

Board of Trustees of Northeastern Illinois University

**Finance, Buildings and Grounds Committee
Special Meeting Minutes**

April 14, 2021

A special meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees took place on Wednesday, April 14, 2021 by video conference. Trustee Sherry Eagle, chair of the committee, called the meeting to order at 1:00 p.m.

Roll was called and the following Trustee committee members were present: Carlos Azcoitia, Sherry Eagle, and Charlie Serrano.

Other Trustees present: Marvin Garcia, Ann Kalayil, and Jonathan Stein

Also present: Gloria Gibson, President; Natalie Brouwer Potts, Interim Assistant General Counsel; Mary Pat Burns, Board Counsel; Karl Voigt, Assistant Secretary to the Board; vice presidents, staff, and University community members.

Trustee Eagle made the following announcement: Due to the fact that the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency and the fact that Governor Pritzker issued a disaster proclamation in response to COVID-19, the most recent such Proclamation being dated, April 2, 2021, this meeting is being held by video conference. Public Act 101-0640 requires a roll call vote be taken on each matter acted upon. I ask that Trustees be prepared to unmute their microphones and clearly respond to the roll call vote on each matter that we consider for approval.

Opportunity for Public Comment

Trustee Eagle announced the opportunity for public comment in accordance with P.A. 91-0715. There was 1 request to speak.

1. **Dr. Nancy Matthews** – NEIU faculty and President, UPI Local 4100

Topic: air quality and building ventilation assessment in preparation for return to in-person life

President Gibson thanked Trustees for the opportunity to present the preliminary FY22 budget earlier than usual. She also thanked the representatives from Jones Lang LaSalle for the work they did in creating the real estate advisory report.

Mike Wenz, Executive Director of University Budgets, provided an overview of the preliminary FY22 budget. The FY22 revenue target is \$89,535,800. New student enrollment for fall 2021 is forecast to be level with fall 2020. As of today, the University is projecting a 3.7% decline in fall credit hours over the current year. The University's projected expenses are \$89,954,300, leaving a structural deficit of -\$481,500. The projected FY22 structural deficit is much lower than the previously forecasted -\$1,314,100 on account of level appropriations funding from the state.

Manish Kumar, Vice President for Finance and Administration provided an supplemental report on the FY22 enrollment projections. The University is proposing a scholarship initiative to be introduced for fall 2021. New student applications are down approximately 30% compared to same time last year. In order to help improve applications and admissions for fall 2021, the University is proposing to use \$2.5 million from its unrestricted net assets to help fund a

scholarship initiative for new incoming freshman and transfer students for fall 2021 and spring 2022 semesters. The scholarship initiative would top off the remainder difference between what is not covered by a student's available financial assistance. New students must be registered for no fewer than 12 credit hours and the incentive would cover tuition and fees. New students who register for more than 12 credit hours would be responsible for the tuition and fees for credit hours over 12. Transfer students would be eligible to receive tuition and fee reduction for one 3 credit course and must be registered for at least 6 credit hours. Undocumented students who qualify under the RISE Act are eligible for the initiative as either new or transfer students. Additional aid for undocumented students is being worked on by the NEIU Foundation. Trustees are pleased with this initiative and engaged in discussion clarifying various aspects of the legal, financial, and inclusiveness of the incentive. Trustees asked for a formal legal opinion on its obligation to all students in proposing this type of initiative.

Brian Carroll, Executive Vice President at Jones Lang LaSalle (JLL) presented a report focused on the questions about retail and affordable senior housing on Bryn Mawr Avenue that arose from his last presentation in March. The lowest viable rate of return for developers of the retail space has been calculated at 14.5%. JLL recommends a minimum rental rate of \$28 per square foot as the lowest possible rate to ensure an initial rate of return at 14.5% or better. As for the questions about affordable senior housing, Mr. Carroll recommended the university find a developer with this particular expertise to help quantify this project viability.

Trustee Azcoitia, seconded by Trustee Serrano moved to recommend that the board accept and file the final real estate advisory report recommendations as presented.

Discussion: Trustees asked clarifying questions

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

The report is recommended to accept and file.

Trustee Eagle, seconded by Trustee Azcoitia to authorize the University to proceed with expending up to \$2.5 million in unrestricted net assets to fund a scholarship initiative for academic year 2022 pending a review as to its fiduciary acceptability and a formal review as to its legal vailidity.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

The matter is recommended pending a formal review.

Motion to Adjourn

At 2:30 p.m., Trustee Serrano, seconded by Trustee Azcoitia moved to adjourn. The meeting was adjourned by acclamation.

Respectfully submitted,

Sherry Eagle, Committee Chair
Karl Voigt, Assistant Board Secretary
Approved June 10, 2021