

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/27**  
**FY2020 Operating Budget**

**Resolution**

Whereas, the Board of Trustees of Illinois State University (*the "Board"*) has the authority to approve Illinois State University's (*the "University"*) annual operating budget, and

Whereas, the Illinois Board of Higher Education policies stipulate that the Board of Trustees shall approve an official budget for fiscal year 2020 ("*FY2020*") by source of funds, object and function, and

Whereas, the Board took action at its May 10, 2019 meeting authorizing expenditures from tentative budget allocations until State appropriations for FY2020 are known:

Therefore, be it resolved that the Board of Trustees approves the FY2020 Budget for Operations totaling \$479.2 million as shown in Table 1, Table 2, and Table 3, which are attached hereto and incorporated herein.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees  
Illinois State University  
FY2020 Operating Budget**

Background. In FY2004, the Illinois Board of Higher Education (IBHE) adopted several new policies related to fiscal accountability in higher education. One policy calls upon each public university governing board to review and approve an official budget each fall. The IBHE policy requires the budget be approved by source of funds, by functional expenditures and by objects of expenditure. Moreover, the specific functions and objects of expenditure are defined by the IBHE. Those definitions are provided in Appendix A.

The University's major sources of funds can be grouped into two broad classifications— unrestricted purpose funds and restricted purpose funds. Unrestricted purpose funds are those that the University has the most discretion in allocating among its instruction, public service, research and academic and institutional support functions. These funds include:

- **State Appropriated Funds.** Funds appropriated to Illinois State University annually by the General Assembly and approved by the Governor for ordinary operational expenses.
- **University Income Fund.** Include annual tuition revenue and some miscellaneous instructional fees.

State appropriated funds and the University Income Fund are aggregated and collectively budgeted as General Revenue Funds.

Restricted purpose funds are those funds whose use is restricted either by a granting agency, legislative statutes and rules, or by other contractual commitments. These funds include:

- **Bond Revenue (Auxiliary Facilities System – AFS):** Revenues that are derived from the operation of facilities constructed with proceeds from debt issued by the University, such as residence halls and dining centers. The revenue is used both for operations of the unit and to repay the debt to the bond holders. These funds cannot be used for other purposes.
- **Grants and Contracts:** Includes funds that are awarded to individual faculty or staff members for research projects or institutional improvement. Funds may come from federal, state or local grant foundations and are governed by individual guidelines of the grantor.
- **Other Local Funds:** Includes monies generated by self-supporting units such as the University Farm, monies from student fees such as the athletic fee, and monies generated by charging a course material fee. These funds are restricted in use to the specific purpose for which they are charged. In other words, revenue generated from a course material fee must be used to purchase materials for this same course in the future. These funds are sometimes referred to as “Agency Funds.”
- **State College and University Trust Fund:** Revenue is from fees generated by the University's proportion of collegiate license plates sold; distributed, subject to appropriation by the General Assembly, to each university or college for the sole purpose of scholarship grant awards to residents of the State of Illinois.

## Context

Table 1 presents a summary FY2019 projected and actual revenues by fund source in order to provide a context for the proposed FY2020 operating budget. Also provided is the dollar and percentage change between FY2019 actual revenues and FY2020 projected revenues by fund source.

<b>Table 1</b>							
<b>Illinois State University</b>							
<b>Fiscal Year 2019 Projected and Actual Revenues and Fiscal Year 2020 Projected Revenues</b>							
(in thousands of dollars)	FY2019			Proposed FY2020		FY2019-FY2020	
Source of Funds	Projected Revenue	Actual Revenue	Percent of Total	Projected Revenue	Percent of Total	Dollar Change	Percent Change
<b><u>Unrestricted</u></b>							
State Appropriation	\$ 66,300.0	\$ 66,300.0	14.3%	\$ 69,619.3	14.5%	\$ 3,319.3	5.0%
University Income Fund	208,000.0	209,000.0	45.1%	216,500.0	45.2%	7,500.0	3.6%
Subtotal	274,300.0	275,300.0	59.4%	286,119.3	59.7%	10,819.3	3.9%
<b><u>Restricted</u></b>							
Bond Revenue Operations	94,500.0	92,500.0	19.9%	94,000.0	19.6%	1,500.0	1.6%
Grants and Contracts	29,800.0	36,900.0	8.0%	38,500.0	8.0%	1,600.0	4.3%
Other Local Funds	59,400.0	59,000.0	12.7%	60,400.0	12.6%	1,400.0	2.4%
State College and University Trust Fund (collegiate license plate revenue)	50.0	50.0	0.0%	150.0	0.0%	100.0	100.0%
Subtotal	183,750.0	188,450.0	40.6%	193,050.0	40.3%	4,600.0	2.4%
<b>Total</b>	<b>\$458,050.0</b>	<b>\$463,750.0</b>	<b>100.0%</b>	<b>\$479,169.3</b>	<b>100.0%</b>	<b>\$ 15,419.3</b>	<b>3.3%</b>

Table 1 shows that actual revenues from all fund sources in FY2019 were \$463.8 million. Looking ahead to FY2020, it is expected that revenues for all fund sources will be \$479.2 million.

As Table 1 demonstrates, FY2020 Unrestricted Funds are budgeted to increase 3.9 percent. This includes a 5.0 percent increase to the State Appropriation over FY2019.

The proportion of University operations and grants that are funded from State appropriations remains the same as FY2019 at 14.5 percent of the total institutional operating revenues, including \$3.1 million that will be transferred to the Illinois Department of Central Management Services as a contribution toward Group Health Insurance premiums.

As demonstrated in Table 1, 19.6 percent of the University's FY2020 budget will be made up of Bond Revenue Operations, such as housing, dining and student activity operations.

Other Local Funds, or "Agency" funds are expected to represent 12.6 percent of the total University budget and Grants and Contracts are expected to represent 8.0 percent. State College and University Trust Fund represents revenue derived from collegiate license plate sales, held by the state for distribution through appropriation. For FY2020, the distribution from the trust fund to Illinois State University is \$150 thousand. The projected change from FY2019 to FY2020 for all Restricted Funds is an increase of 2.4 percent.

**Budget Detail by Object and Function of Expenditure**

Table 2 provides an estimated breakdown of anticipated FY2020 expenditures by object of expenditure (see appendix A). All universities are labor intensive organizations, and Illinois State University is no exception. Almost half (49.3 percent) of all funds are budgeted for personal service expenditures. Of the \$236.1 million budgeted for personal services, \$174.3 million, or 74 percent, is expected from General Revenue and University Income funds.

<b>Table 2</b>							
<b>Illinois State University</b>							
<b>Fiscal Year 2020 Budget</b>							
<b>Objects by Fund Sources</b>							
(in thousands of dollars)	Appropriation and Income Fund	State College and University Trust Fund	Other Local Funds	Grants and Contracts	Bond Revenue	Total	Percent of Total
Personal Services	\$ 174,300.0		\$ 20,600.0	\$ 18,500.0	\$ 22,700.0	\$ 236,100.0	49.3%
Medicare	3,000.0		300.0	200.0	300.0	3,800.0	0.8%
Contractual	35,519.3		27,000.0	14,800.0	18,000.0	95,319.3	19.9%
Travel	1,600.0		1,100.0	500.0	100.0	3,300.0	0.7%
Commodities	4,000.0		5,300.0	700.0	10,500.0	20,500.0	4.3%
Equipment	10,900.0		3,300.0	1,300.0	1,500.0	17,000.0	3.5%
Telecommunications	1,200.0		200.0	100.0	700.0	2,200.0	0.5%
Operation Auto	600.0		200.0	100.0	100.0	1,000.0	0.2%
Awards and Grants	31,500.0	\$ 150.0	2,100.0	2,200.0		35,950.0	7.5%
Permanent Improvements	15,600.0		300.0	100.0	24,700.0	40,700.0	8.5%
Group Health Insurance	3,100.0					3,100.0	0.6%
Debt Service	4,800.0				11,300.0	16,100.0	3.4%
General Services Overhead					4,100.0	4,100.0	0.9%
<b>Grand Total All Objects</b>	<b>\$ 286,119.3</b>	<b>\$ 150.0</b>	<b>\$ 60,400.0</b>	<b>\$ 38,500.0</b>	<b>\$ 94,000.0</b>	<b>\$ 479,169.3</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>59.7%</b>	<b>0.0%</b>	<b>12.6%</b>	<b>8.0%</b>	<b>19.6%</b>	<b>100.0%</b>	

The sum of personal services, permanent improvements and awards and grants accounts for approximately two-thirds of all expenditures. The remaining third will be used for all other expenses such as technology, group health insurance, equipment purchases, debt service and utilities.

Expenditures in FY2020 funded by General Revenue resources are expected to increase almost \$12 million over the prior year. Personnel expenditures resulting from annual merit increases equate to approximately \$3.4 million. Financial Aid awarded to need-based students is projected to increase by \$3.5 million (or 12.5 percent) for a total of \$31.5 million. The University continues to invest in technological and capital improvements, including additional expenditures of up to \$4 million from the Academic Enhancement Fee.

Bond Revenue expenditures are expected to remain stable as projects such as the Bone Student Center continue to progress through planned phases and normal operating expenses inflate at a standard pace.

Other Local Funds and Grants and Contracts are projected to increase \$3 million, being influenced mostly by increases to external grant awards in both FY2019 and FY2020.

Table 3 presents the estimated FY2020 operations and grants budget by fund source and by projected functional expenditure. The budget is divided into eight functional areas: Instruction, Organized Research, Public Service, Academic Support, Student Services, Institutional Support, Operations and Maintenance of the Physical Plant, and Independent Operations (See Appendix A). These functional classifications are identified and defined in the Illinois Board of Higher Education’s *Resource Allocation Management Program (RAMP)*.

**Table 3**  
**Illinois State University**  
**Fiscal Year 2020 Budget**  
**Functional Expenditures by Fund Sources**

(in thousands of dollars)	Appropriation and Income Fund	State College and University Trust Fund	Other Local Funds	Grants and Contracts	Bond Revenue	Total	Percent of Total
Instruction	\$ 144,500.0		\$ 6,000.0	\$ 6,000.0		\$ 156,500.0	32.7%
Organized Research	3,000.0		1,500.0	21,600.0		26,100.0	5.4%
Public Service	3,000.0		13,200.0	8,100.0		24,300.0	5.1%
Academic Support	23,600.0		300.0	600.0		24,500.0	5.1%
Student Services	41,000.0	\$ 150.0	35,400.0	2,000.0		78,550.0	16.4%
Institutional Support	23,219.3		2,300.0	-		25,519.3	5.3%
O&M Physical Plant	43,000.0		1,700.0	200.0	27,800.0	72,700.0	15.2%
Independent Operations					54,900.0	54,900.0	11.5%
Debt Service	4,800.0				11,300.0	16,100.0	3.4%
<b>Grand Total All Functions</b>	<b>\$ 286,119.3</b>	<b>\$ 150.0</b>	<b>\$ 60,400.0</b>	<b>\$ 38,500.0</b>	<b>\$ 94,000.0</b>	<b>479,169.3</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>59.7%</b>	<b>0.0%</b>	<b>12.6%</b>	<b>8.0%</b>	<b>19.6%</b>	<b>100.0%</b>	

Illinois State University expects to spend \$206.9 million in FY2020 on the activities associated with its core functions of instruction, research and public service, representing 43.2 percent of the estimated total University expenditures. Most of these funds (\$150.5 million) are derived from General Revenue appropriations or University Income Fund. Another \$24.5 million is expected to be spent on those activities that provide direct support to those core functions, referred to in the table above as “Academic Support.” The largest allocation within this function is for the operations of Milner Library but also includes some academic administrative functions.

Of the \$72.7 million estimated to be spent on operations and maintenance, over \$10 million is budgeted for utilities (electricity, natural gas, sewer and water) and utility conservation projects. Deferred maintenance of facilities will be aggressively addressed to make up for some of the delays caused by the budget impasse. The University’s accumulated backlog of maintenance required to bring general revenue facilities up to top working condition is estimated at \$250 million.

### **Conclusion**

This item was prepared in accordance with Illinois Board of Higher Education policy that calls upon public university governing boards to review and approve an operating budget annually each fall. The University continues to allocate its resources to its highest priorities and to support those initiatives that are outlined in its strategic plan, *Educate•Connect•Elevate*. Instruction and the support of high quality faculty and staff continue to be the two highest priorities.

## Appendix A

### Standard Definitions of Functions and Objects of Expenditures

#### **Functional Areas:**

**Instruction** – Activities carried out for the explicit purpose of eliciting some measure of educational change in a learner or group of learners. Activities include both teaching and facilitating activities.

**Organized Research** – Activities intended to produce one or more research outcomes including the creation of knowledge, reorganization of knowledge and the application of knowledge. Research activities carried out on an individual or project basis usually result from special institutional grant awards to individual faculty members.

**Public Service** – Program elements established to make available to the public the various unique resources and capabilities of the University for the specific purpose of responding to a community need or solving a community problem.

**Academic Support** – Activities that are carried out in direct support of the three primary programs of instruction, organized research and public service.

**Student Services** – Activities carried out with the objective of contributing to the emotional and physical well-being of students as well as to their intellectual, cultural and social development outside the context of the University's formal instructional activities.

**Institutional Support** – Activities carried out to provide for the day-to-day functioning as well as the long-range viability of the University as an operating organization.

**Operation and Maintenance of the Physical Plant** – Activities related to maintaining existing grounds and facilities used for educational and general purposes, providing utility services, campus security and fire protection, transportation and rental of space.

**Independent Operations** – Auxiliary Services and programs and activities that are unrelated to the primary mission of the university (instruction, organized research and public service).

#### **Objects of Expenditure:**

**Personal Services** – Wages and salaries.

**Contractual** – Payment for services from vendors. The largest contractual expenditure for Illinois State University is utility expense.

**Travel** – Reimbursements to employees or vendors for in state or out of state travel including transportation, mileage, lodging and meals.

**Commodities** – Purchase of articles of a consumable nature such as office supplies.

**Equipment** – Purchases over \$100 for tangible personal property such as office furniture and equipment.

**Telecommunications** – All telephone and telecommunication services such as internet ports, long distance charges, cell phone charges, fax machine charges and local telephone charges.

**Operation of Automotive Equipment** – Operation, maintenance and repair of automotive equipment.

**Awards and Grants** – Most commonly used for awards and grants to students. This includes aid for student financial need and academic merit.

**Permanent Improvements** – Remodeling and renovation of existing structures.

**Debt Retirement** – Payments for annual principal and interest on bonds and certificates of participation.

**General Services Overhead** – Payment for use of administrative services outside the immediate operation of the unit. For example, the comptroller’s area, which is supported by general revenue funds, performs accounting functions for all areas on campus; therefore, the non-appropriated units pay a portion of their expenses.

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/28**  
**FY2021 Appropriated Budget**  
**Request: Operating and Capital**

**Resolution**

Whereas, Illinois State University is required to submit its appropriated operating budget request and its capital appropriation request to the Illinois Board of Higher Education, and

Whereas, the authority for approval of the appropriated operating budget request and the capital appropriation request resides with the Board of Trustees of Illinois State University:

Therefore, be it resolved that the Board of Trustees approves the FY2021 appropriated operating budget request totaling \$76.6 million and the capital appropriation request totaling \$435.4 million as shown in Table 1 and Table 2, which are attached hereto and incorporated herein.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson



**Board of Trustees  
Illinois State University  
FY2021 Appropriated Budget Request: Operating and Capital**

Illinois State University's FY2021 appropriation request supports the University's strategic plan, *Educate•Connect•Elevate* and will allow the University to increase its contributions toward addressing critical statewide goals for higher education.

State appropriated dollars provide the critical and irreplaceable core of support for delivery of high quality instructional programs and educational services to students. Maintaining strong and stable funding lessens the reliance on the university income fund, which is realized primarily from student tuition and fee payments; therefore, helping to maintain the affordability of a college degree. This request represents a 10% increase (or \$7.0 million) over the University's prior year appropriation. It is a reasonable step to begin to restore our appropriated operating funds base and help alleviate the negative impact associated with the limited partial state funding that occurred in FY2016 and the 10% reduction to appropriations between FY2017 and FY2018. A 10% increase to \$76.6 million remains only \$2 million higher than we received in FY2013.

The University continues to implement cost-saving measures to redirect resources to high priority needs. For example, substantial funds are committed to financial aid in order to attract and retain students who have little or no resources to pay college costs. As we await capital and deferred maintenance funding, scarce operating resources have also been redirected to address repair and maintenance of campus facilities. During this time of substantial budget strain, the University maintains pride that its instructional programs continue to be recognized both nationally and internationally for their quality and value.

**FY2021 Operating Budget Request**

**Increases**

Consistent with the goals outlined in *Educate•Connect•Elevate*, the University is committed to enhancing salaries in order to improve faculty salary competitiveness and attract and retain exceptional faculty and staff to continue to provide a vibrant learning community for students. Therefore, \$3.9 million is requested for faculty and staff compensation increases.

Almost half of the increase in funding, or \$3.1 million, requested for Illinois State University, is in support of additional student financial aid. Strategically using University resources to enhance student accessibility and affordability through financial scholarships supports the core values of Illinois State University outlined in *Educate•Connect•Elevate*.

Table 1 below summarizes the University's proposed appropriated operating budget request for FY2021 and a request for distribution from the State College and University Trust Fund. The State College and University Trust fund is revenue from collegiate license plate sales held by the state for distribution to University's through appropriation. These requests represent a responsible and reasonable statement of the University's highest priorities and goals.

**Table 1**  
**Illinois State University FY2021 Appropriation Requests**  
(in thousands of dollars)

Appropriated Operating Funds Base – FY2020 level	\$69,619.3
<u>Increases</u>	
Faculty & Staff Compensation	3,900.0
Student Financial Aid	<u>3,080.7</u>
Dollar Increase; \$6,980.7	
Percent Increase; 10.0%	
FY2021 Appropriated Operating Funds Request	\$76,600.0
FY2021 State College and University Trust Fund Request	<u>30.0</u>
<b>Total: FY2021 Appropriation Requests</b>	<b><u>\$76,630.0</u></b>

## **FY2021 Capital Request**

The capital projects for which funding is requested for FY2021 are instrumental in addressing the goals and priorities articulated in the University's strategic plan, *Educate•Connect•Elevate*, as well as the recommendations in *Master Plan 2010-2030: Looking to the Future*. These projects are important to enhancing a healthy, safe and environmentally sustainable campus and to ensuring the University has the physical infrastructure necessary for excellence in instruction, research and service in the 21<sup>st</sup> century.

Identifying the projects included in the annual request to the state for capital improvement funding involves an ongoing process of assessing academic and support service capital needs, determining facility use strategies, analyzing facilities' conditions and opportunities, and evaluating available resources. The major projects included in the FY2021 request have been updated from last year's request to reflect the FY2020 appropriation for Milner Library (pending the release of funding) and further re-evaluation of facility priorities. Both the projects requested and the priority assigned to them are reviewed and approved by the University's Capital Planning and Budget Team comprised of individuals from each division of the institution, shared governance constituencies, and Intercollegiate Athletics.

Table 2 summarizes the University's request for state funds for capital improvements in FY2021 totaling \$435.4 million, including \$403 million for six major capital improvement projects and \$32.4 million for capital renewal projects.

**Table 2**  
**FY2021 Capital Request**

Request for funds for major capital projects, or “Regular” capital, are listed in priority order below:

New Engineering Building	\$ 100,000,000
New Mennonite College of Nursing Building	60,000,000
Thomas Metcalf School Replacement	57,000,000
DeGarmo Hall Rehabilitation;	38,000,000
University High School Replacement	63,000,000
Williams Hall Renovation	<u>85,000,000</u>
FY2021 Regular Capital Request	\$403,000,000
FY2021 Capital Renewal Request	<u>\$32,400,000</u>
<b>Total FY2021 Capital Request</b>	<b><u>\$435,400,000</u></b>

The major capital projects focus on addressing academic programmatic needs and ensuring the University’s facilities promote excellence in instruction, research and service. They involve renovating and upgrading existing academic facilities; addressing life-safety requirements; replacing outdated mechanical, electrical and plumbing systems; and upgrading utility and technology systems. The projects also involve the construction of new facilities for future Engineering programs, the Mennonite College of Nursing, and the University’s educational teaching laboratory schools. A considerable amount of the University’s accumulated deferred maintenance needs can be addressed through these targeted rehabilitation and renovation projects.

The state’s Capital Renewal Program provides resources for smaller remodeling, restoration, utility and infrastructure projects. Funds from the program are distributed proportionately among state colleges and universities based upon their square footage maintained by state funds. The University’s allocation for FY2021 is expected to be \$32.4 million based upon 3% of the current replacement value of all applicable campus facilities.

Summary descriptions of each of the requested major capital projects follow.

**New Engineering Building** **\$100,000,000**

This is a new capital project request for Illinois State University that helps stabilize enrollment and encourages students to remain in Illinois to study engineering. It also addresses work force needs in the state by training more engineers who will be employed in Illinois following graduation. In spring 2017, a steering committee was appointed by the President and charged with investigating the establishment of undergraduate engineering programs. That summer the University engaged the Education Advisory Board (EAB) which used a combination of quantitative data analytics and secondary research to assess the need for engineers in Illinois and the viability of establishing engineering programs at Illinois State University. In spring 2018, the steering committee submitted a final report recommending the development of a plan to offer quality engineering programs in mechanical engineering and electrical engineering. This capital request is for a new building and necessary equipment on campus to house mechanical and electrical engineering programs. It is recommended in the Master Plan Update 2010-2030.

**New Mennonite College of Nursing Building** **\$60,000,000**

This project addresses the space needs and will provide for the construction of a new home for the Mennonite College of Nursing. The new facility will be designed to meet current needs and future growth. This space will include consolidation of campus facilities, offices for College faculty and staff, meeting rooms, conference rooms, and a variety of teaching classrooms that are special to the needs of the nursing program. The building will be sited to best address the specific goals and requirements of the program, which not only include instruction but also the clinical health care industry relationships. This project, which involves construction of a new facility for the College, is recommended in Master Plan Update 2010-2030.

**Thomas Metcalf Laboratory School Replacement****\$57,000,000**

The Thomas Metcalf School building, which was constructed in 1955, houses the University's laboratory school for kindergarten through the eighth grade. The facility is outdated and aging. The Facilities Condition Assessment identified the mechanical, electrical, plumbing, and fire alarm systems as needing repair or replacement. More importantly, the geographic location on the school is problematic with poor vehicular access to the building and less than adequate outdoor space for the elementary school-aged children. It is critical to construct a modern laboratory school to resolve those inadequacies that now exist and to meet the 21st first century requirements on campus. This project is recommended in the Master Plan Update 2010-2030.

**DeGarmo Hall Rehabilitation****\$38,000,000**

This project provides for rehabilitation of DeGarmo Hall which houses the College of Education and Department of Psychology. DeGarmo Hall was built in 1972. Forty-seven years later, it is in need of infrastructure updates and program-driven improvements. The "curtain wall" exterior has deteriorated to the point of failure. It is now very difficult to maintain and needs to be replaced, and the interior spaces need to be reconfigured to better serve the 21st first century program and pedagogy requirements. The space needs have grown substantially since 1972. Interior spaces no longer meet the needs of current or future programs. Mechanical, electrical, and plumbing improvements also need to be addressed. This project is recommended in the Master Plan Update 2010-2030.

**University High School Replacement****\$63,000,000**

The current University High School building was constructed in 1965 and houses the University's laboratory school for ninth through twelfth grades. The facility is outdated and aging, and the mechanical, electrical, plumbing, and fire alarm systems are in need of replacement. Its geographic location on the campus is problematic with poor vehicular access to the building and less than adequate outdoor space. This project provides for the construction of a modern laboratory school to meet the 21st century requirements. This project is recommended in the Master Plan Update 2010-2030.

**Williams Hall Renovation****\$85,000,000**

This project will rehabilitate Williams Hall, which was originally built in 1940 as the University Library. The project will restore the quality and integrity of the original University library building. Selective demolition will be completed to allow a program specific addition. The interior of the old library building will be renovated. This project will replace and/or upgrade the building's mechanical, electrical and plumbing systems. The remodeling will correct code deficiencies, remove asbestos, repair/replace the slate roof, and bring the structure back to its original architectural significance. The building is on a prominent site on the Illinois State University Quadrangle and represents a classic form of collegiate Georgian style architecture. Williams Hall is planned to be used for University academic program space comprised of classroom and office spaces. This project is recommended in the Master Plan Update 2010-2030.

**Capital Renewal Projects****\$32,400,000**

Resource constraints have prevented the University from routinely remodeling and rehabilitation facilities in accordance with facility standards. Many facilities need an extensive amount of work to replace, upgrade, and/or improve mechanical, electrical and plumbing systems as well as to address basic infrastructure needs such as roofing, flooring and windows.

The projects identified for Capital Renewal funding address critical mechanical, electrical, plumbing and building envelopes across campus. The projects will enable the University to ensure the structural integrity and operations of facilities and thereby improve productivity, cost-effectiveness, and accountability by reducing the backlog of deferred maintenance and improving energy conservation, reliability and efficiency.

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/29**  
**Authorization to Issue**  
**Certificates of Participation Series 2019**

**Resolution**

Whereas, the Board of Trustees of the University (the “Board”) has the authority to issue Certificates of Participation, and

Whereas, the Board issued the Certificates of Participation (Capital Improvement Project), Series 2008 (the “2008 Certificates”) in the aggregate principal amount of \$22,230,000, of which \$12,580,000 is currently outstanding, for the purpose of financing portions of the Student Fitness and Kinesiology Recreation Center, a new power plant, and a Human Resources Information System (collectively, the “Improvements”), and

Whereas, Illinois State University (the “University”) desires to obtain funds for the purpose of refunding the 2008 Certificates, and

Whereas, current interest rates provide the University an opportunity to realize substantial savings by issuing a new series of Certificates of Participation (Capital Improvement Project), Series 2019 (the “2019 Certificates”) to refund the currently outstanding 2008 Certificates:

Therefore, be it resolved by the Board of Trustees of Illinois State University in regular meeting assembled, that:

1. It is hereby determined to be desirable that the Board authorize the execution and delivery of an Acquisition Agreement, an Installment Purchase Contract and an Indenture of Trust, and the issuance of the 2019 Certificates in connection therewith, in order to provide funds to refinance the Improvements by refunding the currently outstanding 2008 Certificates and to pay the costs of issuance of the 2019 Certificates.
2. The Board approves a private placement sale of the 2019 Certificates, using Hutchinson, Shockey, Erley & Co as our placement agent, pursuant to the Board’s existing contract. The 2019 Certificates are subject to the following conditions (a) the 2019 Certificates to be issued shall not exceed an aggregate principal amount of \$13,000,000; (b) the 2019 Certificates will have a final maturity of no later than 10 years from their date of issuance; (c) the price at which the Certificates will be sold will not be less than 97% of the par amount thereof; and (d) the 2019 Certificates shall have a true interest cost of borrowing not to exceed 3.50%. The final terms of the 2019 Certificates shall be approved by the Treasurer, at his discretion and within such parameters.

3. U.S. Bank National Association or The Bank of New York Mellon Trust Company, N.A. is hereby authorized to serve as Trustee for the 2019 Certificates.

4. Pursuant to the Board's existing contract, the law firm of Chapman and Cutler LLP is hereby retained as Special Counsel to the Board.

5. Pursuant to the Board's existing contract, the firm of Blue Rose Capital Advisers, LLC, is hereby retained as Municipal Advisor.

6. The Treasurer of the Board or his designee is hereby authorized to enter into a Certificate Purchase Agreement (or Certificate Purchase Agreements) with one or more purchasers for the sale of the 2019 Certificates.

7. The Board approves the forms of the Installment Purchase Contract, Indenture of Trust, Acquisition Agreement and Certificate Purchase Agreement. Copies of such documents are on file with the Secretary of the Board for recording. The Treasurer and Secretary of the Board or their respective designees are hereby authorized and directed to execute such documents in the name of and on behalf of the Board in substantially the forms presented to this meeting, or with such changes as may be approved by the officer or officers of the Board executing the same, his/her or their execution thereof to constitute conclusive evidence of the Board's approval of all changes from the forms thereof presented to this meeting.

8. If required by the successful bidder for the 2019 Certificates, the Board agrees to comply with the terms and provisions of bond insurance for the 2019 Certificates, if such terms are approved by the Treasurer of the Board.

9. The Chairperson, the Secretary and the Treasurer of the Board and the members, officers, agents and employees of the Board are hereby authorized and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of this resolution and with the actions of the members, officers, agents, and employees of the Board which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, which actions shall be and are ratified, confirmed and approved.

Board Action on: _____	Postpone: _____
Motion by: _____	Amend: _____
Second by: _____	Disapprove: _____
Vote: Yeas: _____ Nays: _____	Approve: _____

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees  
Illinois State University  
Authorization to Issue Certificates of Participation Series 2019**

In addition to the authority provided to the Board of Trustees by the State of Illinois to issue revenue bonds for the construction and operation of auxiliary facilities, the Illinois State University Law, 110 ILCS 675/20-1 *et seq.*, provides the Board with the authority to issue debt in the form of Certificates of Participation to finance or refinance other capital improvements. These Certificates of Participation evidence payments under an installment purchase agreement and are limited to a maximum ten-year term. The installment payments made under an installment purchase agreement are payable both from State appropriated funds and from budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis.

The Certificates of Participation (Capital Improvement Project), Series 2019 (the “2019 Certificates”) will be issued in an aggregate principal amount not to exceed \$13,000,000 to fund the refinancing of the Certificates of Participation (Capital Improvement Project), Series 2008 and to pay the costs of issuance of the 2019 Certificates.

Issuance of the 2019 Certificates will decrease annual debt service payments as a result of the lower interest rates currently available in the market. The estimated debt service savings, even after accounting for debt issuance costs (estimated to not exceed \$125,000), is expect to exceed \$750,000 over the life of the new debt.



**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/30**  
**Connect Transit Contract Extension**

**Resolution**

Whereas, Illinois State University has partnered with Connect Transit (formerly the Bloomington-Normal Public Transit System) to provide certain transportation services since 1998; and

Whereas, said partnership benefits all University faculty, staff and students by allowing them to use their Illinois State University Redbird Card as a bus pass to access Connect Transit services; and

Whereas, the current agreement extension, dated May 10, 2019 and entered into by the Board of Trustees of Illinois State University and Connect Transit on June 22, 2019, has a term of July 1, 2019 to December 31, 2019; and

Whereas, negotiations remain ongoing and are not anticipated to be completed prior to the December 31, 2019 expiration date:

Therefore, be it resolved that the Board of Trustees authorizes the University to enter into a six-month extension of the current agreement for the period of January 1, 2020 to June 30, 2020 for an amount not to exceed \$280,000.

Therefore, be it further resolved that the authorization for this agreement is contingent upon the agreement's approval by Connect Transit's Board of Trustees.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees  
Illinois State University  
Connect Transit Contract Extension**

Illinois State University and Connect Transit have maintained a longstanding partnership. Formalized in 1998, the partnership initially provided a safe, after-hours transportation alternative for students. Since then the partnership has expanded to give students, faculty, and staff access to fixed route, regularly published public transportation service throughout the Bloomington-Normal community, including the University campus.

The Redbird Express route provides transportation around the Illinois State University campus from 7:00 a.m. to 12:00 a.m. Sunday through Thursday, and from 7:00 a.m. to 3:00 a.m. on Friday and Saturday during fall and spring semester on all regularly scheduled class days. There are 15 campus stops on the Redbird Express. In FY2019, Illinois State University accounted for 617,716 rides and ridership numbers are on trend to increase in FY2020.

The University, through the Parking and Transportation Office, makes monthly payments to Connect Transit for the transportation services provided for students, faculty, and staff. The total annual cost for these services was \$532,740 in FY2018 and \$545,000 in FY2019.

Negotiations on a new agreement are in progress but are not anticipated to be settled by the expiration date of the current extension: December 31, 2019. The requested extension will maintain the current monthly payment of \$46,325 for the period of January 1, 2020 to June 30, 2020. The total funding requested over this six month extension is projected to not exceed \$280,000

The agreement with Connect Transit supports the campus *Master Plan 2010-2030: Looking to the Future* as well as *Educate•Connect•Elevate: Illinois State* by providing a sustainable transportation option to enhance the quality of life as well as address the economic, social and environmental needs of Illinois State University students, faculty, and staff. This agreement is a tangible demonstration of the University's commitment to sustainable initiatives. The strategic external partnership between Illinois State University and Connect Transit is mutually beneficial.

Source of Funding:            Student Fee Revenues

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/31  
Authorization to Select a  
Natural Gas Provider**

**Resolution**

Whereas Illinois State University has successfully purchased gas in the deregulated market since 1985; and

Whereas, Illinois State University utilizes approximately five million therms of natural gas each year; and

Whereas, Illinois State University participated in the Illinois Public Higher Education Cooperative (IPHEC) Request for Proposal to select a natural gas provider; and

Whereas, the proposal submitted by Interstate Municipal Gas Company best meets the needs of Illinois State University; and

Whereas, Illinois State University entered into an agreement to purchase gas with Interstate Municipal Gas Company for the provision of natural gas and related services from August 23, 2019 through June 30, 2021 and mutually agreeable one year extensions through June 30, 2027:

Therefore, be it resolved that the Board of Trustees approves a contract extension with Interstate Municipal Gas Company through June 30, 2027, for the provision of natural gas and related services.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson



**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/33**  
**Authorization for Air Charter**  
**Contract for Athletics**

**Resolution**

Whereas, the Board of Trustees of Illinois State University (Board of Trustees) has the authority to enter into contracts for the provision of goods and services to the University, and

Whereas, the Illinois State University Athletics Department utilizes air charters for travel to certain athletic contests, and

Whereas, Illinois State University completed the procurement process to identify an air charter vendor that offers the quality, service and price competitiveness that best meets the University's needs:

Therefore, be it resolved that the Board of Trustees authorizes a two-year agreement to Air Planning LLC at a total cost not to exceed \$900,000.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees  
Illinois State University  
Authorization for Air Charter Contract for Athletics**

For many years, Intercollegiate Athletics has engaged in the practice of employing air charters to meet its needs for transportation to athletic competitions. As scheduling of non-conference and conference opponents is a challenging task, there are a number of instances when utilizing ground transportation and commercial airlines is not feasible. To that end, charters are utilized in an effort to reduce time away from class and regular campus activities.

The University entered into a procurement process during the summer of 2019 to identify an air charter broker that offers the safety, quality, price competitiveness, and service for charter flights. Through this process Air Planning, LLC was identified as the vendor that met the necessary criteria while providing the experience and expertise the Athletic Department sought.

This resolution item seeks authorization to execute a two-year contract with a cost not to exceed \$900,000.

Source of Funding: Athletics Department Operating Revenues

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/35**  
**Authorization to Contract with**  
**Dean Dairy Holdings, LLC**

**Resolution**

Whereas, the major provider for Illinois State University's Dairy Products is Dean Dairy Holdings, LLC, and

Whereas, the University issued a Request for Proposals and Dean Dairy Holdings, LLC offered the lowest competitive and qualified bid:

Therefore, be it resolved that the Board of Trustees authorizes the purchase of milk and other dairy products from Dean Dairy Holdings, LLC at a total cost not to exceed \$825,000 for a three-year period, FY20-FY22, with the option for seven annual renewals.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees  
Illinois State University  
Authorization to Contract with Dean Dairy Holdings, LLC**

Illinois State University utilizes a dairy distributor to supply dairy products to food service locations throughout campus, including residential dining, retail dining, catering, laboratory schools, and the Child Care Center. The former contract for dairy products expired on June 30, 2019. The total annual cost for these services during FY2019 was approximately \$210,000.

Competitive bids were sought for a multi-year contract from dairy distributors through the Request for Proposals process. The bid solicitation comprised the distribution of 24 dairy items. Dean Dairy Holdings, LLC offered the lowest competitive and qualified bid to the University at a projected cost of approximately \$221,000 based on estimated FY2019 purchase volumes. The contract allows for monthly price changes equivalent to the percentage change in a milk commodity index. Actual purchases are difficult to predict due to fluctuation in pricing, consumption patterns, and residential student population. Therefore, this Resolution seeks Board of Trustees authorization for the University to enter into a three-year contract with Dean Dairy Holdings, LLC for the period October 21, 2019 to June 30, 2022 for an amount not to exceed \$825,000. The contract contains seven (7) one-year renewal options.

Source of Funding: Event Management, Dining, and Hospitality (EMDH) Operating Funds



**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2019.10/37**  
**Authorization for Intergovernmental**  
**Agreement with**  
**Illinois Board of Higher Education:**  
**Trustee Conference Registration**

**Resolution**

Whereas, the Board of Trustees of Illinois State University and the Illinois Board of Higher Education (the "IBHE") are authorized to enter into an intergovernmental agreement pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 et. seq., and

Whereas, the IBHE conducts the Public University Trustee Conference that fulfills the leadership training requirements for the members of the Board of Trustees of Illinois State University as required in Public Act 99-695:

Therefore, be it resolved that the Board of Trustees authorizes the President of Illinois State University to enter into an intergovernmental agreement with the IBHE for the provision of leadership training to the members of the Board of Trustees, at a cost not to exceed \$1,200.00.

Source of Funding: General Operating Funds

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 18, 2019

\_\_\_\_\_  
Secretary/Chairperson