

Board of Trustees of Northeastern Illinois University

Finance, Buildings and Grounds Committee
Meeting Minutes

May 17, 2021

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened via video conference on Monday, May 17, 2021 at 8:30 a.m. Trustee Sherry Eagle, chair of the committee, called the meeting to order.

The following Trustee committee members were present: Carlos Azcoitia, Sherry Eagle, and Charlie Serrano.

Other Trustees present: Jim Palos, Jonathan Stein, and George Vukotich

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

Trustee Eagle read the following statement:

“I hereby convene this Finance, Buildings and Grounds Committee meeting of May 17. Because the Governor’s disaster proclamation remains in place, the most recent proclamation being dated April 30, 2021, we will proceed with this meeting being held by video conference.

Since the Committee is meeting remotely, 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 any matter that we consider for approval. Notice of this meeting has been posted in accordance with the Open Meetings Act. The open portion of the meeting is being recorded and a transcript of the proceedings will be prepared and ultimately, after approval, will be made available to the public on the NEIU website.

I would ask that anyone who speaks during this meeting first identify yourself - name and title – and remember that the standard rules for our board meetings still apply.”

Opportunity for Public Comment

Trustee Eagle announced the Opportunity for Public Comment in accordance with P.A. 91-0715. There were no requests to speak.

Chair’s and President’s Remarks

President Gibson congratulated the Class of 2021, noted the May 9 virtual commencement, and thanked commencement speaker, IL Comptroller Suzanna Mendoza. Trustee Eagle echoed her congratulations to the Class of 2021 on behalf of the committee.

Recommendation to Approve Purchases \$100,000 or Greater: Touchnet E-payment Services

Manish Kumar, Vice President for Finance and Administration provided a request for approval of purchases of \$100,000 or greater: Touchnet e-payment services. The original 10-year agreement obtained via RFP from Touchnet Information Systems, Inc. expired on August 31, 2015. A Sole Source Justification for continued service with Touchnet Information Systems, Inc. for e-payment services was submitted to the State of Illinois Chief Procurement Office in 2015. At the June 18, 2015 meeting, the Board was informed that the Sole Source Agreement had been approved and would serve for six years expiring on June 30, 2021. Touchnet provides e-commerce solutions across the University such as secure payment gateway, bill pay, refund, and marketplace transactions. Through its seamless partnership with Elucian Banner, the University's Enterprise Resource Planning system, Touchnet is the most feasible vendor to satisfy the University's e-commerce needs. The University sought and received approval on April 19, 2021 from the State's Chief Procurement Officer of Higher Education (CPO) for the e-payment services as a Sole Source procurement. The procurement was approved based on economic feasibility and the CPO granted Northeastern a two-year extension with Touchnet through June 30, 2023. Year 1 of the proposal is not to exceed \$164,400.00. Year 2 of the proposal is not to exceed \$180,840.

Trustee Azcoitia, seconded by Trustee Serrano moved to recommend approval of the request for purchases of \$100,000 or greater to Touchnet for e-payment services in accordance with the approval of the state's chief procurement officer as presented not to exceed \$346,000 for the 2-year extension and subject to legal review.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

The matter is recommended.

Recommendation to Approve Purchases \$100,000 or Greater: Grant Proposal Development Services

Dennis Rome, Provost and Vice President for Academic Affairs, made a presentation on the request to approve the University's contract renewal with McAllister & Quinn for grant proposal development services. The current agreement expires on June 30, 2021. The University has contracted with McAllister & Quinn since 2014. From 2016 – 2021, the University has secured \$21,626,731 in grants and awards with an additional \$1,402,891 pending with direct assistance from McAllister & Quinn. The University is proposing to contract with this firm for three years (2021-2024) with an option to renew for three additional years (2024-2027). The contract also includes 20% BEP participation with Maberry Consulting Services, LLC. The annual amount for the initial three years of the contract is \$114,000 per year. The optional renewal cost would be \$119,700 per year.

Trustee Eagle, seconded by Trustee Azcoitia moved to recommend the University enter into a contract with McAllister & Quinn for grant proposal development services as presented at a cost not to exceed \$342,000 for an initial three-year term, and subject to legal review and successful contract negotiations.

Discussion: Trustees agree with an initial three-year investment for these services and asked questions about the scope of work and the total length of the contract, but are supportive of efforts

that might mitigate future tuition increases. Provost Rome will provide additional figures to the Trustees related to sponsored research generated income, intended student outcomes from the grants, and a comprehensive timeline of the inception and intended life cycle of each grant.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

The matter is recommended.

Recommendation to Approve the Preliminary FY22 Operating Budget

Mike Wenz, Executive Director of University Budgets presented the preliminary FY22 Operating Budget recommended for approval. The Board of Trustees is asked to approve the University’s preliminary operating budget and estimated spending plans for FY22 at its June meeting. A final detailed budget will be presented for approval at its September Board meeting. In February 2021, the Governor presented a budget plan that called for level appropriations funding of \$35,566,900 for FY2022. The unrestricted operating budget reflects the tuition and fee rates adopted by the Board in November 2020 for FY2022 and enrollment projections developed internally by the University. For FY2022, the University is projecting a decline in enrollment equal to 3.7% of student credit hours. Projections for new Freshmen, new Transfers, and new Graduate students are forecast at level to FY2021, and the projected decline in credit hours is due entirely to a decline in credit hours among continuing students. Improved retention rates have helped offset some of this decline. With these enrollment projections and the approved tuition rates, tuition revenue for FY2022 is projected at \$54,260,900. This represents an 8.5% increase from the FY2021 budgeted tuition revenues, due primarily to the fact that realized enrollment in FY2021 exceeded budgeted levels, and also due to the tuition increase and a more favorable tuition mix as graduate student enrollment continues to grow.

Other income is projected to decline to \$400,000 in FY2022, from an FY2021 budget of \$1,320,000. This reflects projected declines in interest income due to declining market interest rates and a loss in one-time COVID-related funding that had been allocated to lost tuition revenue in FY2021. Resources available for operating purposes in FY2022 are estimated to be \$155,183,300, an increase of \$1,237,500, or 0.8%, from the FY2021 budget.

Table 1
 NORTHEASTERN ILLINOIS UNIVERSITY
 Fiscal Year 2022 Preliminary Operating Budget
 (with comparable data provided for Fiscal Year 2021)

	FY2021 Budget	FY2022 Preliminary Budget	Annual Change	
			Dollar	Percent
Unrestricted Operating Budget				
State General Funds Appropriations	\$ 35,566,900	\$ 35,566,900	\$ -	- %
University Income Fund - Tuition	49,346,700	53,568,900	4,222,200	8.6
University Income Fund - Tuition Differential	643,000	692,000	49,000	7.6
University Income Fund - Other	1,320,000	400,000	(920,000)	(69.7)
Unrestricted Operating Budget	\$ 86,876,600	\$ 90,227,800	\$ 3,351,200	3.9 %
Restricted Operating Budget				
Student Fee Programs	\$ 8,946,500	\$ 9,001,100	\$ 54,600	0.6 %
Sales & Services	2,925,400	2,817,100	(108,300)	(3.7)
Auxiliary Services	4,011,800	3,977,900	(33,900)	(0.8)
Indirect Costs Recovery	2,221,100	2,138,900	(82,200)	(3.7)
Grants & Contracts-Education	600,000	600,000	-	-
State and Local Grants & Contracts	8,800,000	12,704,400	3,904,400	44.4
Federal Grants & Contracts*	39,064,300	32,926,000	(6,138,300)	(15.7)
Private Grants & Contracts	500,000	790,000	290,000	58.0
Restricted Operating Budget	\$ 67,069,100	\$ 64,955,400	\$ (2,113,700)	(3.2) %
Total Operating Budget	\$ 153,945,700	\$ 155,183,200	\$ 1,237,500	0.8 %

* Includes \$4,000,000 estimated carryover of FY2021 COVID-related awards

In September 2020, the Board approved an unrestricted request budget for Northeastern of \$92,304,100 for the current year. Beginning in the summer of 2020, the University embarked on a process of identifying revenue and cost efficiencies in anticipation of a significant budget gap for FY2022 as the pandemic continued and the state indicated appropriations would be trimmed. Fortunately, these downside risks appear to have lessened, and the University is able to present a plan with expenditures balanced to anticipated revenues.

Table 2
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2022 Preliminary Operating Budget
by Function and Line Item

Functional Categories	Unrestricted Operating Budget (State and Tuition)	Restricted Operating Budget	Total
Instruction	\$ 51,151,900	\$ 8,638,200	\$ 59,790,100
Organized Research	121,700	1,831,700	1,953,400
Public Service	739,800	15,176,800	15,916,600
Academic Support	6,406,100	2,584,400	8,990,500
Student Services	3,950,500	26,690,900	30,641,400
Institutional Support	13,532,500	1,787,400	15,319,900
Operations and Maintenance	12,197,700	3,269,800	15,467,500
Independent Operations	-	4,976,200	4,976,200
Benefits/Social Security/Medicare	1,005,000	-	1,005,000
Health Insurance Reserve Fund	1,122,600	-	1,122,600
Total	\$ 90,227,800	\$ 64,955,400	\$ 155,183,200

Line Item Categories	General Operating Fund (State and Tuition)	Restricted Funds	Total
Personal Services	\$ 69,251,100	\$ 14,835,500	\$ 84,086,600
Contractual Services	13,113,300	16,236,200	29,349,500
Travel	188,300	255,200	443,500
Commodities	840,300	888,000	1,728,300
Equipment	866,300	658,700	1,525,000
Telecommunications	236,300	62,500	298,800
Awards/Grants/Tuition Waivers	1,322,000	23,800,000	25,122,000
Permanent Improvements	49,600	124,800	174,400
Benefits/Social Security/Medicare	1,005,000	3,604,600	4,609,600
Health Insurance Reserve Fund	1,122,600	-	1,122,600
Indirect Costs	-	2,138,900	2,138,900
Other/Transfer Out (Debt Service)	2,233,000	2,351,000	4,584,000
Total	\$ 90,227,800	\$ 64,955,400	\$ 155,183,200

Trustee Azcoitia, seconded by Trustee Serrano moved to recommend the preliminary FY22 Operating Budget as presented.

Discussion: Trustees asked clarifying questions.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

The matter is recommended.

FY23 Operating and Capital Request Budget

Mike Wenz presented the FY23 Operating and Capital Request Budget. Each year, the Board of Trustees of Northeastern Illinois University is required to adopt an operating and capital budget request and submit that request to the Illinois Board of Higher Education (IBHE). A final request will be presented to the Board of Trustees as an item for review, discussion, and approval at the September 2021 Board meeting. The budget requests brought before the Northeastern Illinois University Board of Trustees and summarized in this report are FY2023 requests, for the year

beginning July 1, 2022 and ending June 30, 2023. The University Unrestricted Operating Budget request for FY2023 totals \$95,685,500, an increase of \$5,457,700, or 6.0%, above the FY2022 Unrestricted Operating Budget base.

Table 2
FY2023 OPERATING BUDGET REQUEST
STATE APPROPRIATIONS AND UNIVERSITY INCOME FUNDS

(in thousands of dollars)

Base (FY2022 Budget)	\$ 90,227.8
Projected Salary and Cost Increases	2,530.2
Strategic Program Initiatives	2,927.5
FY2022 Operating Budget Request	\$ 95,685.5
Dollar Change From Previous Year	5,457.7
Percent Change From Previous Year	6.0%

The FY2023 Unrestricted Operating Budget request includes salary and cost increases totaling \$2,530,200, and requests of \$2,927,500 for priority strategic planning initiatives.

Table 3
FY2023 OPERATING BUDGET REQUEST
SALARY AND COST INCREASES

(in thousands of dollars)

	FY2023 Increase		
	FY2022 Base	Amount	Percent
Salary Increases	\$ 69,251.1	\$ 2,119.6	3.1%
Social Security/Medicare	1,005.0	31.2	3.1
Utilities			
Electricity	2,289.0	43.5	1.9
Natural Gas/Propane	415.0	7.9	1.9
Water/Sewer	44.0	0.8	1.9
Subtotal	2,748.0	52.2	
Library Books and Materials	465.0	8.8	1.9
All Other Operating Costs	16,758.7	318.4	1.9
Total	\$ 90,227.8	\$ 2,530.2	2.8%

Notes:

Other operating costs include such items as maintenance and service contracts, equipment for instructional and support programs, and general supplies.

Compensation increases are required by collective bargaining agreements and provided to non-negotiated employees.

Cost increases except for compensation are based upon the Higher Education Price Index (HEPI), most recent available data for existing inflation.

Table 4
FISCAL YEAR 2023
STRATEGIC PLANNING INITIATIVES REVIEWED BY THE UPBC

Student Success	\$ 580,000
Student Counseling - protocol services for after-hours	20,000
Diversity and Inclusion - signature event programming	20,000
Student Disability Services - hearing impaired accommodations	40,000
Improve first year college preparation through Summer Bridge	350,000
Online Center to support online certificates and programs	150,000
Student Success, and Urban Leadership	\$ 731,500
Interactive dimensional lettering	16,500
Semi-permanent street banners	65,000
Performance as education program	40,000
Data Specialist	85,000
External Campus Signage with Digital Messaging Screens	440,000
Immersive Virtual Campus Tours	85,000
Student Success and Academic Excellence and Innovation	\$ 75,000
Open Educational Resources	75,000
Academic Excellence and Innovation	\$ 225,000
Nursing Program Support	225,000
Exemplary Faculty and Staff	\$ 80,000
President/Provost Annual Faculty Institute	80,000
Enhance University Operations	\$ 1,050,000
Employee Applicant Tracking System	100,000
E-Procurement and Accounts Payable	150,000
Banner Disaster Recovery	150,000
Restore Deferred Maintenance	500,000
Replace BRG Boards (emergency notification system)	150,000
Fiscal Strength	\$ 186,000
Capital Campaign Development Officer	90,000
Alumni Relations Coordinator	50,000
Peer to Peer Fundraising Tool	6,000
Alumni Affinity Programming	30,000
Alumni Career Services and Resources Enhancements	10,000
Total	\$ 2,927,500

Requested capital projects total \$310,178,100, with \$281,927,600 in Regular Capital projects and \$28,250,500 in Capital Renewal projects.

Table 5
FISCAL YEAR 2023 REQUEST
CAPITAL APPROPRIATIONS

(in thousands of dollars)	<u>Priority</u>	<u>Estimated Project Cost</u>
REGULAR CAPITAL PROJECTS		\$ 281,927.6
Education Building, equipment	1	11,546.0
Mixed use facility	2	48,783.7
Science Building, planning	3	10,072.2
Science Building, construction	4	128,649.0
Science Building, equipment	5	21,280.0
Lech Walesa Hall, remodeling	6	17,173.7
Ronald Williams Library renovation	7	44,423.0
CAPITAL RENEWAL PROJECTS		\$ 28,250.5
Renovate E and F - One Stop Shop	1	10,803.3
Campus Roof Replacement	2	8,960.0
Lower Level Egress and Fire Separation	3	8,212.7
ADA Restrooms	4	3,285.1
Asbestos Abatement	5	3,285.1
Fume hoods	6	1,153.1
Building D and E exterior window wall, replacement	7	3,354.5
Masonry and Building Envelope, replacements	8	9,855.8
Five science lab renovations	9	5,343.9
Parking lot D replacement	10	2,064.6
TOTAL CAPITAL REQUESTS		\$ 310,178.1

Note: All projects reflect FY2023 Capital Development Board cost guidelines.

3rd Quarter Budget to Actual

Mike Wenz presented the 3rd quarter Budget to Actual report for FY21. The FY2021 budget includes State support of \$35,566,900 for the University's unrestricted general operating budget, or 38.4% of that budget. Through the third quarter, the University has vouchered a total of \$35,114,524, and of this amount \$31,865,389 was received. Enrollment projections and the resultant revenue projections for the FY2021 budget were projected to decline by 10.0% from FY2020 levels. In fact, Summer 2020 enrollments grew by 10.1%; Fall 2020 enrollments fell by 4.1%; and Spring 2021 enrollments fell by 3.7%. With Summer 2021 enrollments tracking ahead of budget projections, actual revenues are likely to exceed budgeted revenues for FY2021. Other revenues for FY2021 are projected to fall short of their budgeted total for reasons primarily related to the ongoing Coronavirus pandemic. Through the third quarter, the University spent \$60,993,789 or 70.2% of the total \$88,846,700 general operating unrestricted preliminary budget. The University has been able to rely in part on funding through the CARES act to support university operations through the COVID-19 pandemic.

Purchases of at Least \$50,000 But Less Than \$100,000

Manish Kumar presented a report on purchases of at least \$50,000 but less than \$100,000. There are two vendors listed; one that is an online tutoring service accessible to students, and the other is a platform that provides online teaching resources for faculty. Trustees asked to receive any available information and data on the impact these programs were intended to have and are having on student and faculty success and performance, and student retention and graduation.

Construction Report

Nancy Medina, Associate Vice President for Facilities Management and Auxiliary Services presented the construction update. The electric cable replacement phase 1 and campus roof replacement projects are awaiting formal bid results from the Capital Development Board (CDB). The campus entrance and walkways repairs are still in the program analysis and schematic design phase. The CDB and the Governor's Office of Management and Budget are working together to review additional funding needs for the education building caused by the Central Utility Plant project's cancellation. A funding determination is scheduled to be made mid-May. The university signage and branding master plan project has been posted on the State Procurement website. Submittals are due on May 13, 2021. Reviews and interviews will then take place and an award recommendation will be done at the end of June.

Scholarship Initiative

President Gibson and Manish Kumar presented an oral update on the academic year 2021-22 scholarship initiative. As of today, 1,900 students have been admitted for the fall semester 2021. The University engaged a private firm to contact around 1,400 prospective students. Of that group, 21% indicated intent to enroll or have selected Northeastern as their top choice. The private firm will continue to contact the list of prospective students for another two weeks. The University is working on finishing the public relations and marketing materials for the scholarship initiative. Trustees asked that the marketing and public relations materials be forwarded to the Executive Committee for their review. Trustees have offered to help recruit students through their contacts, as well.

Motion to Convene in Closed Session

At 9:53 a.m., Trustee Azcoitia, seconded by Trustee Serrano moved to convene in Closed Session, citing section 2(c)6 of the IL Open Meetings Act.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

Motion to Reconvene in Open Session

At 10:31 a.m., Trustee Azcoitia, seconded by Trustee Serrano moved to reconvene in Open Session. The motion carried by acclamation.

Trustee Eagle thanked all Trustees for their helpful and constructive feedback in Closed Session before she presented the Consideration and Possible Recommendations to Move Forward on Guidance from the Real Estate Advisory Report. The recommendations were presented in four separate motions as described below:

1. The committee recommends to the Board that the University proceed with the lease of the Bryn Mawr property on such terms and conditions, and at such time as determined by the Board, to be in the best interest of the University.

Trustee Azcoitia, seconded by Trustee Serrano moved to advance the recommendation as presented.

Discussion: there was no discussion.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

2. The committee recommends to the Board that the University extend its contract for consulting services with Jones Lang LaSalle (JLL) to assist the University in the lease of the Bryn Mawr property subject to parameters to be established by the Board.

Parameters as discussed: parameters accommodate if NEIU does not arrive at a successful conversation with consultants as to what NEIU believes is in its best interest, then the Board can change its direction.

Trustee Azcoitia, seconded by Trustee Serrano moved to advance the recommendation as presented.

Discussion: there was no discussion.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

3. The committee recommends to the Board that the University proceed with the lease of the El Centro parcels on such terms and conditions, and at such time as determined by the Board, to be in the best interest of the University.

Trustee Azcoitia, seconded by Trustee Serrano moved to advance the recommendation as presented.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

4. The committee recommends to the Board that the University extend its contract for consulting services with Jones Lang LaSalle (JLL) to assist the University in the lease of the El Centro parcels subject to parameters to be established by the Board.

Parameters as discussed: parameters accommodate if NEIU does not arrive at a successful conversation with consultants as to what NEIU believes is in its best interest, then the Board can change its direction.

Trustee Azcoitia, seconded by Trustee Serrano moved to advance the recommendation as presented.

Discussion: President Gibson will work with Trustee Serrano to address concerns raised by the community about the El Centro parcels.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes

Old/New Business

Trustee Eagle asked if there was any old or new business to present. No additional business was raised.

Motion to Adjourn

At 10:45 a.m. Trustee Azcoitia, seconded by Trustee Eagle moved to adjourn. The meeting was adjourned by acclamation.

Respectfully submitted,

Sherry Eagle, Chair of the Committee
Karl Voigt, Assistant Board Secretary
Approved September 23, 2021