of the College of Health and Human Sciences.

Other than the installation of a new roof in 2002 and various other minor renovations (i.e. painting/carpeting/lightings), no other major renovations have occurred to McMurry Hall over the last 100+ years. Available power is completely inadequate for modern technology and classroom requirements. McMurry Hall still utilizes window unit air conditioning systems and the various other mechanical systems are inefficient, inadequate, and antiquated. The building as a whole is in need of major repairs; this includes tuck pointing of all exterior masonry and stonework. In order to continue to be of functional value, the building requires a number of comprehensive infrastructure updates, including a new HVAC system that can take advantage of the East Campus Chilled Water line, as well as an upgraded electrical system, etc.
Space within McMurry Hall is configured for the building’s original use in 1911. While the space generally works for a classroom building, additional efficiencies need to be made. In order to achieve more optimal learning environments, a more modern, student-focused, technology-oriented, teaching experience needs to be created.

7. Williston Hall Renovation

Williston Hall opened in 1915 and was originally built and used as a woman’s dormitory. The building was converted to administrative office space in 1969. Since then no other major renovations have occurred in Williston Hall over the last 47 years. Available power is inadequate to meet modern technology demands. Mechanical systems are inefficient and antiquated. This as well as the need to provide major repairs to the existing masonry structure and tuck pointing have caused significant problems with the University’s ability to maintain the building.

In order to continue to provide a healthy and productive work environment for the faculty, staff, and students that occupy the building, the University seeks to perform major renovations on Williston Hall to address space functionality of the building and the overall building structure and systems.

8. Academic Buildings HVAC & Window Replacement

Several buildings on campus are experiencing problems with air ventilation systems due to the age of the equipment. Three buildings of primary concern are Reavis, Watson, and Montgomery Halls. Both Reavis and Watson Halls are classroom/faculty office buildings with identical HVAC systems that are 35 years old and can be described as forced dual duct systems (one heat duct/one cooling duct) with units mounted in walls controlling the room temperature. Difficulty keeping constant temperature-humidity and airflow has surfaced in both buildings during the last two years stemming from not only the age of the equipment but also the inaccessibility for maintenance purposes. Recessed wall units are completely sealed behind masonry walls leaving no openings for repair of internal parts. This project would remove and replace the recessed wall units, dampers, and temperature controls.

The objective of the Montgomery Hall portion of the project is to convert ventilation systems serving laboratory, office, and classroom areas from existing constant velocity dual duct to variable air volume (VAV). Major portions of trunk and branch duct work will be redesigned and replaced. Some fume hoods would be replaced while all hoods would be retrofitted with monitor controls, sash sensors, alarms, and air flow valves. All building controls would be updated. Asbestos abatement in some areas will also be necessary.

The second part of the project is the replacement of windows throughout Montgomery Hall, Faraday Hall, and the Psych/Math Building. The existing windows date back to the original construction of the buildings, well over thirty years ago. They are generally of a single pane variety and very inefficient in their ability to conserve heat in the winter months and cool air during summer. Current window systems will be installed that are considerably more energy efficient, which will complement the University’s efforts at energy efficiency and conservation.

9. East Chiller Plant - Chiller Capacity Expansion

The East Chiller Plant, which was constructed in 2010, currently supplies the east side of Northern Illinois University’s campus with air conditioning though the University’s chilled water system. The building was constructed in a way to allow for future expansion as the University grows and expands its current chilled water loop. There are currently four chillers in operation at the facility. During peak load times, the current chillers are put to their max. As the University continues to grow and connect additional buildings, such as Anderson Hall, the Engineering Building, and Barsema Hall, the maximum capacity of the plant
will be significantly exceeded. There are currently four bays within the facility, two of which have been reserved for future expansion.

This project seeks to provide and install two additional cooling tower cells and all associated piping and equipment within the two empty tower bay’s to tie into the existing chilled water loop and condensing loop. Ultimately, the addition of this equipment would provide NIU’s east campus the ability to connect both the remaining buildings and any future buildings to the current chilled water system. Additional power may be needed to supply units as well as significant plumbing work including, but not limited to, a possible upgrade of sanitary drains to handle condenser water during blow down.

10. Elevator Rehabilitation & Renovation

NIU seeks to rehabilitate passenger elevators across campus. After many years of service, the elevators have become difficult to repair and have extremely high maintenance costs. They provide an unacceptable level of performance, and the problems and breakdowns are appearing more frequently and varied. In addition, availability of parts for these elevators has become a problem. As the elevators continue to age there will be a need to upgrade to the latest elevator technology systems available. This project requests funding for labor and material necessary to install controllers, replace generators, and SCR drives, and install new hall and car stations for Faraday, Graham, Montgomery (partially complete), and Swen Parson Halls.

Narrative on Priority Rationale - Capital Renewal Projects

R1. (Unfunded 2017) New Boiler Number Three - West Heating Plant

Northern Illinois University’s existing boiler system provides steam for heating both the east and west campus. As the nine-boiler steam system ages, many of its components have been decommissioned due to severe deterioration of the interior boiler tubes and apparatuses. To better understand the system and the future potential of the system, Northern Illinois University is undergoing a University-wide boiler steam assessment. This assessment should provide the University with both a comprehensive list of repairs and a plan for the future. Concurrent with this assessment effort, boiler number three located in our West Heating Plant has been decommissioned due to operational safety concerns. The loss of this boiler creates a major safety hazard for the heating plant, students, and staff by putting the campus at risk of losing heat during the winter months. Regardless of the outcome of the assessment, NIU will need to replace this boiler to maintain heat during the winter months. In order to provide a safe, secure, and stable boiler system, the University wishes to replace Boiler number three with a new high efficiency boiler that will save energy and provide additional heating capacity. This work will guarantee that the NIU Heating Plant will be able to provide additional heating capacity that will ensure campus facilities are properly maintained through severe winter conditions.

R2. (Unfunded 2014) Main Steam Tunnel Rehabilitation

The main steam tunnel’s concrete structure has deteriorated over many years of service. At this point, the condition of the tunnel is worsening at an exponential rate, and the potential for the disruption of steam distribution to the main campus from the heating plants is a growing concern. In addition, safety concerns to maintenance staff will continue to rise during the ongoing maintenance required for the steam tunnel. Currently, the condition of the tunnel has made repairs and preventative maintenance difficult to perform and has resulted in high maintenance costs.

Existing masonry buildings on campus have begun to deteriorate requiring significant restoration, inclusive of tuck pointing and stone & brick replacement. Water is infiltrating causing secondary damage to building interiors. The parapets of some buildings are also allowing water to come in from the ceilings. To maintain the building's exterior integrity, significant masonry and stone tuck pointing will need to be done. In particular, the exterior masonry of Still Hall (above the garage door) has begun to sag, causing problems not only with the exterior masonry cracking, but also causing glazing within the windows above to crack as well.

R4.  (Unfunded 2017) Swen Parson Hall - Parapet Restoration

Northern Illinois University's Swen Parson Hall was originally constructed in 1952. Over the years, through natural weather deterioration, the limestone tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall. Work would include tuck pointing of existing limestone structure and restoration of the masonry parapet which has begun to deteriorate, spall, and lose stones.

R5.  (Unfunded 2015) East Heating Plant Coal Silo: Masonry Repairs

The existing East Heating Plant coal silo has not been utilized since the University’s departure from coal as a form of heating. As a result, the existing silo has sat unused for quite some time. Over the years the veneer has begun spalling, and large portions of masonry have begun to fall off. In order to address this problem, the University seeks to tuck point the existing masonry structure and perform restoration of the masonry walls that have begun to deteriorate and crack.

R6.  (Unfunded 2017) ADA Upgrades

Many of our University buildings were built before 1998 (American’s with Disabilities Act - ADA) and lack the needed amenities for individuals with disabilities. In order for NIU to continue to provide sufficient facilities to our students, staff and visitor’s with disabilities, NIU seeks to update various areas on campus to meet the current ADA code. Work to include, but not limited to, the renovation of existing handicap toilet rooms, ramps, entry pathways and doors, lifts, service counters, adaptive hearing mechanisms, and exterior improvements to accommodate individuals with disabilities.

R7.  Gable Hall Roof Replacement: Phase II

The original roof on Gable Hall was installed in 1958 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. This project seeks to replace the roofing and skylights on the single-story, southwest corridor wing. Water infiltration and secondary damage is occurring within the building whenever it rains. Skylights leak consistently and plaster laden with asbestos continually collects moisture and falls from the ceiling. Roof replacement is necessary to correct the problem. The insulation is also spoiled at this point and must be replaced.

R8.  Zulauf Hall: Masonry Joint Repair / Tuck pointing

Zulauf Hall, constructed in 1968, is an eight story solid brick masonry structure. The masonry requires routine maintenance, cleaning, tuck pointing, and restoration to ensure the building exterior is kept weather-tight. Over time, the masonry tuck pointing has degraded to a point in which water is constantly entering the building, most notably on the upper floors. This causes significant disruption to internal activities as well as continued maintenance and air quality issues within the building. In order to continue
to adequately utilize the facility, Northern Illinois University seeks to tuck point the entire building, ensuring that the envelope is water tight.

R9.  (Unfunded 2016) Replace Water Main Central Campus

The NIU Campus domestic water main piping distribution system consists of looped piping networks interconnected with the City of DeKalb water distribution system at many points. In 1990, the SEGA Utility System Planning Project was commissioned by NIU to recommend improvements to all campus utilities including underground water distribution piping. Final analysis was based on water main breakage history since 1976, internal corrosion potential, and external soil corrosion potential via soil chemistry boring samples. From this, a table of expected pipe life was applied to campus areas with known installation dates. Over time, modern fire protection flow rates were also applied for pipe sizing in campus areas that have experienced building growth after original water main installation.

The Central Campus 6-inch water main extending from approximately the northeast corner of Gabel Hall at Stadium Drive, along and south of University Circle to Carroll Avenue, was installed in 1959 using cast iron pipe. The SEGA Report recommended replacing this 1,700-foot main-line piping length with 10-inch diameter ductile iron pipe within 5 years of the published date. This increased diameter will insure maximum fire hydrant flows with minimum pressure drops during emergencies. This work will also include valve vaults, new fire hydrants, and smaller branch pipe building connection lengths with road, curb, and landscape remediation.

R10.  Monsanto (Old DeKalb Ag) Roof Replacement

The original roof on the Old DeKalb Ag Building (Also known as the Monsanto Building) was installed in 1954. Over the years (and prior to Northern Illinois University ownership of the facility), a total of eleven different roofing systems were installed on the single 32,500 sq.ft. low-slope structure. The roofing system is beyond its useful life and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Additionally, the inconsistent roofing causes significant maintenance problems along with continued roof leaks. This project seeks to rectify the problem by replacing the roofing system in its entirety (including but not limited to membranes, insulation, and underlayment).

R11.  Monat Building Roof Replacement

The original roof on the NIU Monat Building was installed in 1968 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The existing roofing system is a low-slope, 3-ply, built-up roof. The roof is over 11,600 square feet and will require roughly 1,000 feet of new roof flashing.

R12.  DeKalb Campus Sewer Main Repairs

The existing DeKalb Campus Sewer Main system is over 60 years old and is well beyond its useful life. Significant upgrades need to be made in order to bring the system in compliance with modern day code and utilization standards. This project will be conducted in two phases. Phase I to consist of an overall assessment of the existing DeKalb Campus Sewer Main. Phase II to consist of repair, removal, and replacement of the system as determined in the Phase I assessment. Anticipated repairs to the existing DeKalb Campus Sewer Main may include, but are not limited to, storm drain renovations, sanitary line renovations, boiler drain updates, and overall system compliance; for the sanitary lines, updates for compliance with boiler drains and deaerator drains. Softener drains, to be compliant, need to go to sanitary. System is approximately 60 years old and needs significant upgrades to bring it into compliance with modern day utilization practices.
R13.  (Unfunded 2016) Davis Hall Parapet Restoration

Northern Illinois University's Davis Hall was originally constructed in 1942. Over the years, through natural weathering, the masonry tuck pointing around the roof parapet has begun to severely deteriorate. Due to this natural deterioration, water has begun to infiltrate the masonry cavity causing significant spalling and damage to the parapet wall. In order to avoid further damage, NIU would like to perform tuck pointing of existing masonry structure, restoration of masonry parapet that has begun to deteriorate and bow, restoration of masonry walls that have begun to crack, and replacement / repair of lintels that have begun to fail.

R14.  Gabel Hall Pool Repairs

Northern Illinois University's Gabel Hall was originally constructed in 1958. Over the years, through natural wear and tear, the existing Gabel Hall facility has begun to show its age. More specifically, the concrete pool and pool systems have begun to deteriorate. Existing pool motors, filters, heating, and other systems are showing their age and are in a constant state of failure. Maintenance of the system has become burdensome due to the age of the system and the University's lack of ability to acquire replacement parts. This project seeks to repair the existing pool structure and to rework/replace the existing pool systems to allow for higher level maintenance, chlorine control, and overall pool quality.

R15.  Cole Hall Steam Supply Replacement

Faye Cooper Cole Hall, originally constructed in 1968 recently underwent a significant renovation in 2012 as part of a Capital Development Board Project. A large portion of the building was converted into a state-of-the-art teaching "Collaboratory", Auditorium, and Anthropology Museum. Even though a significant portion of the building was remodeled, the basement and existing HVAC supply lines from 1968 still remain. This has caused significant issues with the University's ability to maintain and control temperature and humidity levels within the building. As the Anthropology Museum continues to acquire artifacts from around the world, the need to protect these artifacts from excessive temperatures and humidity levels has become a significant need. This project seeks to remove and replace the existing steam pressure reducing station and supply lines in order to provide reliable steam supply for the temperature and control of the HVAC system. In doing so, NIU will be better able to control the indoor climate conditions within the building.

R16.  Anderson Hall Pool Repairs

Northern Illinois University's Anderson Hall was originally constructed in 1964. Through the years, minor work has been done to maintain the building, but no significant renovations have occurred. Over the years, through natural wear and tear, the existing Anderson Hall facility has begun to show its age. More specifically the concrete pool, pool deck, and pool systems have begun to deteriorate. Existing pool motors, filters, heating, and other systems are showing their age and are in a constant state of failure. Maintenance of the system has become burdensome due to the age of the system and the University's lack of ability to acquire replacement parts. This project seeks to repair the existing pool structure and pool deck and to rework/replace the existing pool systems to allow for higher level maintenance, chlorine control, and overall pool quality.

R17.  Lorado Taft Life Safety

Lorado Taft, NIU's outdoor education and conference center, is open year-round to any group of 40 to 160 people. The Taft Campus has 14 facilities that range in age from 116 years to 13 years (Taft House - 1900, Pooley House - 1900, Log Cabin - 1900, Browne House - 1902, Dickerson House - 1951, Pump House - 1951, Garage - 1951, Grover House - 1951, Clarkson House - 1963, Dining Hall - 1963, Arts &
Crafts - 1968, Heckman Dorm - 1962, Director Mobile Home - 1980 and Water Pressurization - 2003). Most of the buildings were constructed in the 50's and 60's and have begun to show their age. Existing HVAC systems, Fire Protection Systems, and other occupancy features intended to minimize danger to patrons that visit the facilities are significantly past their useful life. In an effort to reduce the risk of system failure, this project seeks to renovate the existing facilities to bring them up to date with modern day code and health and life safety standards.

R18. Asbestos Floor Tile Abatement

DuSable Hall, Reavis Hall, and Watson Hall are some of the most widely utilized classroom buildings on the Northern Illinois DeKalb Campus. As freshman enter campus, it is highly likely that these buildings will house a significant number of their general education classes. As such, there is a need to ensure that the facilities are on par with other peer institutions. DuSable Hall (built in 1968), Reavis Hall (built in 1957), and Watson Hall (built in 1962) still have the existing 9”x 9” asbestos tile and mastic in a majority of classrooms and hallways. Over the years, the tile has become worn and has started to chip and deteriorate. In an effort to not only improve the overall look of the facilities but also reduce/eliminate the potential spread of friable asbestos, this project seeks to remove the existing 9”x 9” tile and mastic and replace it with up-to-date finishes that do not pose a threat to the health and life safety of students, faculty, staff, and visitors.

R19. Broadcast Center Roof Replacement

The roof on the NIU Broadcast Center was installed in 1996 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. A complete roof replacement is necessary to correct the problem. This project seeks to remove and replace the existing EPDM low slope roofing system (including but not limited to membrane, insulation, and underlayment). The roof consists of over 13,500 square feet and approximately 600 linear feet of roof flashing.

R20. (Unfunded 2014) Music Building Roof Replacement

The original roof on the NIU Music Building was installed in 1972 and has deteriorated to the point that patching and intermediate repairs are no longer feasible. Water infiltration and secondary damage is occurring within the building whenever it rains. Roof replacement is necessary to correct the problem. The all-weather-crete insulation is also spoiled at this point and must be replaced. The existing roof is a 3-ply, built-up roof with a gravel surface over coal tar pitch. The roof is over 60,000 square feet with eight major roof levels that will require 2,000 feet of new roof flashing. This roof offers an ideal location for green roof opportunities which will be considered in this scope of work.

R21. Davis Hall Observatory Upgrade

Davis Hall was built in 1943 to house the classrooms for all the natural sciences. Today it currently holds many of those same departments such as geology, geography, meteorology, and astronomy. The observatory telescope atop Davis Hall was not added until 1965. The Observatory rests upon the original pair of hydraulic cylinders which allow the floor to be raised and lowered for better use of the telescopes. The clock drive also makes possible reliable 10- and 20-minute astrophotography. While the systems are still functional, they have begun to show their age and are in need of repair and/or replacement. This project seeks to renovate the existing observatory by repairing and/or removing and replacing the existing hydraulic equipment and clock drive to ensure that it remains in operation for years to come.
R22. **(Unfunded 2013) McMurry Lecture Room Roof Replacement**

A temporary roof was put on McMurry Lecture Room in 1990 and has never been permanently addressed. Prior to 1990, the original roof consisted of EPDM with layers of insulation on top of the roof deck. Water infiltration and secondary damage occurs within the building due to the lack of a permanent roof. Roof replacement is necessary to correct the problem. The roof is over 2,000 square feet and will require extensive roof flashing.

R23. **(Unfunded 2014) Elevator Rehabilitation**

Northern Illinois University seeks to rehabilitate several elevators on campus. After many years of service, the elevators in many general revenue buildings have become difficult to repair and have extremely high maintenance costs. They provide unacceptable levels of performance, and the problems and breakdowns appear more frequently and varied. Many exiting controllers are not equipped with the necessary fire protection technology and do not comply with local and national codes.

R24. **(Unfunded 2014) McMurry Stone Repair**

McMurry Hall, constructed in 1911, is a three-story, solid brick masonry bearing wall structure with decorative cut limestone surrounds that accent the doors, windows, and eave line of the building. The masonry requires routine maintenance, cleaning, tuck pointing, and restoration to ensure the building exterior is kept weather-tight to protect the structural integrity of the bearing walls. The decorative limestone is in poor condition at the south entry and several other locations. The aluminum framed windows installed in 1963 are now worn and leaking and beyond the normal life expectancy for the material.

R25. **(Unfunded 2015) Phase IV Electrical Infrastructure**

In continuation of the efforts outlined in Phase III Electrical Infrastructure (R3 Above), Phase IV of the Electrical Infrastructure will incorporate the replacement of underground duct bank high-voltage electrical cables (Loop S#1 to G#5, Loop S#2 to G#4 and Loop NG#1 to G#3) as well as the replacement of the Carroll Avenue Substation and the renovation of electrical building equipment in the Davis Hall.

Loop S#1 to G#5 is distributed in 4,450 lineal feet of duct bank. The buildings that are fed on this loop include: Convocation Center, Stevenson North, Stevenson South, and the Softball Field.

Loop S#2 to G#4 is distributed in 5,400 linear feet of duct bank. Although 300 lineal feet of cable has been replaced recently, it will be necessary to replace the remaining 5,100 feet. The buildings that are fed on this loop include: Yorden Center and Huskie Event Power, Stadium West, Dorland Building & Physical Plant, Stadium East, TV Center, BAVC, and the Recreation Center.

Loop NG#1 to G#3 is distributed in 3,910 lineal feet of duct bank. All 300 lineal feet of cable on this loop has been replaced in recent years. The buildings that are fed on this loop include: West Heating Plant, Lincoln Hall, New Residence Hall, and the Community Center.

R26. **General Revenue Buildings: Painting**

Northern Illinois University has over 75 General Revenue facilities located on its main campus in DeKalb. Of those 75 buildings, approximately 80% are over 40 years old and 53% are over 50 years old. The majority of these facilities have not been renovated since they were originally constructed. While Northern Illinois University has continued to provide exceptional maintenance to all facilities, in most cases the interior and exterior painting of the buildings has not been done in 10 to 20 years. As such, the facilities are showing their age. In an effort to better maintain our General Revenue facilities and be on
par with peer institutions, this project seeks to provide painting these facilities in order to make them more appealing and inviting to students, faculty, staff, and visitors.

R27. (Unfunded 2017) Simulation Labs

Northern Illinois University School of Nursing prides itself on its ability to provide its students with a dynamic, hands-on teaching environment. In order to continue to provide this type of high level theoretical knowledge-based education, the School of Nursing seeks to enhance their existing facilities with four additional simulation labs (and integral control rooms) in which students have the opportunity to practice essential skills in a computer-based lab. Mannequins simulate a variety of symptoms that can be found in real life scenarios. This experiential and active learning environment is essential in providing our students with the skills necessary to be successful within the nursing field.

R28. (Unfunded 2014) Modern Collaboratory Classroom Conversions

Many of our current computer labs on campus utilize outdated technology. As new students arrive on campus, it is essential to provide up-to-date technology in order to provide classroom environments that meet the needs of both our students and teaching staff. Collaboratory classrooms are intended to provide a high-tech tool and seating configuration; environment specifically created to facilitate active, collaborative learning (professor-guided, student collaboration in a laboratory-type setting) in a board-room like seating arrangement. The physical design of the room, accessibility to computer-based and online web information, along with the nature of the class materials and the makeup of the groups are carefully structured to encourage students to interact as a team during problem solving tasks.

Features include:
- Separate learning pods, each seating six to eight students
- Digital touch screen for each pod allowing students to interact both intellectually and physically with educational material, much in the same way users interact with touch-screen iPads.
- Individualized student workstations with internet access enabling online networking among students and a specialized instructor workstation for monitoring each student or group where the professor can project and interact with classroom work within each pod.

R29. (Unfunded 2013) General Revenue - Chiller Tie-In - Phase VIII: Still Gym, Still Hall & McMurry Hall Chilled Water Loop Connection

Northern Illinois University has several buildings located on campus that are operated by standalone systems HVAC. In 1991, NIU completed the final phase of a comprehensive study of the University's utility systems. The University's consultant provided an all-inclusive report on the condition and recommended rehabilitation and improvement of electrical, steam, water, natural gas, and chilled water distribution systems. Phase VIII of this plan seeks to connect Davis Hall, Still Gym, Still Hall, and McMurry Hall to the University's chilled water loop. Connecting these buildings to the University's chilled water loop will provide the University the ability to remove the buildings' existing standalone systems which (due to their age) are costly to both maintain and operate.

R30. (Unfunded 2015) East Heating Plant Upgrade - Phase IX: Anderson Hall, Engineering Building & Barsema Hall Infrastructure Installation for Chilled Water Loop Connection

Northern Illinois University has several buildings located on campus that are operated by stand-alone HVAC systems. In 1991, NIU completed the final phase of a comprehensive study of the University's utility systems. In an effort to continue the progress made from this study, the University has identified areas of additional improvements within its electrical, steam, water, natural gas, and chilled water
distribution systems. Phase IX seeks to provide the infrastructure needed to connect Anderson Hall, the Engineering Building, Barsema Hall, Faraday East, and LaTourette Hall to the University's chilled water loop. Connecting these buildings to the University's chilled water loop will provide the University the ability to remove the building's existing stand-alone systems which (due to their age) are costly to both maintain and operate.

Phase Xa and Xb (R15 & R16) seek to connect Anderson Hall, the Engineering Building, Barsema Hall, Faraday East, LaTourette Hall, Davis Hall, McMurry Hall, Still Gym, and Still Hall to the University's chilled water loop. In order to accommodate the additional load provided for in phase Xa and Xb, phase IX will need to be completed. Phase IX work will include the addition of 2 chillers, 2 pumps, and 2 additional cooling towers.

R31.  (Unfunded 2015) General Revenue Chiller Tie-In - Phase Xb: Anderson Hall, Engineering Building & Barsema Hall Chilled Water Loop Connection

Northern Illinois University has several buildings located on campus that are operated by stand-alone HVAC systems. In 1991, NIU completed the final phase of a comprehensive study of the University's utility systems. In an effort to continue the progress made from this study, the University has identified areas of additional improvements within its electrical, steam, water, natural gas, and chilled water distribution systems. Phase Xb of this plan seeks to connect Anderson Hall, the Engineering Building, and Barsema Hall to the University's chilled water loop. Connecting these buildings to the University's chilled water loop will provide the University the ability to remove the building's existing stand-alone systems which, due to their age, are costly to both maintain and operate.

Phase Xb seeks to connect Anderson Hall, the Engineering Building, and Barsema Hall to the University's chilled water loop. Work will include interior modifications to existing systems for all buildings as well as the addition of significant underground pipe to the Engineering Building and Barsema Hall. DDC controls (with I-Net) will also need to be provided at each building.

R32.  (Unfunded 2015) Replace Neptune Bridge - Phase XI

The existing bridge running over the Kishwaukee River on the west side of Neptune Hall is in significant disrepair and needs to be replaced. In order to do so, additional work must be completed to re-locate the existing steam lines that run underneath and are supported by the bridge.

In order to avoid outages in service to the steam line, the existing bridge west of Neptune Hall will need to be relocated. The project will include the relocation of the existing foot bridge and all associated structural work. Work will also include the installation of a new steam line to connect into the existing east and west tunnel system, tunnel for the steam line, and all associated equipment and ejector pumps. Once the new line has been installed and successfully connected, the existing bridge is to be removed in its entirety.

R33.  (Unfunded 2017) Repair/ Re-tube Boiler Number Five - East Heating Plant

Northern Illinois University's existing boiler system provides steam for heating both the east and west campus. Many components of the University's system are quite old and have been decommissioned due to severe deterioration of the interior boiler tubes and components. More specifically, Boiler number five within the East Heating Plant is also in need of significant repairs. This boiler was installed in 1976 and is currently “off line” due to the same interior deterioration of boiler tubes and components. The loss of this creates a major safety hazard for the heating plant, students, and staff by putting the campus at risk of losing heat during the winter months. In order to provide a safe, secure, and stable boiler system, the University wishes to repair/rebuild and recertify Boiler number 5. This work will guarantee that the
University will be able to provide additional heating capacity that will ensure campus facilities will be properly maintained through severe winter conditions.
<table>
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<tr>
<th>PROJECT NAME/DESCRIPTION/BUDGET CATEGORY</th>
<th>ANTICIPATED SOURCE OF FUNDS</th>
<th>TOTAL PROJECT COST</th>
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<td>Holmes Student Center Renovation - Phase I (Deferred Maintenance / Renovation)</td>
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<td>West Heating Plant Boiler Replacement (Deferred Maintenance / Modernization)</td>
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<td><strong>Budgeted Total:</strong></td>
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**Agenda Item 9.a.5.**

**September 15, 2016**

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**STEVENSON TOWERS B & C - ROOF REPLACEMENT**

**CAPITAL PROJECT APPROVAL**

**Summary:** The roofs on Stevenson Hall Towers B and C experience periodic and occasionally significant leaks. Leak repairs have been modestly successful, however due to age and deterioration of the roofing membrane, these roofs have been identified as a priority for replacement during Fiscal Year 2017. Similar to towers A and D, which were approved for replacement at the March 17, 2016 Board meeting, the built-up coal tar pitch roof membrane system was installed in 1968 when the buildings were constructed and was restored in 1981. However, they are well beyond the 20-year life expectancy of the asphalt restoration products that were applied, and the roofs are currently in very poor condition due to age and UV deterioration.

The work will include the removal of all existing roofing materials to the existing roof deck. The roof deck will be repaired as required and new insulation will be installed with a new roofing membrane system, including flashing around the perimeter of the building and at all penetrations of the roof. The work will include any necessary clean-up and repair of damaged ceilings and other surfaces in the ceiling plenum and the rooms below the roof area.

**Funding:** Institutional – Bond Reserve Funds

**Recommendation:** The University requests Board of Trustees authorization to establish a total project budget of $625,000; contract with an Architectural / Engineering firm for preparation of plans and specifications for bidding the work; and proceed with construction contracts, purchase orders, and work orders as necessary to complete the roof replacement and renovation work. The University will provide the Board with periodic updates on the progress of the project.
DIVISION OF INFORMATION TECHNOLOGY
FISCAL YEAR 2017 NIUNET MODERNIZATION

Summary: The Division of Information Technology requests the purchase of Ciena hardware, software, and maintenance to upgrade and modernize NIUNet and will purchase through Walker and Associates, Inc. utilizing the MHEC award.

NIUNet is a premier network that provides broadband services throughout Northern Illinois for the advancement of high speed connectivity. NIUNet also provides connectivity the University requires for research and Internet services at its main campus and Outreach Centers. Currently one segment of the NIUNet infrastructure has reached its end of life. It can no longer be supported, replaced, or repaired, and therefore requires an upgrade to modernize the equipment.

In addition to the University benefits of high speed networking, this proposed segment generates over $300,000 per year in external revenue with the potential to grow by 50% in the short term. This network segment also provides backup for other critical networking routes.

For additional financial context, the NIUNet capital refresh cycle includes a total of $1.5M in refresh costs every 7 years. The last refresh of this equipment was in 2011. The next refresh is due in FY18 and will cost approximately $200,000. This amount is anticipated to be fully funded through external revenue generated by NIUNet.

This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved MHEC vendor.

Funding: The total equipment cost for this request will not exceed $608,000. Funding for this request is provided through three existing sources: First, under a 10-year agreement between NIU and the Illinois Rural HealthNet, there is a reserve of $287,000 held in an NIU account for this specific purchase. Second, $260,000 of the $300,000 in annual revenue generated by this circuit can be applied toward the purchase of this new equipment. Third, the remaining $61,000 will be paid for by wired networking revenue generated through existing wired networking fees. No new incremental funding is being sought, only the approval to spend existing funds.

Recommendation: The University requests Board of Trustees approval of expenditure authority for FY 2017 as follows:

Walker and Associates, Inc., Welcome, NC.........................................................................................$608,000
Universities have a long tradition of granting emeritus status to faculty who retire in good standing. Northern Illinois University has created a regular process for the identification of retirees for whom the emeritus designation is appropriate. A list of ranked faculty who have announced or finalized retirements during the fiscal year is prepared annually by Human Resource Services and reviewed by the Provost for presentation to the Board of Trustees. The university hereby informs the Board of Trustees of the retired faculty members designated as emeritus for FY2016.

The faculty being granted emeritus status, with their departments, ranks, any special status, and dates of retirement are as follows:

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<tr>
<th>Name</th>
<th>Department</th>
<th>Rank and Special Status</th>
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<tr>
<td>Ammar,Gregory S</td>
<td>Mathematical Sciences</td>
<td>Professor</td>
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<td>Arriola,Elvia Rosales</td>
<td>College of Law Faculty</td>
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<td>Brantley,Helen</td>
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<td>Brown,Karen S</td>
<td>School of Art and Design</td>
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<td>Butler,Rebecca Petersen</td>
<td>Educational Tech Res &amp; Assesm</td>
<td>Professor - PTP</td>
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<td>Carnahan,Jon Winston</td>
<td>Chemistry &amp; Biochemistry</td>
<td>Professor</td>
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<tr>
<td>Castle,Nancy M</td>
<td>NGO Leadership &amp; Development</td>
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<td>Crawford,Jon G</td>
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<td>Dawson,Patrick J</td>
<td>Libraries</td>
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<td>Dunn-Kenney,Maylan A</td>
<td>Special and Early Education</td>
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<td>Fortner,Michael R</td>
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<td>Gaebler,David B</td>
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<td>Glickfeld,Barnett W</td>
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<td>Gupta,Abhijit</td>
<td>Mechanical Engineering</td>
<td>Professor</td>
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<td>Hecht,J effrey Brad</td>
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<td>Hill,Stuart A</td>
<td>Biological Sciences</td>
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<td>L'Allier,Susan K</td>
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<td>Levin,Amy K</td>
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<td>Mackie,Brian Gerald</td>
<td>Oper Mgmt &amp; Info Sys</td>
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<td>Moremen,Robin D</td>
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<td>Oldenburg,Nancy L</td>
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<td>Plonczynski,Donna</td>
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<td>Ridge,Patricia Lin</td>
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<td>Russell,Susan D</td>
<td>Anthropology</td>
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<td>Schaeffer,John D</td>
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<td>Walton,John Arnold</td>
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<td>Wholeben,Brent Edward</td>
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<td>Zerwekh,Robert A</td>
<td>Computer Science</td>
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Agenda Item 9.b.2.  
September 15, 2016

NIU FULBRIGHT PRESENTATION

Dr. Bradley Bond provided a brief presentation on NIU’s history and current Fulbright activities.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016.  
http://www.niu.edu/board/meetings/2016/materials
Agenda Item 9.b.3. 
September 15, 2016

INSTITUTIONAL AID TASK FORCE REPORT

Staff provided the Committee with an update on the work of the Financial Aid Task Force.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. 
http://www.niu.edu/board/meetings/2016/materials
The Illinois Board of Higher Education issued Tuition and Fee Waiver Guidelines for Illinois Public Universities in June 1999, which was amended in February 2000. These guidelines include the requirement that tuition and fee waivers granted during the fiscal year be reported to each university's Board of Trustees. Pursuant to that requirement, the University has prepared the following report.

### Tuition and Fee Waivers

**FISCAL YEAR 2016 ($ in thousands)**

**MANDATORY WAIVER CATEGORY**

<table>
<thead>
<tr>
<th>Program</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher Special Education</td>
<td>54</td>
<td>9</td>
</tr>
<tr>
<td>General Assembly</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>ROTC</td>
<td>47</td>
<td>1</td>
</tr>
<tr>
<td>DCFS</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Children of Employees</td>
<td>160</td>
<td>-</td>
</tr>
<tr>
<td>Senior Citizens</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Honorary Scholarships</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Veterans Grants &amp; Scholarships*</td>
<td>335</td>
<td>104</td>
</tr>
<tr>
<td>Other (please specify)**</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total                                             | 622           | 115      |

**DISCRETIONARY WAIVER CATEGORY**

<table>
<thead>
<tr>
<th>Program</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty/Administrators</td>
<td>14</td>
<td>121</td>
</tr>
<tr>
<td>Civil Service</td>
<td>65</td>
<td>74</td>
</tr>
<tr>
<td>Academic/Other Talent</td>
<td>476</td>
<td>291</td>
</tr>
<tr>
<td>Athletic</td>
<td>205</td>
<td>-</td>
</tr>
<tr>
<td>Gender Equity in Intercollegiate Athletics</td>
<td>177</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Exchange Students</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Out-of-State Students</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Students</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>Student Need-Financial Aid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student Need-Special Programs</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Cooperating Professionals</td>
<td>10</td>
<td>496</td>
</tr>
<tr>
<td>Research Assistants</td>
<td>-</td>
<td>666</td>
</tr>
<tr>
<td>Teaching Assistants</td>
<td>-</td>
<td>911</td>
</tr>
<tr>
<td>Other Assistants</td>
<td>6</td>
<td>247</td>
</tr>
<tr>
<td>Student Employment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interinstitutional/Related Agencies</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Retired University Employees</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Children of Deceased Employees</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Contract/Training Grants</td>
<td>-</td>
<td>345</td>
</tr>
<tr>
<td>All Other (please specify)**</td>
<td>-</td>
<td>19</td>
</tr>
</tbody>
</table>

| Total                                             | 968           | 3,232    |

**Unduplicated Summary Tuition and/or Fees**

| Total Value of Waivers                           | 5,331.0       |
| Total of Waivers Category                         | 21,059.1     |
| Total count of Waivers***                         | 26,390.1     |

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(1) The unfunded portion of Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), POW/MIA Scholarships (Department of Veterans Affairs), and Dependents of Fire, Police and Correctional Officers Grants (ISAC).
FISCAL YEAR 2016 REPORT ON CAPITAL ACTIVITIES

The following report summarizes all capital projects approved from Fiscal Year 2010 through Fiscal Year 2016. These projects were approved by authorization from the following:

1) The Board of Trustees
2) The President as delegated by the Board
3) The Vice President of Administration and Finance as delegated by the President
4) Appropriation by the State of Illinois to the Capital Development Board for Northern Illinois University

This report is required by the Board of Trustees Regulations and supplements quarterly and semiannual reports on capital projects. The format and data of this report are intended to summarize all capital improvements by Fiscal Year and establish historical perspective.

The chart titled Approved Capital Projects by FY/Fund Source (Figure 1) illustrates fund sources for capital improvements from FY10 to FY15. In Fiscal Year 2010, the Board approved three projects in excess of $1.0 million: $22 million for the renovation of Stevens Building, $6 million for the renovation of Cole Hall, and $2 million for a new lecture hall to be part of the Cole-Stevens Complex. There were no project approvals between $500,000 and $1,000,000. There were four project approvals between $100,000 and $250,000 that totaled $643,498. There were nineteen projects under $100,000 approved. There were eleven repair and remodeling projects approved for research, learning, classroom, and support spaces. Included in those eleven projects were four smart classroom remodeling projects.

In Fiscal Year 2011, the Board approved seven projects in excess of $1.0 million: $85.76 million for projects related to Campus Non-Instructional Modernization and Capacity Improvement, $7 million for the renovation of parking facilities, $5.24 million for a new Outdoor Recreation Facility, $3 million for Grant Tower Renovation Phase I, $2.88 million for Electrical Infrastructure upgrades, $2.69 million for
Stevenson Fire Sprinkler System, and $1.74 million approval of CDB Funds for roof replacement on seven general revenue buildings. There was one project between $500,000 and $1,000,000: $970,000 was approved for the roof replacement at Holmes Student Center. There were two project approvals between $250,000 and $500,000 that totaled $692,000: $365,000 for Campus Alert Phase II, and $327,000 to repair the building envelope at Lincoln Hall. There were three project approvals between $100,000 and $250,000 that totaled $601,932. There were twenty-seven projects under $100,000 approved. There were ten repair and remodeling projects approved for research, learning, classroom, and support spaces.

In Fiscal Year 2012, the Board approved two projects in excess of $1.0 million: $3.3 million for Huskie Stadium scoreboard, $1.8 million for campus 100% wireless coverage. In addition, the Capital Development Board approved a budget increase of $2.9 million for Stevens Building Renovation. There was one project between $500,000 and $1,000,000: the CDB approved a budget increase of $572,600 for roof replacements on seven campus buildings. There was one project approval between $250,000 and $500,000: $385,000 for Campus Alert Phase III. There were ten project approvals between $100,000 and $250,000 that totaled $1,799,048. There were twenty-seven projects under $100,000 approved, fourteen of which were under $25,000. There were eight repair and remodeling projects approved for research, learning, classroom, and support spaces. Notable projects include the new DOD super computer for Computer Science, 100% wireless coverage for campus, three smart classrooms, and a new laboratory for Computer Science.

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

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

In Fiscal Year 2015, the Board approved one project in excess of $1.0 million: $1.5 million for planning the renovation of Holmes Student Center and Neptune Residential Complex. There were two projects over $500,000: Grant Central Roof Replacement at $812,000 and renovation of the Animal Research Facilities located in Psychology / Computer Science and Montgomery Hall at $850,000. Maintenance project approvals totaled $3.03 million for general campus improvements with an additional $373,071 approved for two emergency repairs. There were five projects between $250,000 and $500,000. Most notably two projects at Huskie Stadium: $460,000 for a new turf field and $300,000 for additional LED advertising ribbon boards. There were twenty-one project approvals between $100,000 and $250,000 that totaled $4,760,342. There were forty-nine project approvals under $100,000, thirty were under $25,000. There were seventeen repair and remodeling projects approved for academics, research, smart classrooms, and support spaces. Notable projects include the renovation of the Animal Research Facilities.
for Psychology and Biology, nine smart classrooms and classroom upgrades, additional compact storage for the Anthropology Museum, the first electric car charging station on campus, and this year one new facility was added, a new salt shed for Grounds Department to help manage purchasing and storing of winter de-icing salt.

Reviewing the same six-year period by project category (Figure 2) confirms the University’s commitment to repair and renovation of existing facilities and the upgrade of infrastructure to serve the campus. Notable new construction occurred in Fiscal Year 2011 with approval to construct the new $5.24 million Outdoor Recreation Facility.

The vast majority of capital resources FY10 to FY15 were directed to upgrading campus infrastructure and adapting facilities to meet the needs of current programs. Infrastructure improvement and repair and renovation include all facility improvements not directly associated with construction of new facilities. Projects such as roof replacements, boiler and chiller replacements, extension of utility tunnels, street resurfacing, and parking lot reconstruction are all considered infrastructure improvement or repair or renovation. The entire six-year period underscores these efforts.

![Capital Projects by FY/Category](image)

**Figure 2**

<table>
<thead>
<tr>
<th>Planning</th>
<th>Infrastructure Improvement</th>
<th>Repair and Renovation</th>
<th>New Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td></td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>FY11</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td>120</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>FY13</td>
<td>80</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>FY14</td>
<td>50</td>
<td>100</td>
<td>20</td>
</tr>
<tr>
<td>FY15</td>
<td>30</td>
<td>100</td>
<td>10</td>
</tr>
</tbody>
</table>
Total capital funding approved in Fiscal Year 2016 was $28.6 million. Figure 3 illustrates the makeup of capital projects by funding sources for FY16.

**Approved Capital Projects by Fund Source-FY2016**

Figure 3

![Pie chart showing approved capital funding by fund source for FY2016]

- **Capital Development Board (None)**: $26.2 Million
- **Revenue Bond**: $4.87 Million
- **Other (Local, Foundation, & Grant Funds)**: $1.0 Million
- **General Revenue & Income Fund**: $1.4 Million

Figure 4 (shown on the next page) tracks approved capital funding by Fiscal Year and Fund Source. The chart clearly shows the dramatic decrease in capital funding approval beginning in FY12. Funding approved in FY10 was $36.36 million. Capital Development Board funding in FY10 of $30.5 million represents the appropriation of $8 million for Cole Hall renovation and a $22.5 million appropriation for Stevens Building renovation. FY10 Bond Revenue funding approval was dramatically reduced from previous years to $230,000. Funding approved in FY11 was $111.39 million. This large increase in funding approval over previous fiscal years is due to the $98 million approved for Campus Non-Instructional Modernization and Capacity Improvement Bond Revenue projects. Capital Development Board funding in FY11 of $1.74 million was directed toward deferred maintenance for seven roof replacements. Approval of $4.08 million of Appropriated and Other funds was directed mainly toward emergency electrical repairs, campus alert systems, and electrical infrastructure replacement. Funding approved in FY12 was $11.52 million, a significant reduction from the previous year. FY12 Capital Development Board funding of $3.48 million added funds for Stevens and roof replacements. Bond funding of $4.87 million includes Stadium scoreboard upgrade and wireless coverage for residence halls. The $3.17 million approval of Appropriated and Other funds was directed mainly toward campus alert systems and wireless internet coverage for general revenue buildings.
Funding approved in FY13 was $9.71 million, near the previous year’s approval level. No Capital Development Board funding was approved. Approval of $6.72 million of Appropriated funds provided campus maintenance, electrical infrastructure, and campus alert systems. Funding approved in FY14 was $8.7 million, down slightly from previous years. No Capital Development Board funding was approved. Approval of $7.5 million of Appropriated and Other funds was directed toward campus maintenance, electrical infrastructure, and a new police radio system. In FY15 $9.7 million in capital funding was approved, very close to the approval level of the last two fiscal years. As in recent years, there was no Capital Development Board funding approved. Approved Revenue Bond funding of $5.0 million included $1.5 million for planning the renovation of Holmes Student Center and Neptune Residential Complex. Again in FY15, the $4.7 million of Appropriated and Other funds were mainly directed toward remodeling, campus maintenance and several small “Campus Initiative” projects which refreshed and updated areas within the central core of campus. In FY16 $28.6 million in capital funding was approved. At first glance this approval level appears significantly higher than the previous four fiscal years, however, the approval of $20 million of Build America Bond proceeds to renovate Holmes Student Center is technically an approval to reallocate funds that were previously approved by the Board in FY11. The amount of new capital funding approved for FY16 is $8.6 million, which is approximately equal to approvals for the last four fiscal years. As in recent years, there was again no Capital Development Board funding approved except that the Board approved $300,000 of appropriated/income funds to ensure that the CDB Stevens Building Renovation project was enclosed and protected for winter. Of the remaining $8.3 million of approval, $4.93 million or 60% was directed toward major repairs.

Capital Projects by FY/Fund Source

Figure 4
A review of Fiscal Year 2016 by the category of capital improvements undertaken (Figure 5) shows the institution’s dedication to renovating facilities and upgrading existing infrastructure. The Board approved three projects in excess of $1.0 million: The reallocation of $20 million in Build America Bonds for the renovation of Holmes Student Center, $1.9 million for renovation of New Hall Dining and Residence, and $1.25 million to replace the roof of Gabel Hall. There were five projects over $400,000: $750,000 for Grant Steam Vault, $700,000 for the Boiler Assessment and Phase I Design, $625,000 for Stevenson Towers Roof Replacement, $440,000 for Lucinda Avenue Realignment, and $400,000 for DuSable Steam Vault Repairs.

There were four projects between $200,000 and $400,000. Most notable was the repair of the heating system for the Child Development Lab for $246,300.

There were twenty-three project approvals between $25,000 and $200,000 that totaled $1,446,620, and there were twenty-eight projects under $25,000 approved. There were twelve projects approved for General Revenue buildings. The majority of these projects were major repairs to critical building systems such as heating, ventilating, air conditioning, leaking roofs, and deteriorated walls.
FISCAL YEAR 2016 ANNUAL REPORT OF TRANSACTIONS INVOLVING REAL PROPERTY

Three categories of real property transactions are included in this annual report. In-leases, where NIU acts as the lessee, serve to provide support when either there is insufficient or inadequate space for the requirement within University-owned property. Annual reviews are being conducted to verify the continuing need for the in-lease arrangement before renewal. Leases may be terminated when the mission requirement ends or arrangements can be made to accommodate the function within University property or via another in-lease.

Out-leases, where NIU acts as the lessor, serve to effectively leverage under-utilized property either financially and/or through compatible support to the University mission. Annual reviews are being conducted to evaluate the value of the out-lease to the University prior to renewal.

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Transactions</th>
<th>Transaction Percentage</th>
<th>Dollar Volume</th>
<th>Dollar Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-leases (NIU as lessee):</strong> Includes support for academic activities (e.g. steel drum workshop, art studios, law clinic, temporary theater arrangements during Stevens construction), outreach activities (e.g. NPR operations, grant-funded motorcycle safety), and research (e.g. robotic submarine).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $100,000</td>
<td>18</td>
<td>95%</td>
<td>$451,438</td>
<td>81%</td>
</tr>
<tr>
<td>$100,000-$250,000</td>
<td>1</td>
<td>5%</td>
<td>$104,400</td>
<td>19%</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>100%</td>
<td>$555,838</td>
<td>100%</td>
</tr>
</tbody>
</table>

| **Out-leases (NIU as lessor):** Includes support for government organizations (e.g. IL Board of Examiners, IL Dept of Agriculture, State University Retirement System), commercial operations (e.g. Subway fast food, TCF Bank, farmland rental), and research (e.g. American Institute for Research in the Biological Sciences*, REV3 business incubator). | | | | |
| Under $100,000           | 9                      | 90%                    | $211,719        | 26%              |
| $100,000-$250,000        | --                     | --                     | --              | --               |
| Over $250,000            | 1*                     | 10%                    | $597,000        | 74%              |
| **Total**                | 10                     | 100%                   | $808,719        | 100%             |
**Facility capital leases:** Includes the annual payments for the Illinois Association of School Business Officials and the New Hall and Northern View Residential Complexes.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Payments made in FY16</th>
<th>Payments to date</th>
<th>Remaining debt</th>
<th>Ending date of term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern View</td>
<td>$1,427,306</td>
<td>$4,174,315</td>
<td>$41,450,349</td>
<td>June 2043</td>
</tr>
<tr>
<td>New Residence Halls / Dining Center</td>
<td>$8,469,312</td>
<td>$47,311,395</td>
<td>$245,956,950</td>
<td>June 2043</td>
</tr>
<tr>
<td>IASBO Building</td>
<td>$69,926</td>
<td>$1,194,578</td>
<td>$553,585</td>
<td>May 2024</td>
</tr>
</tbody>
</table>
FISCAL YEAR 2016 ANNUAL REPORT OF CASH AND INVESTMENTS
FOR PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016

This report is required by Board of Trustees Regulations and is submitted annually.

The Investment Committee is responsible for monitoring compliance with the University 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 University investments are made from the following cash entity groups: (1) debt service reserve funds; (2) equipment reserve funds; (3) escrow and trust funds; (4) locally generated revenues, including tuition and fees; (5) project funds; (6) repair and replacement reserve funds; and (7) self-insurance funds.

The schedules included with this report are:

- Investment and Cash Management Policy
- Report of Depositories
- Investment Holdings Summary as of June 30, 2016
- Investment Earnings by Investment Type and Duration
NORTHERN ILLINOIS UNIVERSITY
INVESTMENT AND CASH MANAGEMENT POLICY

I. Investment Philosophy

Pursuant to Board of Trustees’ policy and Board Treasurer’s function, it shall be the policy of Northern Illinois University to manage the University’s cash and investments for the use and benefit of the University in a manner that will:

A. preserve and maintain the real purchasing power of the principal

B. assure an optimal flow of cash to meet University obligations

C. produce a yield which, when compared to current marketplace, would be described as acceptable by conservative investment managers while maintaining consistency with applicable State Statutes and/or bond indentures

II. Safety

The safety of principal is the primary objective of the University’s investment program. The University’s Investment and Cash Management Policy provides for diversification among permissible investments while:

A. Managing market changes

B. Minimizing interest rate risk

C. Mitigating credit risk

D. Managing concentration of credit risk

E. Safeguarding custodial credit risk

F. Controlling foreign currency risk

Interest rate risk is the risk that a change in interest rate will adversely affect the fair value of an investment. The University mitigates interest rate risk by maintaining adequate cash or cash equivalent balances that are consistent with expected cash flows of the University, thus minimizing risk associated with changes in market value and/or interest rate fluctuation. It is prudent to establish a diversified portfolio with instruments that vary by issuer; by type of security; and by maturity date.

Credit Risk represents a loss due to the failure of a security issuer to fulfill its obligation to make interest and/or principal payments in accordance with required dates. By limiting investments, to only those authorized by the Illinois Public Funds Investment Act (30 ILCS 235), the University’s exposure to credit risk is mitigated. For example, short-term obligations of corporations organized in the United States that meet the following criteria at the time of purchase: 1) rated at one of 3 highest classifications as determined by at least two standard rating services, 2) to mature in 180 days or less, 3) such purchases do not exceed 10% of the corporations’ outstanding obligations, and 4) no more than one-third of the University’s funds may be invested in short-term obligations of corporations.

Concentration of credit risk is managed with diversification of investments, held at any one time, in the University’s portfolio. The risk of loss due to having a significant portion of University resources invested in a single issuer is minimized and controlled by limitations as set forth in this investment policy.
Custodial Credit Risk or the risk of loss due to a financial institution or counterparty failing, in that, the University would not receive the full value of its deposits held by such party. In accordance with the Illinois Public Funds Investment Act (30 ILCS 235), public funds on deposit, not covered by FDIC insurance, require pledged securities to be placed by financial institutions or counterparty. Collateral agreements are to provide for a third party custodian to hold such pledged securities. To mitigate custodial credit risk, all pledged securities on behalf of the University are held in an account in the name of Northern Illinois University.

Foreign currency risk or investments exposed to currency rate fluctuation are controlled by adherence to the Illinois Public Funds Investment Act (30 ILCS 235).

III. Advisors

The University at its discretion may utilize the services of external advisors to assist in the management of investments. The choice of advisors shall be determined by the Investment Committee appointed by the President. This committee shall include, but not be limited to, the Vice President for Administration and Finance, the Associate Vice President for Finance and Budget, the Controller, and the Director of Treasury Operations (non-voting).

IV. Limitations

Consistent with State Law and Board of Trustees Policy:

A. Foreign investments are prohibited.

B. Collateralization of Accounts.

Whenever such funds retained by a State university or the Board of Trustees in its own treasury are deposited with a bank or savings and loan association and the amount of the deposit exceeds the amount of federal deposit insurance coverage, a bond or pledged securities shall be obtained. The State Finance Act limits the types of securities the State Treasurer may accept for amounts not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The market value of the bond or pledged securities shall at all times be equal to or greater than the uninsured portion of the deposit. (30 ILCS 105/6a-1a)

C. With authorization from the Investment Committee, the Associate Vice President for Finance and Budget may specify investment criteria that are more restrictive than those of this policy.

V. Authorized Investments

A. Board of Trustees

1. Regulations

The Board of Trustees Regulations §V.D.3. allow the combining of funds of the same category or classification in a single account with an authorized depository as long as the University's books and records reflect the amount in each fund so deposited and the charges against each fund.

Any amount of such deposits in excess of the amount reasonably necessary to meet the anticipated expenses of such funds may be invested in any investment permitted by the laws of the State of Illinois for the investment of public funds unless otherwise restricted by a bond or other legal covenant.
In the event of a conflict between the regulations and the requirements of specific bond resolutions, the latter shall govern.

All funds not required to be paid into the State Treasury shall be deposited in banks authorized by the Board of Trustees to serve as depositories.

Each year the University shall file with the Board of Trustees a report of beginning balances, withdrawals, and ending balances for all bank accounts. In addition, a statement of investment policy shall be filed annually with the report on depositories.

2. Bond Funds and Other Debt Instruments

The Resolutions authorizing the issuance of revenue bonds and other debt instruments may place restrictions on the investment of these funds. The maturity of investments purchased should be aligned with drawdown and/or use of funds schedules. The investments are limited to those permitted by resolution or meet the requirements of this investment policy.

Consistent with Federal compliance requirements, the Director of Treasury Operations is responsible for monitoring arbitrage rebate calculations and transmitting any necessary filings with IRS.

3. Fund Depositories

a. University accounts shall be held in the name of Northern Illinois University.

b. Banking activities will be conducted in a manner that is in compliance with State Statute and Board of Trustees regulations.

c. The Board Treasurer is authorized to designate depositories at such locations that require local banking services away from the Northern Illinois University main campus. Consistent with Board of Trustees regulations all new depository relationships require specific board approval.

d. The Board Treasurer is authorized to delegate signature authority for a single specific purpose bank and/or investment account. The delegation involves University departments and/or agency relationships within the University.

B. State of Illinois - Investment of Public Funds (30 ILCS 235)

1. The State of Illinois authorizes investments in instruments guaranteed by the full faith and credit of the United States of America as to principal and interest.

2. The State of Illinois authorizes investments in bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.

For the purpose of defining permitted investments, the term “agencies of the United States of America” include:

a. federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C 2001 et seq.) and Acts amendatory thereto;
b. federal home loan banks and the federal home loan mortgage corporation; and

c. any other agency created by Act of Congress.

3. The State of Illinois authorizes investments in interest-bearing savings accounts, certificates of deposit or time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

4. The State of Illinois authorizes investments in short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if

   a. such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services,

   b. the maturity is not later than 180 days from the date of purchase,

   c. such purchases do not exceed 10% of the corporation's outstanding obligations, and

   d. no more than one-third of the public agency's funds may be invested in short-term obligations of corporations.

5. The State of Illinois authorizes investments in money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended. The portfolio is limited to those obligations described in V.B.1 and 2 above and to agreements to repurchase such obligations.

6. The State of Illinois authorizes investments only in banks which are insured by the Federal Deposit Insurance Corporation.

7. The State of Illinois authorizes investments in short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings and loan associations which are incorporated under the laws of Illinois or any other state or under the laws of the United States.

   a. Investments may be made only in those savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation.

   b. Securities may be purchased at the offering or market price at the time of purchase.

   c. Securities shall mature or be redeemable on a date or dates prior to the time when invested funds will be required for expenditure by the University.

8. The State of Illinois authorizes investment of funds with a credit union chartered under the laws of the State of Illinois or the United States, provided the principal office of the credit union must be located within the State of Illinois and the investments must be in accounts which are insured by applicable law.

9. The State of Illinois authorizes investment of funds in a Public Treasurers' Investment Pool, commonly known as Illinois Funds, created under Section 17 of the State Treasurer's Act, 15 ILCS 505/17.

   Any public agency may also invest any public funds in a fund managed, operated and administered by a bank.
10. Except for repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 and subject to the provisions of said Act and the regulations issued thereunder, the State of Illinois does not permit public agencies to purchase or invest in instruments which constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of any public agency unless the instruments and the transaction meet the following requirements:

a. The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois.

b. An authorized public employee or officer, after ascertaining which firm will give the most favorable rate of interest, directs the custodial bank to "purchase" specified securities from a designated institution. The "custodial bank" is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements. To the extent the Treasurer acts in this capacity, he/she is hereby authorized to pass through to such public agencies any charges assessed by the Federal Reserve Bank.

c. A custodial bank must be a member bank of the Federal Reserve System or maintain accounts with member banks. All transfers of book-entry securities must be accomplished on a Reserve Bank's computer records through a member bank of the Federal Reserve System. These securities must be credited to the public agency on the records of the custodial bank and the transaction must be confirmed in writing to the public agency by the custodial bank.

d. Trading partners shall be limited to banks or trust companies authorized to do business in the State of Illinois or to registered primary reporting dealers.

e. The security interest must be perfected.

f. The public agency enters into a written master repurchase agreement which outlines the basic responsibilities and liabilities of both buyer and seller.

g. Agreements shall be for periods of 330 days or less.

h. The authorized public employee or officer of the public agency informs the custodial bank in writing of the maturity details of the repurchase agreement.

i. The custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and any claims by the custodian are subordinate to the public agency's claims to rights to those securities.

j. The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent bank or trust company holding the obligations upon the written instruction of the public agency, public employee or officer authorized to make such investments.
k. The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.

VI. Management of Cash and Investments

A. Except as provided herein, the Director of Treasury Operations, under the direction of the Associate Vice President for Finance and Budget or the Investment Committee, shall be authorized to serve as the Chief Investment Officer on behalf of the University. The Director of Treasury Operations will develop procedures necessary to administer the Investment and Cash Management Policy.

B. The Director of Treasury Operations will establish written operational procedures and will develop internal controls appropriate to address loss prevention measures and regulate the activities of subordinate University staff.

VII. Disbursements and Transfers

There shall be a requirement for two designated individuals to authorize transactions related to investment settlements and/or cash transfers. Assigned employees may be delegated authority to initiate appropriate transfers of University investment assets and funds provided suitable safeguards and security considerations are followed in conducting such transactions.

VIII. Accountability and Reporting

A. The Associate Vice President for Finance and Budget shall be accountable to the Investment Committee for implementing this policy.

B. The Director of Treasury Operations shall make reports on the status of investments and cash management to the Committee at intervals established by the Investment Committee.

C. The Associate Vice President for Finance and Budget will review investment data with the Treasurer of the Board of Trustees at intervals established by the Investment Committee.

D. The Investment Committee will report quarterly to the Board of Trustees and the University President concerning the status and results of investment activity. At a minimum, the reports shall include information regarding securities held in the portfolio by class or type, income earned, book value, and market value as of the report date.

E. The Director of Treasury Operations will make available online information concerning investment of public funds in accordance with the State of Illinois Finance Act (30 ILCS 237) – Accountability for the Investment of Public Funds Act.

IX. Ethics and Conflicts of Interest

In accordance with Northern Illinois University Board of Trustees regulations, all employees are responsible for compliance with applicable state and federal laws, and University policies including the State Officials and Employees Ethics Act.

University employees involved in the investment process shall refrain from any actions and/or activity that would be in conflict with the proper execution of the investment program.

X. Adoption and/or Modification of Investment Policy
A. The Investment and Cash Management Policy and revisions shall be approved by the Northern Illinois University Board of Trustees.

B. The Investment and Cash Management Policy shall be made available upon request to the general public.
## NORTHERN ILLINOIS UNIVERSITY
### INVESTMENT HOLDINGS SUMMARY

June 30, 2016
For Fiscal Year 2016

<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>$51,691,094</td>
<td>$51,753,994</td>
<td>$51,913,431</td>
<td>34.26%</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>$25,604,802</td>
<td>$25,604,802</td>
<td>$25,604,802</td>
<td>19.12%</td>
</tr>
<tr>
<td></td>
<td>$28,977,680</td>
<td>$28,977,680</td>
<td>$28,977,680</td>
<td></td>
</tr>
<tr>
<td><strong>Money Markets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$43,092,871</td>
<td>$43,092,871</td>
<td>$43,092,871</td>
<td>35.05%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>9,997,970</td>
<td>9,997,970</td>
<td>9,997,970</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$53,090,841</td>
<td>$53,090,841</td>
<td>$53,090,841</td>
<td></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>$2,998,594</td>
<td>$2,998,594</td>
<td>$3,005,695</td>
<td>11.57%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>14,506,641</td>
<td>14,507,479</td>
<td>14,531,528</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$17,505,235</td>
<td>$17,507,288</td>
<td>$17,537,223</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT HOLDINGS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JUNE 30, 2016</td>
<td>$151,264,850</td>
<td>$151,329,803</td>
<td>$151,519,175</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>PREVIOUS YEAR HOLDINGS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JUNE 30, 2015</td>
<td>$193,471,934</td>
<td>$193,541,346</td>
<td>$193,503,588</td>
<td></td>
</tr>
</tbody>
</table>

### Market Value by Investment Type

- **Federal Agency Notes**: 34.26%
- **Interest Bearing Cash**: 19.12%
- **Money Markets**: 35.04%
- **US Treasury Notes/Bills**: 11.57%

NIU Board of Trustees
9/15/2016
<table>
<thead>
<tr>
<th></th>
<th>June 30 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>Short-Term Investment Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Funds</td>
<td>$ 43,092,871</td>
<td>$ 34,482,187</td>
<td>19.57%</td>
<td>$ 62,660</td>
<td>0.182%</td>
</tr>
<tr>
<td>Investment Accounts - Financial Institutions</td>
<td>$ 25,604,802</td>
<td>$ 27,986,514</td>
<td>15.88%</td>
<td>$ 54,090</td>
<td>0.193%</td>
</tr>
<tr>
<td>Investment Accounts - Project Funds</td>
<td>$ 13,370,848</td>
<td>$ 10,952,488</td>
<td>6.22%</td>
<td>$ 471</td>
<td>0.004%</td>
</tr>
<tr>
<td><strong>ST Investment Accounts Total</strong></td>
<td>$ 82,068,521</td>
<td>$ 73,421,189</td>
<td>41.67%</td>
<td>$ 117,221</td>
<td></td>
</tr>
<tr>
<td><strong>ST Investment Accounts Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.160%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$ 54,689,688</td>
<td>$ 84,256,149</td>
<td>47.81%</td>
<td>$ 891,285</td>
<td>1.058%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$ 14,506,641</td>
<td>$ 18,546,445</td>
<td>10.52%</td>
<td>$ 35,706</td>
<td>0.193%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities Total</strong></td>
<td>$ 69,196,329</td>
<td>$ 102,802,594</td>
<td>58.33%</td>
<td>$ 926,991</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Securities Average Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.902%</td>
</tr>
<tr>
<td><strong>COMBINED TOTAL</strong></td>
<td>$ 151,264,850</td>
<td>$ 176,223,783</td>
<td>100.00%</td>
<td>$ 1,044,212</td>
<td></td>
</tr>
<tr>
<td><strong>AVERAGE ANNUALIZED RATE OF RETURN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.59%</td>
</tr>
</tbody>
</table>
**Northern Illinois University**  
**REPORT OF DEPOSITORIES**  
**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amalgamated Bank - Chicago</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2010 Build America Bonds</td>
<td>$9,540,484.93</td>
<td>$4,000,110.32</td>
<td>$3,542,625.91</td>
</tr>
<tr>
<td>Series 2011 Revenue Bonds</td>
<td>-</td>
<td>3,343,162.50</td>
<td>3,343,162.50</td>
</tr>
<tr>
<td>Series 2014 Certificates of Participation</td>
<td>2,210.41</td>
<td>1,464,289.61</td>
<td>1,466,500.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,542,695.34</td>
<td>$8,807,562.43</td>
<td>$8,352,288.41</td>
</tr>
<tr>
<td><strong>Bank of New York Mellon</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 1993, Certificates of Participation</td>
<td>$650,383.68</td>
<td>$637,257.21</td>
<td>$635,963.34</td>
</tr>
<tr>
<td><strong>First National Bank - DeKalb</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>$3,461,447.17</td>
<td>$69,901,408.62</td>
<td>$73,011,434.41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,779,224.41</td>
<td>$94,489,269.45</td>
<td>$94,484,194.12</td>
</tr>
<tr>
<td><strong>First Midwest Bank - Sycamore</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card Account</td>
<td>$49,992.00</td>
<td>$66,585,480.74</td>
<td>$66,585,472.74</td>
</tr>
<tr>
<td>Deposit Account</td>
<td>49,567.75</td>
<td>307,951,404.02</td>
<td>307,620,378.77</td>
</tr>
<tr>
<td>Disbursement Account</td>
<td>49,717.50</td>
<td>117,627,888.47</td>
<td>117,627,605.97</td>
</tr>
<tr>
<td>Investment Account</td>
<td>13,196,022.13</td>
<td>477,477,279.32</td>
<td>465,505,961.07</td>
</tr>
<tr>
<td>Payment Account</td>
<td>38,895.43</td>
<td>463,689,101.66</td>
<td>464,025,997.09</td>
</tr>
<tr>
<td>Payroll Account</td>
<td>91,379.01</td>
<td>159,033,918.43</td>
<td>159,039,256.80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$13,823,573.82</td>
<td>$1,592,365,072.64</td>
<td>$1,580,404,672.44</td>
</tr>
<tr>
<td><strong>US Bank- Minneapolis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 1992 Revenue Bonds</td>
<td>$0.00</td>
<td>$3,730,000.00</td>
<td>$3,730,000.00</td>
</tr>
<tr>
<td><strong>US Bank- Springfield</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NIU Operations- IL Funds</td>
<td>$43,227,591.85</td>
<td>$133,030,770.18</td>
<td>$133,165,490.94</td>
</tr>
<tr>
<td><strong>Total For All Banks:</strong></td>
<td>$71,023,469.10</td>
<td>$1,829,329,931.91</td>
<td>$1,817,102,609.25</td>
</tr>
</tbody>
</table>

* Deposits and Withdrawals include interaccount transfers.  
The balances and activity reflected on this report are taken from bank statements and may not necessarily reflect those amounts recorded in the university financial records due to reconciling items.
QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF $100,000
FOR THE PERIOD APRIL 1, 2016 TO JUNE 30, 2016

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>No. of Transactions</th>
<th>Appropriated</th>
<th>Non-Appropriated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $100,000</td>
<td>64</td>
<td>$4,464,490</td>
<td>$10,303,704</td>
<td>$14,645,694</td>
</tr>
</tbody>
</table>

TRANSACTIONS DETAIL:

Purchases:

1. Intercollegiate Athletics - 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 FY13-17. 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. The award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY16 (Ticketmaster LLC, Chicago, IL) Original amount: $191,650; Amendment amount: $8,350

2. Intercollegiate Athletics - increase an open order for third-party ticket sales services. The vendor performs sales and marketing activities to bolster ticket sales for Huskie Athletics. Original President’s approval was received on October 23, 2015. This purchase is exempt from the bid process per special permission of the Chief Procurement Officer for Higher Education as the contract was signed while the exemption still existed within the Procurement Code. Exempt specifically as a percentage of the sale of tickets by the vendor pays the vendor all applicable fees. FY16 (IMG Learfield Ticket Solutions LLC, Winston-Salem, NC) Original amount: $55,700; Amendment amount: $50,000

3. Health Services - issue an open order for outsourced laboratory services for the period July 1, 2016 - June 30, 2017. The existing PPB sole source approval is valid through June 30, 2020. This open order is governed by an ongoing contract. FY17 (Quest Diagnostics, Wood Dale, IL)

4. Office of the Bursar - increase the open order used to pay collection agency commissions for the Office of the Bursar during Fiscal Year 2016. When the original order was issued, it did not require President’s approval. Now that pre-approved IPHEC vendor orders require President’s approval, this amendment is submitted for approval. This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. FY16 (Enterprise Recovery Systems, Westchester, IL) Original amount: $75,000; Amendment amount: $25,000
5. Controller’s Office - paid the University's portion of the federal share of the Single Audit of NIU for the period ending June 30, 2015. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. FY16 (State of Illinois – Office of the Auditor General, Springfield, IL)

6-16. Physical Plant - issue open orders for miscellaneous repairs and maintenance work to be done as needed on campus during the period July 1, 2016 – June 30, 2017. Services to be provided include, but are not limited to, exhaust systems, air handling equipment, landscaping, tree planting, lagoon/pond fixtures, roof repair, fire protection systems, elevators, mechanical services, general contracting, etc. Various bids with renewal options will be utilized for these orders. The renewal awards have been advertised in the Illinois Procurement Bulletin and have been waived by the PPB. FY17

- Elliott & Wood Inc., DeKalb, IL
  PO #160675 $200,000
- Ballard Companies, Rockford, IL
  PO #160690 $249,000
- Sterling Commercial Roofing, Sterling, IL
  PO #160685 $200,000
- Anderson Elevator Co., Broadview, IL
  PO #160670 $150,000
- Swedberg Electric, Sycamore, IL
  PO #160686 $200,000
- Nelson Fire Protection, Rockford, IL
  PO #160673 $150,000
- Lake and Pond Solutions, Greenville, WI
  PO #160688 $225,000
- McCauley Mechanical Construction, Bridgeview, IL
  PO #160699 $150,000
- Cooling Land Concepts, Cherry Valley, IL
  PO #160697 $150,000
- Sprinkmann Sons Corp., Rockford, IL
  PO #160695 $249,000
- Mechanical Inc., Freeport, IL
  PO #160693 $249,000

Total: 2,172,000
17-38. Architectural and Engineering Services - issue open orders for miscellaneous project and maintenance work to be done as needed on campus during the period July 1, 2016 – June 30, 2017. Services/projects include, but are not limited to: fire alarm work, pre-cast and cast stone products, electrical, roofing, plumbing, masonry, environmental professional services, general construction, HVAC, concrete, mechanical, etc. Various bids with renewal options will be utilized for these orders. The renewal awards were advertised in the Illinois Procurement Bulletin and waived by the PPB. FY 17

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
<th>PO #</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanical Inc., Freeport, IL</td>
<td></td>
<td>#160613</td>
<td>$200,000</td>
</tr>
<tr>
<td>Kelso Burnett Co., Rockford, IL</td>
<td></td>
<td>#160620</td>
<td>$249,000</td>
</tr>
<tr>
<td>Virgil Cook &amp; Son Inc., DeKalb, IL</td>
<td></td>
<td>#160604</td>
<td>$150,000</td>
</tr>
<tr>
<td>Mid Valley Concrete, Somonauk, IL</td>
<td></td>
<td>#160612</td>
<td>$125,000</td>
</tr>
<tr>
<td>Sterling Commercial Roofing, Sterling, IL</td>
<td></td>
<td>#160615</td>
<td>$249,000</td>
</tr>
<tr>
<td>Ringland Johnson Inc., Cherry Valley, IL</td>
<td></td>
<td>#160600</td>
<td>$150,000</td>
</tr>
<tr>
<td>Driessen Construction, St. Charles, IL</td>
<td></td>
<td>#160518</td>
<td>$249,000</td>
</tr>
<tr>
<td>Simplex Grinnell, Madison, WI</td>
<td></td>
<td>#160543</td>
<td>$100,000</td>
</tr>
<tr>
<td>Hollander Intl. Storage &amp; Moving, Elk Grove Village, IL</td>
<td></td>
<td>#160630</td>
<td>$150,000</td>
</tr>
<tr>
<td>Freeport Industrial Roofing, Inc., Freeport, IL</td>
<td></td>
<td>#160628</td>
<td>$249,000</td>
</tr>
<tr>
<td>High Voltage Electrical Testing/Maint. Inc., St. Charles, IL</td>
<td></td>
<td>#160634</td>
<td>$175,000</td>
</tr>
<tr>
<td>Otto Baum Co. Inc., Morton, IL</td>
<td></td>
<td>#160621</td>
<td>$249,000</td>
</tr>
<tr>
<td>Hygieneering Inc., Willowbrook, IL</td>
<td></td>
<td>#160625</td>
<td>$249,000</td>
</tr>
<tr>
<td>Irving Construction Co. Inc., DeKalb, IL</td>
<td></td>
<td>#160624</td>
<td>$150,000</td>
</tr>
<tr>
<td>Martin &amp; Company, Oregon, IL</td>
<td></td>
<td>#160619</td>
<td>$249,000</td>
</tr>
<tr>
<td>McCauley Mechanical Construction, Bridgeview, IL</td>
<td></td>
<td>#160616</td>
<td>$200,000</td>
</tr>
<tr>
<td>Scandroli Construction Co., Rockford, IL</td>
<td></td>
<td>#160608</td>
<td>$150,000</td>
</tr>
<tr>
<td>Turner Construction Co., Chicago, IL</td>
<td></td>
<td>#160607</td>
<td>$100,000</td>
</tr>
<tr>
<td>Associated Electrical Contractors, Woodstock, IL</td>
<td></td>
<td>#160660</td>
<td>$249,000</td>
</tr>
<tr>
<td>Cooling Land Concepts, Cherry Valley, IL</td>
<td></td>
<td>#160669</td>
<td>$200,000</td>
</tr>
<tr>
<td>Curran Contracting, DeKalb, IL</td>
<td></td>
<td>#160668</td>
<td>$249,000</td>
</tr>
<tr>
<td>DeKalb Mechanical DeKalb, IL</td>
<td></td>
<td>#160667</td>
<td>$249,000</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Approval Amount</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>39.</td>
<td>Transportation Services - issue an open order for charter bus services as needed during the period July 1, 2016 – June 30, 2017. This order is year five of a five-year renewal option from RFP wlc121167. FY17 (Sam VanGalder Bus Company, Janesville, WI)</td>
<td>130,000</td>
<td></td>
</tr>
<tr>
<td>40.</td>
<td>The Division of Administration and Finance - open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (Enterprise Recovery Systems, Woodridge, IL)</td>
<td>190,000</td>
<td></td>
</tr>
<tr>
<td>41.</td>
<td>The Division of Administration and Finance requests permission of an open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (National Credit Management, St. Louis, MO)</td>
<td>190,000</td>
<td></td>
</tr>
<tr>
<td>42.</td>
<td>The Division of Administration and Finance requests permission of an open order for the Bursar’s Office to purchase collection agency commissions for commercial accounts receivable for the period July 1, 2016 – June 30, 2017. This order is exempt from the Illinois Procurement Code because the purchase is made from an IPHEC contract. FY17 (Conserve, Fairport, NY)</td>
<td>215,000</td>
<td></td>
</tr>
<tr>
<td>43.</td>
<td>Division of Administration and Finance - an amendment is required to increase the order for outside legal services regarding litigation as it pertains to the MAP 292 Interest Arbitration case. Original President’s approval was received on March 4, 2016, and the first amendment was approved on April 22, 2016. This engagement is exempt from the Procurement Code under Section 30 ILCS 500/1-10(7) - litigation. FY16 (Laner Muchin, Chicago, IL) Original amount: $92,335; Amendment amount: $34,557</td>
<td>126,892</td>
<td></td>
</tr>
<tr>
<td>44.</td>
<td>Intercollegiate Athletics - pay FY17 Membership Dues and Bowl Assessment Fees to the Mid-American (MAC) Conference. Membership in the MAC Conference requires financial support in the form of annual Membership Dues and also Bowl Assessment Fees for two annual Conference bowl games. This procurement is for the payment of these annual required Dues and Fees. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Mid-American Conference, Cleveland, OH)</td>
<td>245,000*</td>
<td></td>
</tr>
<tr>
<td>45.</td>
<td>The Department of Marketing and Communications - establish a contract with ASGK Public Strategies, LLC dba Kivvit for strategic issues management and crisis communications consulting services to provide advice, counsel, planning and implementation support on an as-needed basis for the management of issues that have a potential impact on the University’s reputation for the period July 1, 2016 – June 30, 2017. The proposal was opened on February 25, 2016. There are four, one-year renewal options. The intent to award this contract was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY16-17 (ASGK Public Strategies, LLC dba/Kivvit, Chicago, IL)</td>
<td>175,000*</td>
<td></td>
</tr>
</tbody>
</table>
46. The Division of Information Technology - issue an order for OnBase Software, Maintenance and Services. This system supports imaging solution implementations in the President's Office, Finance, Athletics, the Division of Information Technology, Military Student Services and the College Offices. The intent to award this contract as a sole source was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Hyland Software, Westlake, OH) 134,198

47. Outreach Services - renewal is required of an open order for educational material and data used for non-credit courses offered for preparation for Human Resource certifications for the period of July 1, 2016 - June 30, 2017. This is the fourth of nine, one-year renewal options. The sole source renewal was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Society for Human Resource Management, Eagan, MN) 150,000

48. Materials Distribution Center - renewal is required of open orders with the suppliers listed to provide commodities and repair parts needed for various maintenance and operational units of the University during the period July 1, 2016 - June 30, 2017. This is the third of four, one-year renewal options allowed for in a RFP that was opened on May 29, 2013. The renewal was advertised in the Illinois Higher Education Procurement Bulletin and has been waived by the PPB. FY17 (Splash of Color, Inc., Sycamore, IL) 109,000

49. Architectural and Engineering Services - issue open orders to obtain labor, material, and the necessary equipment for project work during the period July 1, 2016 – June 30, 2017. FY17 (Rush Power Systems, Kirkland, IL PO #160609/Bid #smo6116) 125,000

50. The Division of Information Technology - utilize the renewal option on Bid #CAB156820 for the period July 1, 2016 – June 30, 2017 for 10 Gig ISP link for ISP services to DeKalb Wellness and Literacy Center located at 3100 Sycamore Road. This is the first of nine renewal options based on a bid opened September 29, 2015. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Syndeo Networks, Inc., St. Charles, IL) 162,000

51-52. The College of Engineering & Engineering Technology - issue orders for the planning and presentation of OSHA courses to be taught during the period October 1, 2016 - September 30, 2017. These orders are exempt from the Illinois Procurement Code, according to Section 30 ILCS 500/1-10(b)(8) [providing non-credit educational service]. FY17-18

Minnesota Safety Council, St. Paul, MN PO #160194 $210,000
Northwest Wisconsin Technical College, Green Bay, WI PO #160197 $110,000 320,000
53. Office of the Provost - an amendment is required to increase the order for executive search firm services to pay final invoices for the Dean of the College of Business search. Services include, but are not limited to, travel expenses, advertising, committee interviews, candidate travel, and miscellaneous office expenses. Approval to hire a search firm for this position was received from the Board of Trustees on June 18, 2015. Original President's approval was received on August 21, 2015. This vendor is exempt from the Illinois Procurement Code because the selected vendor is an IPHEC pre-approved vendor. FY16 (Witt/Kieffer, Oak Brook, IL) Original amount: $110,000; Amendment amount: $25,000

54. The Office of Institutional Communications - enter into a contract for Chicagoland public relations representation. This engagement provides for promotion of Northern Illinois University specific to the greater Chicagoland area in an effort to bolster name brand recognition and drive increased enrollment and alumni awareness. The proposed contract is the result of RFP #JLT152459, which opened October 29, 2014. This is the first of nine, one-year renewal options. The renewal award was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (ASGK Public Strategies LLC, Chicago, IL)

55. The Research & Innovation Partnerships department - established a Cooperative Research and Development Agreement (CRADA) with Fermi Research Alliance, LLC to establish a Cluster of Research Excellence (CRE) for Accelerator Physics and broaden the accelerator physics collaboration between NIU and Fermilab. The agreement is initially intended to last for five years and, if mutually agreed upon, may be renewed for additional five-year terms. Annex C: Creation of Laser Room for the High Brightness Electron Source Lab is part of the agreement. As part of the agreement, NIU is required to pay a $75,000 funds-in contribution in FY16 to implement Annex C of the CRADA. Board of Trustees approval to enter into the CRADA was given on February 18, 2016. This expenditure, considered a grant, is exempt from the Illinois Procurement Code. FY16-20 (Fermi Research Alliance, LLC, Chicago, IL)

56. Material Distribution Center - establish an open order for miscellaneous commodities and repair parts required by the Material Distribution Center for the period of July 1, 2016 - June 30, 2017. The University of Illinois, in cooperation with Illinois Public Higher Education Institutions, collaborated with the Educational & Institutional Cooperative Service, Inc. (E & I) on a request for proposals for MRO Equipment, Supplies and Services. This RFP was advertised on the Illinois Procurement Bulletin and was awarded to W.W. Grainger, Inc. The offer is available to Illinois Public Higher Education Institutions, including NIU. FY17 (W.W. Grainger, Rockford, IL)

57. Office of the Bursar - an amendment is required to increase the open order used to pay collection agency commissions for the Office of the Bursar during Fiscal Year 2016. Original approval was received on April 15, 2016. This order is exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. FY16 (Enterprise Recovery Systems, West Chester, IL) Original amount: $100,000; Amendment amount: $15,000
58. Facilities Management - enter into a ten-year lease for office space for Outreach Engagement & Regional Development. This procurement is exempt from the Procurement Code and does not require Illinois Procurement Bulletin posting per 30 ILCS 500/40-15(b)(1) - less than 10,000 square feet and rent of less than $100,000 per year. FY17-26 (Charles Shepard, Sycamore, IL)

59. Vice President and Provost - an amendment is required to increase the amount of the order to cover final invoices for executive search firm services for the Dean of the College of Law search. The selected firm has been awarded by IPHEC for these services and this transaction is therefore exempt from Illinois Procurement Bulletin posting. FY16 (Witt/Kiefer, Atlanta, GA) Original amount: $100,000; Amendment amount: $22,500

60. Material Management - renewal is required of the open order used to purchase stock dishwashing products for University food service units for the period July 1, 2016 - June 30, 2017. This vendor also supplies and maintains, at no charge, necessary dispensing equipment for these products at each food service location. This is the fifth of nine, one-year renewal options allowed for in a bid that was opened on April 26, 2011. The renewal was advertised in the Illinois Procurement Bulletin and has been waived by the PPB. FY17 (Ecolab Inc. St. Paul, MN)

61. Materials Management - establish an open order for can liners for resale to University departments for the period July 1, 2016 - June 30, 2017. The University will utilize an Illinois Public Higher Education Cooperative (IPHEC) contract. The IPHEC RFP was advertised on the Illinois Procurement Bulletin and was awarded to Supplyworks. The offer is available to Illinois Public Higher Education Institutions, including NIU. FY17 (Supplyworks, Rockford, IL)

62. The Controller's Office requests permission to pay the University's portion of the Financial Statement Audit of NIU for the period ending June 30, 2015. This purchase is exempt from the bid process as the engagement is with a state agency and is not subject to the rules of the Procurement Code and applicable laws. FY16 (State of Illinois – Office of the Auditor General, Springfield, IL)
Capital Improvement Projects:

1. Gabel Hall–Child Development Lab–Rooms 169-170 Replace Heating - The Child Development Lab provides a teaching and research facility for child development and early childhood professionals sponsored by the School of Family, Consumer, and Nutrition Sciences. The lab provides inclusive, full-day, mixed-age child care for infants, toddlers and preschoolers. The environment within the lab must be safe for young children, students, faculty and staff.

Gabel Hall, constructed in 1960, has a low pressure steam radiant heating system along the perimeter walls of the building (radiant fin tube). The piping that supplies steam for the radiant baseboard heating system is located below the concrete floor slab. Recently the steam piping in the Child Development Lab developed several small pin-hole leaks that resulted in the concrete floor becoming excessively hot. This condition has occurred in other areas of Gabel Hall as well. The existing piping, installed when the building was constructed, is in very poor and deteriorating condition. This has created a serious health and safety issue that must be addressed.

Work will be completed by a combination of certified contractors and NIU Craft under the supervision of an NIU project manager. The work will include disconnecting the steam supply and removal of existing fin tube radiation heating units. A new modern hot water heating system with improved temperature controls will be installed to replace the steam system. The new heating system will be sized to allow the entire south wing to be converted from steam to hot water heat in the future.

2. Residence Halls - Fiscal Year 2017 Rotational Painting - There are areas in Stevenson Complex that require painting as part of a regular maintenance program to keep the building and facilities in good condition. Rotation painting will include those areas that are in the poorest condition. Generally, when areas are clean and aesthetically pleasing they are less likely to be vandalized and will encourage members of the University community to take pride in their surroundings.

Physical Plant crafts will do the work. Existing surfaces will be cleaned and properly prepared prior to painting. Preparation will include the removal of chipping paint as well as patching and sanding. Where appropriate, masons will be brought in for the repair of wall surfaces.

TOTAL 14,645,694

*Appropriated/Income Funds
ANNUAL SUMMARY REPORT
OBLIGATION OF FINANCIAL RESOURCES
Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Purchase Orders</th>
<th>Percentage</th>
<th>Dollar Volume</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $25,000(^1)</td>
<td>4,274</td>
<td>84.3</td>
<td>$20,854,741</td>
<td>9.7</td>
</tr>
<tr>
<td>$25,001 to $100,000(^1)</td>
<td>562</td>
<td>11.1</td>
<td>29,648,936</td>
<td>13.7</td>
</tr>
<tr>
<td>$100,001 to $250,000(^2)</td>
<td>158</td>
<td>3.1</td>
<td>27,160,901</td>
<td>12.6</td>
</tr>
<tr>
<td>$250,001 to $500,000(^3)</td>
<td>43</td>
<td>.8</td>
<td>14,945,409</td>
<td>6.9</td>
</tr>
<tr>
<td>Over $500,000(^3)</td>
<td>35</td>
<td>.7</td>
<td>123,470,919</td>
<td>57.1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,072</strong></td>
<td><strong>100.0</strong></td>
<td><strong>$216,080,906</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Annual Summary Report on the Obligation of Financial Resources is required by the Board of Trustees Regulations and supplements the “Periodic Summary Report of Transactions” which is presented on a quarterly basis.

Transactions reported to and/or approved by the Board of Trustees throughout the fiscal year and those included in the Quarterly Summary Report of Transactions reflect the maximum approved amount that orders may not exceed. Pursuant to this authority, the Annual Summary Report outlined above reflects orders actually placed, including purchases, professional services and capital projects.

\(^1\) Authorizations for transactions less than $100,000 are approved at the university level (above $25,000 by the President).

\(^2\) Authorizations for purchases and capital projects between $100,000 and $250,000 are approved by the President and periodically reported to the Board of Trustees.

\(^3\) Authorizations for purchases and capital projects exceeding $250,000 are presented for approval by the Board of Trustees.
ROAD MAP FOR CENTRAL IT

Briefing presented at the meeting.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. http://www.niu.edu/board/meetings/2016/materials
FIVE-YEAR REPAIR AND IMPROVEMENT PLANNING UPDATE

Briefing presented at the meeting.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. http://www.niu.edu/board/meetings/2016/materials
ENTERPRISE RISK MANAGEMENT INITIATIVE FINAL REPORT

Dr. Alan Phillips will give the final report on Enterprise Risk Management Initiative.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. http://www.niu.edu/board/meetings/2016/materials
NORTHERN ILLINOIS UNIVERSITY INSURANCE POLICY UPDATES

Dr. Alan Phillips will give a briefing on the Northern Illinois University Insurance Policy Updates.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. http://www.niu.edu/board/meetings/2016/materials
ETHICS TRAINING REPORT

James Guagliardo will present us with information on the Ethics Training Report.
MEMORANDUM

TO: Compliance, Audit, Risk Management and Legal Affairs Committee
   Board of Trustees of Northern Illinois University
   Cherilyn G. Murer, Chair
   Timothy Struthers, Vice Chair
   Marc J. Strauss
   John R. Butler
   Robert T. Boey
   Robert T. Marshall, Jr.
   Wheeler G. Coleman

FROM: James G. Guagliardo, University Ethics Officer / Special Counsel

CC: Douglas Baker, University President
    Lisa Freeman, Executive Vice President and Provost
    Michael Mann, Associate Vice President

DATE: August 17, 2016

RE: Ethics Training Report

The purpose of this Memorandum is to set forth some of the recent efforts undertaken by Northern Illinois University in the area of Ethics training.

Last year, the Annual Ethics Training window period, which is set by the State of Illinois, ran from October 15 to November 13, 2015. During this period, the University administered ethics training to 7632 employees. All 7632 employees completed their training prior to the deadline set by the Office of Executive Inspector General (“OEIG”) to initiate discipline, and thus, no sanction proceedings were initiated by the OEIG against any N.I.U. employees for failure to complete training.

In addition to the 2015 Annual Training referenced above, the University administered New Hire Ethics Training to 5218 employees during 2015 (note: some of those employees also took the mandated annual training later, during the October - November window).
Thus far, during 2016, the University has administered New Hire Ethics Training to 1647 new employees. The Annual Ethics Training window period for 2016 will run from October 17 to November 15, 2016. We again expect to administer training to approximately 8000 employees.

In addition to training for the general employee population, the Ethics Office recently provided additional training to four new Deans of the University. The Ethics Office will likewise meet with all of the Department Chairs in the near future to administer additional Ethics Training.
OEIG GUIDE TO STATE EMPLOYEES' POLITICAL ACTIVITY

James Guagliardo will present us with guidelines to follow regarding the upcoming elections.
2016 Guide to State Employees’
Political Activity

The OEIG often receives complaints about inappropriate political activity by State employees. State law and agency policies put restrictions on the kinds of political activity that are appropriate for State employees under certain circumstances.

Many forms of political activity are entirely appropriate for State employees to engage in on their own time and using their own resources. For example, there are no rules prohibiting any of the following activities when you are not working:

- Registering to vote, and voting in elections
- Assisting in voter registration drives
- Attending informational gatherings, such as town hall meetings or debates
- Participating in public opinion polling

In addition, when not on the job, it may be appropriate if you choose to:

- Volunteer with a candidate or political party
- Sign or circulate petitions for a candidate or ballot question
- Make campaign contributions

However, be careful about mixing politics and work. If you are on compensated time, other than vacation, personal or compensatory time off, it is inappropriate for you to engage in any of those activities. While at your State job, it is also inappropriate for you to:

- Plan a political meeting
- Distribute campaign literature
- Prepare responses to a candidate questionnaire

No State employee, candidate for elective office, lobbyist, or representative of any political organization may solicit, offer, receive or give campaign contributions on State property, unless that property has been rented from the State by a private person or entity.

If your State duties involve regulatory or licensing activities, it is inappropriate for you to ever solicit or accept a campaign contribution from a person or entity that you license or regulate, even if out of uniform and on your own time.

While these are among the more common issues State employees face, there are other considerations as well. Please talk with your ethics officer if you have any questions.
As a practical matter, the OEIG sees some issues arise more often than others. Violations of these rules are entirely avoidable if State employees are careful with their use of State time and resources.

- The most common instances of improper political activity involve misuse of State email
  - Do not send or respond to political email through your State account at any time
  - If you receive a political email in your State account, do not forward it to anyone other than your Ethics officer
  - Do not send, forward or respond to political email through your personal account if on compensated time (other than personal, compensatory or vacation time), or with State computers, State Internet networks, or other State resources

- The next most common violation involves misuse of time and telephones
  - Do not make political phone calls while on compensated time (other than personal, compensatory or vacation time)
  - Do not use your personal phone to make political phone calls while at work

In addition to rules explicitly focused on political activity, be mindful of rules relating to any non-work related use of State equipment and resources. Activities that are not directly discussed under rules aimed at political activity may be regulated under rules related to non-work use of State equipment and resources.

If you have any questions about whether your activities will be appropriate under the law and your agency’s rules, contact your ethics officer. A list of Ethics officers is available on the OEIG website (inspectorgeneral.illinois.gov)

If you are concerned about inappropriate political activity in your State agency, please contact the OEIG:

1. Call 866.814.1113
2. Fax 312.814.5479
3. TTY 888.261.2734
4. Log on to www.inspectorgeneral.illinois.gov and click on “complaints”
5. Mail your complaint to one of the OEIG offices:

   OEIG
   69 West Washington, Suite 3400
   Chicago, Illinois 60602

   OEIG
   607 East Adams, 14th Floor
   Springfield, Illinois 62701
STATE LEGISLATIVE UPDATE

Summary:

On June 30, 2016, the Illinois General Assembly approved a short-term spending measure to ensure the continuity of state government operations in FY 2017 and the on-time opening of K-12 schools in the fall. Senate Bill 2047 House Amendment 5 provided full-year funding for K-12 education and partial-year funding for corrections, transportation, human services and higher education. The measure stipulated that while the appropriation is for FY2017, the funds may be used for FY 2016 expenses. The Governor promptly signed the spending measure into law, and Public Act 99-0524 provides Northern Illinois University with $48.3 million in operating funds, $15.5 million in capital re-appropriations for the Stevens Building construction and renovation project, and $151.0 million in funding for ISAC and the Monetary Award Program, which will fund spring 2016 MAP awards at NIU.

Figure 1:
FY17 State Appropriations for NIU Operations, Capital & Financial Aid

<table>
<thead>
<tr>
<th>Operations</th>
<th>$48.3 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital/Stevens</td>
<td>$15.5 million</td>
</tr>
<tr>
<td>MAP Program</td>
<td>$18.3 million*</td>
</tr>
</tbody>
</table>

*Includes $8.5 million from Public Act 99-0524 for Spring 2016 awards, and $9.8 million from the FY16 stop gap budget for Fall 2015 awards. No MAP funding provided for FY17.

When combined with the $26.4 million NIU received in the FY2016 stop-gap budget last April, this partial-year budget provides NIU with about 82 percent of the FY 2015 final appropriation for the 18-month period that includes FY2016 and the first 6 months of FY2017. Stated another way, NIU received a 29% budget in FY 2016 and has now received a 53% budget for FY 2017. Most other Universities also received 18 months of funding that equaled 82 percent of their previous 12 month appropriation (see Table 1), with the exception of three schools that received 90 percent.

Figure 2: NIU State Appropriations for Operations

<table>
<thead>
<tr>
<th>FY 2015 Final Appropriation</th>
<th>$91.1 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016 Stop Gap Budget</td>
<td>$26.4 million (29% budget)</td>
</tr>
<tr>
<td>FY 2017 Partial Year Budget</td>
<td>$48.3 million (53% budget)</td>
</tr>
</tbody>
</table>

*The “82%” funding figure that has been widely reported is arrived at by adding the appropriation for 18 months (FY16 Stop Gap plus FY17 Partial Year), and dividing the sum by the FY 2015 appropriation – the last full year, 12 month appropriation received.
Regarding the State of Illinois’ fiscal picture, state Comptroller Leslie Munger announced earlier this summer that the state’s backlog of unpaid bills will likely reach $10 billion by December. However, Comptroller’s staff have indicated Universities would likely start receiving state funding in November or December. The receipt of MAP funds and the resumption of construction on Stevens is expected sooner.

With regards to substantive legislation, two legislative proposals that have been followed closely by the University were not approved by the General Assembly by the June 30th adjournment. Senate Bill 2196, which was supported by the University, passed the Senate and passed out of House Committee, but is currently in House rules committee. This bill permits undocumented students - that meet the Illinois residency requirements needed to qualify for in-state tuition - to become eligible for state and university financial aid programs, except MAP. A bill opposed by the University, House Bill 4446, prohibits universities from asking prospective students about their criminal backgrounds during the admissions process. Specifically, the bill “provides that a college may not make any inquiry or consider information about an individual’s past criminal conviction or convictions at any time during the admission decision-making process.” The bill passed the House easily, but has not been heard in Senate Committee yet; it has been re-referred to the Senate assignments committee.

On July 29th the Governor signed HB 5729, the Postsecondary and Workforce Readiness Act (PWR), into law. Public Act 99-0674 establishes new initiatives to smooth the transition for students from high school to college or career. The Act declares that Illinois should deploy a number of strategies to prepare more students for meaningful career opportunities by supporting postsecondary and career planning, promoting and incentivizing competency-based learning programs, reducing remedial education rates, increasing alignment between K-12 and postsecondary education systems, and implementing college and career pathway systems. By July 1, 2017, the Illinois State Board of Education (ISBE), Illinois Community College Board (ICCB), Illinois Board of Higher Education (IBHE) and Illinois Student Assistance Commission (ISAC) shall jointly adopt and publicize model postsecondary and career expectations for public school students in grades 8-12. In addition, ISBE shall establish and administer a competency-based, high school graduation requirements pilot program.

On July 29th, the Governor also signed SB 2174, which amends the IBHE Act and requires university Board of Trustees members to undergo leadership training. Public Act 99-0695 requires every voting member of the governing Board of a public university appointed for a term beginning after January 1, 2016 to complete a minimum of 4 hours of professional development leadership training. The training topics to be covered shall include, but are not limited to public university and labor law, contract law, ethics, sexual violence on campus, financial oversight and accountability, audits, and fiduciary responsibilities of a member of a governing board within 2 years after beginning service and within every 2 years of service thereafter. The training may be provided by the IBHE, or an entity approved by the IBHE. Universities are required to provide training completion information for individual trustees on their website, and University board chairs are required to certify to the IBHE by July 31st of each year, the successful completion of training by any of its members during the preceding year.

One final note, the Liquor Control Act of 1934 has been amended to allow public universities and community colleges the authority to serve or sell alcohol at facilities controlled by the institution. Public Act 99-0550 provides that public universities may serve or sell alcohol on campus at campus facilities as long as the events are public events and are not specifically student-related activities. The University of Illinois and NIU – since 2011 – already have this authority.
### Table 1

**ILLINOIS HIGHER EDUCATION BUDGET**  
**FY 2016 and FY 2017 Higher Education Budget Development**

GRF and EAF Appropriations for Public Universities and MAP

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
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<tr>
<td></td>
<td>FY 2015</td>
<td>FY 2016</td>
<td>FY 2016</td>
<td>FY 2017</td>
<td>TOTAL</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>Governor's</td>
<td>Gen. Assembly</td>
<td>Stop-Gap</td>
<td>Short-Term</td>
</tr>
<tr>
<td><strong>PUBLIC UNIVERSITIES</strong></td>
<td></td>
<td>Budget</td>
<td>Budget</td>
<td>Budget</td>
<td>Budget*</td>
</tr>
<tr>
<td>Chicago State University</td>
<td>$36,330.5</td>
<td>$25,459.4</td>
<td>$34,000.9</td>
<td>$20,107.3</td>
<td>$12,590.0</td>
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<td>Eastern Illinois University</td>
<td>$42,975.7</td>
<td>$30,116.1</td>
<td>$40,182.2</td>
<td>$12,456.5</td>
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<td>Governors State University</td>
<td>$24,062.1</td>
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<td>$22,498.0</td>
<td>$6,974.4</td>
<td>$12,757.0</td>
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<td>Illinois State University</td>
<td>$72,226.7</td>
<td>$50,614.5</td>
<td>$67,532.0</td>
<td>$20,107.3</td>
<td>$38,291.0</td>
</tr>
<tr>
<td>Northeastern Illinois University</td>
<td>$36,898.8</td>
<td>$25,857.7</td>
<td>$34,500.3</td>
<td>$10,695.1</td>
<td>$19,562.0</td>
</tr>
<tr>
<td><strong>Northern Illinois University</strong></td>
<td>$91,092.7</td>
<td>$63,835.3</td>
<td>$85,171.7</td>
<td>$26,403.2</td>
<td>$48,293.0</td>
</tr>
<tr>
<td>Western Illinois University</td>
<td>$51,445.2</td>
<td>$36,051.4</td>
<td>$48,101.3</td>
<td>$14,911.4</td>
<td>$31,389.0</td>
</tr>
<tr>
<td>Southern Illinois System</td>
<td>$199,558.5</td>
<td>$139,845.1</td>
<td>$186,599.5</td>
<td>$57,482.2</td>
<td>$106,156.0</td>
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<tr>
<td>University of Illinois System</td>
<td>$647,186.4</td>
<td>$453,530.7</td>
<td>$605,119.2</td>
<td>$180,094.1</td>
<td>$350,599.0</td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,201,776.6</td>
<td>$842,172.2</td>
<td>$1,123,705.1</td>
<td>$350,059.1</td>
<td>$645,859.0</td>
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<tr>
<td><strong>ISAC/Monetary Award Program</strong></td>
<td>$364,856.3</td>
<td>$373,254.5</td>
<td>$397,073.1</td>
<td>$169,798.7</td>
<td>$151,000.0</td>
</tr>
</tbody>
</table>

*SB 2047 passed by the General Assembly and signed by the Governor on June 30, 2016.*
FEDERAL REPORT

Congress

Fiscal Year (FY) 2017 is expected to arrive on October 1, 2016 with a continuing resolution that extends FY2016 funding levels and priorities into at least the first quarter of FY2017. Some members of Congress are calling for a continuing resolution that extends into the second quarter of FY2017, i.e. the first 100 days of the next president’s term. This is a dynamic situation and the decision on the length of the continuing resolution is unlikely to be made until the end of September.

It is difficult to predict what a comprehensive FY2017 appropriations package will look like. The twelve required appropriations bills have reached varying stages of completion in both the House and Senate and veto threats abound. The outcome of a disagreement amongst congressional leaders and the Administration regarding the top-line budget spending levels for FY2017 could substantially alter the contours of the eventual FY2017 appropriations package.

Beyond the appropriations process, Congress is expected to make little headway on passing authorizing legislation pertinent to NIU.

2016 Presidential Race

Donald Trump is the Republican candidate and Hillary Clinton is the Democratic candidate for president. NIU Federal Relations has met with policy advisors for the Clinton campaign to discuss science and technology priority issues for higher education. A similar meeting is in the works with the Trump campaign.

The Supreme Court

The Supreme Court ruled in Fisher vs. University of Texas at Austin that the University’s use of race in their admissions policy passes the constitutional muster.

Federal Engagement with NIU

President Doug Baker and Marilyn Bellert, head of the P-20 Network at NIU, visited Washington, D.C. on June 20, 2016. Their meetings included Senate Education staff, the Director of the National College Access Network, and six Senior Policy Advisors from the Department of Education’s higher education division in three separate meetings. They discussed NIU’s leadership in taking a systems approach to education from cradle to careers.

Additional information is available at Board of Trustees Meeting Agendas and Minutes 2016. http://www.niu.edu/board/meetings/2016/materials
SPONSORED PROGRAMS ADMINISTRATION FY16 REPORT

Sponsored Programs Administration (SPA) will provide the Board with its annual sponsored programs report. The presentation will review the university’s sponsored award and proposal activities for FY 2016 and highlight actions that SPA has taken over the last year to facilitate research and external funding. These actions include streamlining internal business processes, collaborating with the NIU Foundation, negotiating the Facilities & Administrative (F&A) rate and updating distribution of these funds to incentivize research, and working with the Provost's Office and Human Resource Services to streamline the hiring of postdoctoral scholars.

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The Division of Research and Innovation Partnerships (RIPS) promotes research, scholarship, and artistry and innovation and entrepreneurship (hereafter abbreviated as “scholarship and innovation”). Scholarship and innovation are essential for student and faculty recruitment and retention. Both undergraduate and graduate students are attracted to cutting-edge and relevant scholarship. The same can be said for faculty – an acknowledged climate of support for scholarship and innovation will improve recruitment and retention. As competition for students and faculty grows, research and innovation are key characteristics distinguishing NIU from our regional university neighbors.

Student participation in research is a high impact practice that significantly enhances persistence and degree attainment. To quote from the NIU Committee on Academic Equity and Inclusive Excellence July 2016 report on Engaging Underrepresented Undergraduate Students in Research: “Immediate and sustained interactions with faculty improve learning and matriculation outcomes for all undergraduate students, regardless of race or ethnicity ... undergraduate research experiences, which include student support structures like mentoring, academic, financial and psychosocial support, and professional development create an environment whereby students can effectively transition into the role of scholar and have benefits for both retention and graduation outcomes. Beyond the first-year, sustained engagement in undergraduate research experiences have the greatest benefit for student's long-term success and growth; this trend has been evident in data collected at NIU as well as elsewhere.” (For brevity, references to the literature have been omitted.)

As shown in Fig. 1, since the re-definition of sponsored funding to exclude student financial aid (removed after FY2010) and since the termination of stimulus funding and earmarks, sponsored funding at NIU averages ~ $30M annually. With the exception of a one large state grant in FY14, there has been a general five-year decline with the FY2016 funding level at $28M. In FY2016, research funding was about one-third the total at $9M. The downward trend has occurred as pressure on federal and state funding for scholarship and service has increased, resulting in stronger competition for fewer dollars at a time when NIU faculty numbers have declined.
The Carnegie Classification of Institutions of Higher Education places NIU in the category of Research Universities (with high research activity). A number of factors contribute to the Carnegie ranking with research and development expenditures and the number of terminal degrees among the most important. A proactive program is required to maintain NIU’s research and innovation programs and their positive impact on the University’s reputation and retention and recruitment of students and faculty.

Over the past year, RIPS has taken a two pronged approach to promoting research and innovation. First, at little cost, we are working with the Provost’s Office and Administration and Finance to reduce policy and procedural impediments to research. Second, we are assuring direct support is available for faculty to maintain and initiate new scholarship and innovation.

Table I shows the highest ranked policy research impediments listed by the recently chartered Research and Innovation Advisory Council RIAC. (A number of impediments involving procurement were addressed prior to formation of the RIAC.) The ultimate aim is to eliminate or mitigate all policy impediments, improving institutional efficiency, and assuring faculty their scholarship is vital to the mission of the university.

<table>
<thead>
<tr>
<th>Policy Impediment</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No return of F&amp;A to PI directly</td>
<td>Currently implementing a new F&amp;A distribution which invests more in the PI, Department, and College</td>
</tr>
<tr>
<td>2. High cost and long lead-time for hiring postdocs</td>
<td>Working with Human Resources on a waiver for staff supported by external grants</td>
</tr>
<tr>
<td>3. Difficult to confirm matching funds from university for grant proposals</td>
<td>SPA updating practices</td>
</tr>
<tr>
<td>4. More formal mentoring with quality feedback on proposals or research plans</td>
<td>Further developing PI Academy professional development series</td>
</tr>
<tr>
<td>5. Difficult to get travel advance rather than reimburse</td>
<td>Developing expanded P-Card capabilities to accommodate travel</td>
</tr>
</tbody>
</table>

Table I: Research and Innovation Advisory Council’s highest priority impediments.

In terms of direct support for scholarship and innovation, RIPS hosts a comprehensive set of programs:

- Sponsored Programs Administration (SPA), which provides the administrative support required to secure and manage sponsored funding;
- Office of Innovation (OI), which assists faculty and staff with development and protection of intellectual property;
- Office of Research Compliance, Integrity, and Safety (ORCIS), which ensures the University maintains ethical principles; compliance with federal, state, and university regulations governing research; and safe laboratory practice;
- Office of Federal Relations (OFR), which represents Northern Illinois University in interactions with members of Congress and executive branch officials; and,
- Faculty Research and Development Support program (FR&DS).

SPA, OI, ORCIS and OFR constitute an essentially obligatory framework for institutional scholarship and innovation by ensuring regulatory and compliance requirements are met.

FR&DS provides direct resources for faculty to maintain and initiate scholarship and comprises four components:
• Competitive Programs offers new faculty a comprehensive introduction to resources and grantsmanship; program and travel funds for faculty to initiate, conduct, and complete research and scholarly work; and recognition for our most accomplished researchers, scholars, and artists.

• Core Facilities ensure instrumentation, analytic capabilities, and high performance computing are available for research and scholarship.

• Research Centers offer resources and personnel for research efforts to expand their influence and mission.

• Finally, all faculty require startup and cost sharing, provided by Faculty Development to initiate and maintain their research and scholarly activities.

The availability of these programs and resources increases NIU’s capacity for research, scholarship, and external support, which builds and maintains institutional reputation and assists with faculty recruitment and retention. All four of these programs are supported in any budget scenario, with their magnitude and reach adjusted to yearly conditions. Over the past year emphasis has been placed on professional development through updating and extension of the Principal Investigator Academy and broadening of the instrumentation program through an industry partnership.

Setting aside the impact on reputation, recruitment and retention, and acknowledging that precise attribution is difficult, the financial return on investments for the FR&D program is excellent. For example, in FY15 NIU received $30M in sponsored funding of which $4M in indirect costs was recovered, which should be compared to an FR&D investment of around $1.5M. The indirect costs were allocated for operation of RIPS and reinvestment in research and scholarship. Increased investment in FR&D increases research and, again, indirect costs. The external grants and reinvestment of F&A establishes a “virtuous circle” that accelerates NIU’s research and scholarship.

An excellent example of the virtuous circle has been the Accelerator Research Concentration of Excellence (CRE) initiated in 2014 in collaboration with Fermilab. External funding attracted by the CRE has generated more funding than currently invested in the center. At a cost of ~$1M to date, the accelerator science CRE has already guaranteed about $3M in collaborative funding with Fermi National Accelerator Laboratory and $2.7M in external funding through the National Science Foundation and the Department of Homeland Security. Through the CRE, NIU has one of the largest accelerator science programs in the country and international recognition. The university has a number of areas of research and scholarship that could develop into strong CREs with immediate impact on institutional research intensity.

The Program Prioritization Task Force recommendations strongly endorsed expanding University scholarship and innovation. Specific recommendations for RIPS included enhancement of FR&DS, SPA, and OI which would ensure faculty have the resources and institutional support to conduct and expand their scholarship and pursue innovation. In response to the recommendations, RIPS has presented a Program Prioritization plan to President Baker which features expansion of FR&DS (including additional CREs), SPA, and OI such that the total RIPS budget would equal 2% of the full university budget.

In summary, RIPS continues to provide infrastructure for supporting research and innovation and, as resources are available, directly supports research and innovation. Over the past year, considerable progress has been made reducing impediments to research. Expansion of key programs, recommended by the Program Prioritization Taskforces, would significantly enhance the university research and innovation mission.

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