

The Board of Trustees of Northeastern Illinois University

Finance, Buildings and Grounds Committee
Meeting Minutes

August 23, 2021

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Monday August 23, 2021 in the Golden Eagles Room located in the Student Union at 5500 N. St. Louis Avenue, Chicago, IL. Sherry Eagle, Chair of the committee called the meeting to order at 8:32 a.m.

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

The following Trustee arrived at the meeting at 8:51 a.m.: Jim Palos

Also present: Gloria Gibson, President; Peter Land, University Counsel (via video); Mary Pat Burns, Board Counsel (via video); and Karl Voigt, Assistant Secretary to the Board; vice presidents, staff, and university community members. Attendees in the room were appropriately socially distanced per the University's published protocols.

Opportunity for Public Comment

Trustee Eagle announced the opportunity for public comment in accordance with Public Act 91-0715. There were no requests to speak.

Chair's and President's Announcements

Trustee Eagle welcomed everyone back to the first face-to-face meeting on campus since March 2020. She wished everyone well in the new fall semester. President Gibson echoed these remarks.

Items for Consideration and Possible Future Action

Purchases of \$100,000 or Greater: Renewal of Contract with Fischer Identity Management

Vice President for Finance and Administration, Manish Kumar, provided an overview of the request. The University uses an Identity Management (IDM) Software Application System to automate the provisioning, deprovisioning and management of accounts, passwords, roles, and auditing for access to the University's computer networks, NEIUport portal, email, and a variety of other applications. Board approval was granted in June 2015 to enter into a five-year contract for a hosted Identity Management Application Solution with Fischer International Identity, LLC (Fischer). The original contract term was June 22, 2015 through June 21, 2020. Due to mutual delays, the contract term was amended to begin in October 2016 and conclude in October 2021. This no-cost amendment reflects the program implementation delays. The University is advising to exercise its first one-year renewal option.

In FY22, the University will be exploring other solutions to replace the current IDM system. The project scope to replace and select a new IDM system that will support NEIU's account provisioning process is significant in magnitude. Renewing the contract with Fischer for one year will allow the necessary time to research and execute a new solution. The cost for the one-year renewal is \$106,020.01 and will be funded through the Technology Initiative.

Trustee Eagle, seconded by Trustee Azcoitia moved to recommend the contract renewal between the University and Fischer Identity Management for a period of one year beginning October 23, 2021.

Discussion: Trustees asked clarifying questions about the contract.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Palos: Serrano:

The matter is recommended for approval.

Purchases of \$100,000 or Greater: Branding, Wayfinding and Signage Qualification Based Selection (QBS)

Associate Vice President for Facilities Management, Nancy Medina, provided an overview of the item. Northeastern Illinois University requires architectural and engineering consulting services for the development of branding, wayfinding, and signage systems design. The current wayfinding and signage systems at the university are obsolete, do not incorporate the university's branding scheme, and are not able to be updated to reflect offices that have changed or been moved elsewhere on campus.

A Request for Qualifications solicitation was posted on the Illinois Public Higher Education Procurement Bulletin in accordance with the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act. An evaluation committee was formed to review and evaluate vendor submissions. Thirteen firms submitted Statements of Interest, eleven of which passed Administrative review. Vendors will provide services such as program/analysis, design and signage standards, branding incorporation, wayfinding, and interior and exterior signage systems for all Northeastern Illinois University locations on a task order basis.

The evaluation committee selected two firms for contract award. The Smithgroup, Inc. and Lothan Van Hook DeStefano Architecture (LVDA) were selected based on their qualifications and experience with signage and branding projects. The Business Enterprise Program (BEP) goal commitments will be met as follows: The SmithGroup, Inc. will meet a 50% BEP goal and Lothan Van Hook DeStefano Architecture will meet a 53% BEP goal. The master agreements are for an initial term of four years with an option to renew. The award is for an amount not to exceed \$300,000 per vendor, per year.

Trustee Eagle, seconded by Trustee Azcoitia moved to recommend approval of this item.

Discussion: Trustees engaged in a lengthy discussion about the explanation of the program's objectives and have decided that the information presented merits further review. Trustee Eagle has asked to schedule a separate meeting dedicated to this item. The President and her staff will provide a tangible timeline of the project, with an outline of the anticipated deliverables at the committee's next meeting prior to the September Board meeting. This item's recommendation has been deferred.

Recommendation to Approve the FY22 Final Operating Budget

Executive Director for University Budgets, Mike Wenz, provided an overview of the FY22 final budget. Trustees approved a preliminary version at its June 2021 Board meeting. In May 2021,

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the state legislature approved a \$35,566,900 appropriation for NEIU, representing level appropriation funding relative to FY2021. 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. The budget reflects other income and an updated enrollment projection decline of nine % from FY2021 for a final revenue projection of \$51,872,200, a decline of \$1,367,100 from FY2021 actual revenue. This also represents a decline of \$2,788,700 from what was forecast at the time the FY2022 preliminary budget was approved by the Board in June 2021. To address the \$2,788,700 shortfall in FY2022 tuition revenues, the University will apply federal funding in support of lost revenues in accordance with the guidelines of the American Rescue Plan Higher Education Emergency Relief Fund (HEERF III).

The restricted operating budget includes expenditures from revenue sources. Preliminary student fee program budgets reflect the fee rates as approved by the Board of Trustees in November 2020. These restricted operating funds are projected to total \$64,955,400 in FY2022.

During FY2021, the University received substantial support from several federal and state programs related to the COVID-19 pandemic. This funding allowed the University to cover expenses and recoup lost revenue related to the pandemic. The FY2021 restricted budget anticipated \$6,000,000 in federal institutional support that had been authorized at the time the budget was approved. Subsequently, the University has received approximately \$23.3 million in HEERF institutional support, and an additional \$15.9 million in support directly for students. Most of this funding was recognized in FY2021, but a portion of this will support the FY2022 budget. \$4 million of federal funding has been allocated in the FY2022 restricted budget, in addition to the \$2.8 million in anticipated lost revenue noted above that will support the FY2022 unrestricted operating fund. In total, the FY2022 budget includes \$6.8 million of support through HEERF institutional funds. Resources available for operating purposes in FY2022 are estimated at \$155,183,200, an increase of 0.8% from FY2021.

In September 2020, the Board approved an unrestricted request budget for Northeastern of \$92,298,000 for the current year. This budget included projected salary and cost increases of \$2,493,900 and the University Planning and Budget Council's (UPBC) recommended initiatives of \$2,927,500. This compares to a revenue projection, outlined above, of \$90,227,800.

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
<u>Unrestricted Operating Budget</u>				
State General Funds Appropriations	\$ 35,566,900	\$ 35,566,900	\$ -	- %
University Income Fund - Tuition	49,346,700	50,780,200	1,433,500	2.9
University Income Fund - Tuition Differential	643,000	692,000	49,000	7.6
University Income Fund - Other*	1,320,000	3,188,700	1,868,700	141.6
<i>Unrestricted Operating Budget</i>	\$ 86,876,600	\$ 90,227,800	\$ 3,351,200	3.9 %
<u>Restricted Operating Budget</u>				
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
<i>Restricted Operating Budget</i>	\$ 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 \$2,788,700 in lost revenue from COVID-related federal funding.

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

Trustee Eagle, seconded by Trustee Azcoitia moved to recommend approval of the FY22 Final Operating Budget as presented.

Discussion: Trustees asked clarifying questions about the budget presentation.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Palos: Serrano:

The matter is recommended for approval.

Recommendation to Approve the Preliminary FY23 Operating and Capital Request Budget

Mike Wenz presented an overview of the proposed FY23 operating and capital request budget. Each year, the Board of Trustees is required to adopt an operating and capital budget request and submit that request to the Illinois Board of Higher Education (IBHE). A preliminary request was presented at the May 17, 2021 Finance, Buildings and Grounds Committee meeting as an information item and is presented today as an item for review, discussion, and recommended approval at the September 2021 Board meeting. After Board approval, the request will be submitted to the IBHE before its deadline of October 15.

The University's 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. The request includes salary and cost increases totaling \$2,530,200, and requests of \$2,927,500 for priority strategic planning initiatives. An estimated general salary increase of \$2,119,600, or 3.1%, is based on the University's current collective bargaining agreements with a similar increase for non-negotiated staff any outstanding labor contracts. Non-salary cost increases reflect a 1.9% increase based on the most recent data available from the 2020 Higher Education Price Index Preliminary forecast (HEPI).

Capital improvement requests for FY2023 projects total \$310,178,100, with \$281,927,600 in Regular Capital projects and \$28,250,500 in Capital Renewal projects. The requests also include a priority number for each project, as requested by the Illinois Board of Higher Education.

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.

Trustee Azcoitia, seconded by Trustee Palos moved to approve the FY23 Operating and Capital Request Budget as presented.

Discussion: Trustee Eagle expressed concern about the optics of the sequence of capital requests under the Regular Capital Projects section of this item and withheld her support as it has been presented. Trustees asked about the separate funding requests for new academic buildings. Senior Executive Director for Government Relations, Suleyma Perez provided an explanation of capital project funding as appropriated by the General Assembly.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: No Palos: Yes Serrano:

The matter is recommended for approval.

Items for Information

Purchases of at least \$50,000 but less than \$100,000

Manish Kumar presented an overview of the list. Director of Purchasing, Vicky Santiago answered Trustees questions. Trustees expressed their disappointment in the low number of BEP approved vendors and asked the administration to work with BEP vendors to improve these outcomes.

Construction Update

Nancy Medina provided an overview of the University's construction projects. electric cable replacement phase I, and the campus roof replacement projects are still awaiting formal bids from the Capital Development Board (CDB). The CDB has reviewed Smithgroup's 50% construction drawings and submitted updated cost estimates to the Governor's Office of Management and Budget (GOMB). This project is going to their September board meeting for budget review.

HEERF/GEER Update

Manish Kumar presented an update on the activities to date with the Higher Education Emergency Relief Fund (HEERF) and the Governor's Emergency Education Relief Fund (GEER) awards. To date, of the \$15.9 million in HEERF student awards, the University distributed \$3 million to students in academic year 2019-2020; \$3 million to students in academic year 2020-2021; \$1.6 million retroactively to DACA and international students who did not qualify under the initial award, but were included in subsequent awards; and will distribute the remaining \$8.3 million to students over the course of the current academic year (2021-2022). The University received \$20.9 million in HEERF funds to cover qualified costs for significant changes in instruction and delivery associated with revenue loss during the COVID-19 pandemic. To date, the University has invoiced the federal funder for \$7.3 million in expenses incurred that include student fee reimbursement, facilities infrastructure improvements, student accommodations as well as health and wellness programs, COVID testing site implementation, significant instructional technology enhancements for students and faculty, and \$9 million for recovered lost revenue from tuition and fees. Three HEERF Minority Serving Institution (MSI) grants totaling \$2.4 million were received and fully vouchered. These funds were used to cover expenses due to lost revenue from the pandemic.

The University received the second largest distribution of GEER formula funds in the state based on its overall low-income, underrepresented, and first-generation student population. The \$3.5 million was invested in student scholarships, housing assistance, tuition and fees debt relief, the

creation of three new living and learning communities (LLCs) for resident students, the creation of an equity, diversity, and inclusion program, and the acquisition of a replacement customer resource management (CRM) system to enhance and support student enrollment and retention efforts. GEER competitive funds of \$456,000 were used to enroll and retain low-income, underrepresented, and first-generation students who might not otherwise begin or resume their studies on account of the pandemic. Several website enhancements were made to improve communication with student prospects, as well as funding of additional student aide positions in the Pedroso Center.

4th Quarter FY21 Budget to Actual

Mike Wenz reviewed the most recently closed fiscal quarter report. The operating budget for FY2021 totaled \$153,945,700. \$86,876,600 was the University's unrestricted general operating budget supported by state appropriation and student tuition. The University's restricted funds budget amount of \$67,069,100 was supported by student fee programs, auxiliary services, grants, and contracts. Through the fourth quarter, the University vouchered a total of \$35,566,900 of its state appropriation and received \$35,566,900. The FY2021 budget was built on a projected 10% decline in student credit hours. In fact, credit hour enrollment declined by 4.7%. Through the fourth quarter, tuition revenues totaling 105.7% of projected revenue was recorded, after adjusting for anticipated waivers and bad debt. These amounts represent enrollments for the second half of summer 2020, fall 2020, spring 2021, and the first half of summer 2021. The FY2021 budget anticipated that federal COVID-19 relief funding would allow the University to claim lost revenues as a cost of the pandemic. The University budget for Other Income reflects an anticipated claim of lost revenue, but tuition revenues exceeded projected revenues and the University chose to claim other pandemic-related expenses against the available COVID-19 relief funds.

Work-from-home conditions led to a reduction of expenses across functional categories, and the availability of federal COVID-19 relief funding allowed some expenditures to be covered using grant funds. Through the fourth quarter, the University spent 92.6% of the total \$86,876,600 general operating unrestricted budget. These are unaudited totals and final expense numbers will be available following the year-end reconciliation period. It is anticipated that actual expenditures will increase upon reconciliation, but will fall below the original budget.

FY23 Preliminary Tuition and Fees Recommendations

Mike Wenz presented an overview of the recommendations. In comparison to its peer public universities in Illinois, Northeastern falls in the middle for combined weighted tuition and fees for both undergraduate and graduate programs. The University is recommending a 0% increase in undergraduate tuition and a 2% increase in graduate tuition for FY23. Lost tuition revenue will be covered by HEERF funds in FY22 with a similar shortfall re-appearing in FY23. The University is recommending an increase of 2%, or \$1.55 per credit hour, in non-auxiliary fees for FY23.

Trustee Eagle asked for a complete list of fees and descriptions prior to its October committee meeting. Trustees applauded the recommended 0% increase in undergraduate tuition for FY23.

Update on Enrollment Initiative

Manish Kumar presented an update on the enrollment/tuition initiative for fall 2021. The *NEIU for You* initiative was developed after several refinements and a significant legal review, which culminated in Board approval of the initiative on April 29th with a program budget of \$2.5 million. Subsequently, the Foundation Board committed \$400,000 of additional support. By June, the *NEIU for You* initiative was shifting strategy by broadening the messaging and outreach to a wider

audience of potential but not yet admitted students, and by working with the COVID task force to schedule in-person registration days. These two strategy shifts had a positive impact on the enrollment for Fall 2021.

At this time students continue to be admitted, enroll, and complete their financial aid processes. As of August 21st, enrollment for new first-time, full-time freshmen was 322 students; enrollment for new transfers was 720 students. The total support required by the *NEIU for You* initiative for enrolled students is estimated to be approximately \$2.2 million (\$2,176,873). As of today, only 72% of enrolled students have completed the financial aid processes. Once the census date for the fall semester has passed the total cost for the new first-time freshmen will be known.

During the fall 2020 enrollment cycle, enrollment yield, or the percent of admitted students who enrolled at NEIU, was 12.5%. Through the *NEIU for You* initiative, the yield increased to 14.9%. When the planning for this initiative began, the number of admitted students was down 31% relative to Fall 2020, and as of August 21st the number of admitted students is down 28%. From June 2nd through August 21st, there was a 9% increase in admitted students suggesting the broader initiative messaging had a positive impact.

As of August 21st, the estimated total cost for the 322 enrolled first-time full-time freshmen is \$1,372,448, or an estimated average cost per student of \$4,262, and representing a 15% increase over the range of estimated per-student costs generated by the preliminary budget model. Based on historical data, 5-8% of the incoming class was projected to receive no funding from Pell or M.A.P. For Fall 2021, enrolled students without Pell or M.A.P. funding is estimated to represent 21% of the incoming class. Undocumented students were intended to benefit from the *NEIU for You* initiative, as well. As of August 21st, an estimated 14 undocumented students are enrolled with an average support level of \$7,853 per student, or an estimated total cost of \$109,936. The initiative provided funding for new transfer students. To qualify transfer students must be new for Fall 2021 (not a Summer 2021 transfer or 2nd Bachelor's degree student) and must register for at least 6 credit hours. As of August 21st, 720 transfer students have enrolled and 565 students met the qualifying criteria for support. The total estimated cost for the transfer student portion of the initiative is \$804,425, but is anticipated to increase to \$881,272 by the census date. The preliminary budget model estimated a total cost of \$541,278 for transfer students.

Acting Executive Director of Marketing and Communications, Matt Byerly provided metrics to Trustees relative to the *NEIU for You* initiative. From June 1 through July 31, the University purchased targeted digital advertisement in and around Illinois. These included ads on several social media sites, and mobile footprint banner ads around key high schools. This resulted in a 55% year-over-year increase in digital impressions, and a 96% conversion/lead response directly attributed to the *NEIU for You* initiative and general freshman marketing campaigns. Organic website activity saw a 10.5% year-over-year increase in visitors, and the *NEIU for You* landing page and general freshman inquiry pages ranked among the top five pages visited. Trustees encouraged the administration to apply its successful retention tactics to the newest students during their inaugural year.

Real Estate RFP Timeline Review

Manish Kumar presented an overview of the current RFP for Real Estate Broker Services timeline. The RFP was issued on July 29, 2021 and is currently within the four-week submission window which closes on August 25, 2021. The proposed timeline for the process is expected to be at the award phase by September 26 and presented to the Finance, Buildings and Grounds Committee

at its October meeting. The committee would then recommend approval of a contract by the full board in November.

Old business/ New business

Trustee Eagle asked if there was any old or new business and none was raised. There was no further business.

Motion to Adjourn

At 12:21 p.m. Trustee Azcoitia, seconded by Trustee Palos moved to adjourn. The meeting was adjourned by acclamation.

Respectfully submitted,

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