

Board of Trustees of Northeastern Illinois University

Finance, Buildings and Grounds Committee Meeting Minutes

March 24, 2022

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Thursday March 24, 2022 in the Golden Eagles Room located at 5500 N. St. Louis Avenue, Chicago, IL. Trustee 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; Sherry Eagle; Jim Palos (*ex officio*); and Charlie Serrano

Other Trustees present: Jonathan Stein

Also present: Gloria Gibson, President; G. A. Finch, University General Counsel; Mary Pat Burns, Board Counsel; Karl Voigt, Assistant Secretary to the Board; vice presidents; staff; and university community members

Opportunity for Public Comment

Trustee Eagle announced the opportunity for public comment in accordance with P.A. 91-0715. There were 2 requests to speak.

1. **Vicki Byard** - NEIU faculty member
Topic: objection to increase in University Police related to the perception of student safety
2. **Sarator Whitehead** – NEIU staff member
Topic: inequity of University layoffs as a metric to determine staff worth

Chair's and President's Remarks

Trustee Eagle thanked everyone for being here today. She is looking forward to Commencement.

President Gibson announced that Commencement will take place at the Credit Union 1 Arena on Friday May 13 at 2:00 p.m.

Fall 2022 applications are up compared to same last year. First-time/full-time freshman admits are 2,036 compared to 1,700 and there are 109 intent to enroll commitments compared to 89. Transfer student applications are 559 compared to 587, 262 admits compared to 307, and 148 intent to enroll commitments compared to 128 same time last year. Graduate applications are 624 compared to 680, 167 admits compared to 94, and 68 intent to enroll commitments compared to 27 same time last year. The University has hired 2 recruiters who will focus on recruitment from the Chicago collar communities.

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

Watermark Insights Change Order/Amendment

Maish Kumar, Vice President for Finance and Administration, reported that higher education accrediting bodies require that their member institutions conduct systematic assessments of student learning. To that end, Northeastern Illinois University entered into a five-year contract with Watermark Insights, LLC (formerly known as Tk20) after the Board approved the University's recommendation at its April 9, 2015 meeting. The Board approved the University's recommendation to enter into a five-year contract renewal

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at its April 16, 2020 meeting. In 2021, Academic Affairs was made aware that the application called Tk20 had reached its end-of-life and would no longer be supported. Watermark Insights offered upgrade enhancements to make it a viable assessment management system in order to maintain the University’s robust assessment processes. In addition to upgrading the assessment management system, the Faculty Success module needs to be added to the suite of Watermark applications as faculty portfolios are no longer supported within existing upgrades. Academic Affairs made a determination that it is in the best interest of the University to upgrade applications within the current system. Mr. Kumar reported that each time a company name change happens, the University is able to renegotiate pricing. The University used the time between when it was notified by the company of the change to solicit feedback from across the academic landscape and to host demonstrations of the new module. The new module will keep faculty tenure and promotion records in one place as opposed to the current system where this is not possible.

The upgraded Outcomes Assessment Application which replaces Tk20 will facilitate compliance with accreditation mandates, reporting on certificate programs, examining non-traditional pedagogical delivery methods, and assessing institutional effectiveness at the program, college, and institutional level.

The negotiated renewal pricing for the remaining three years will increase by \$98,235.86 and includes a savings of approximately \$75,000 over the life of the contract in discounts and waived fees. The new cost reflects the complete cost of the system, managed hosting, training server, user technical support, a dedicated client success manager, and implementation of the new applications.

Project Cost

Watermark Insights, LLC Assessment Management System - upgrade cost to finish existing 5-year contract:

	Original Cost	New Cost	Difference
Implementation Fees	-0-	\$20,000.00	\$20,000.00
Year 3 7/1/2022 to 6/30/2023	\$60,099.00	\$85,411.00	\$25,312.00
Year 4 7/1/2023 to 6/30/2024	\$61,902.00	\$87,973.33	\$26,071.33
Year 5 7/1/2024 to 6/30/2025	\$63,760.00	\$90,612.53	\$26,852.53
Totals	\$185,761.00	\$283,966.86	\$98,235.86
Contingency amount		10,764.34	
Grand Total			\$109,000.00

Trustee Serrano, seconded by Trustee Azcoitia moved to recommend approval of purchases \$100,000 or greater: amendment of contract with Watermark Insights, LLC for an additional \$109,000 for the remaining 3 years of the existing 5-year contract.

Discussion: Trustees continue to be skeptical about entering into multi-year technology contracts but will ride this one out.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes Palos (e.o.): Yes

The matter is recommended.

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Master Agreement Renewal for Roof and Façade Repairs

Manish Kumar reported that several of the university building roofs are past their life expectancy and building wall façades are in need of repairs. A Request for Qualifications procurement process was conducted in March 2019 to select Architectural/Engineering firms to address these needs. The Board approved the selection of three architectural and engineering firms for the required services at the June 2019 meeting. Master agreements were entered into with the three firms to provide the services on an as needed basis for an initial three-year term. The master agreements also include three-year renewal options. The COVID-19 pandemic interrupted normal operations and the projects were subsequently put on hold. The University wishes to exercise the three-year renewal options for Architectural and Engineering Services for Roof and Exterior Wall Repair.

Three firms were selected based on their qualifications to provide Architectural/Engineering services consistent with the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act (30 ILCS 535/1). The three firms are Inspec, Inc.; Specialty Consulting, Inc. (formerly GSG-Probe Consulting, Inc.); and Globetrotters Engineering Corporation. The original master agreement amount was not to exceed \$300,000. Although there were no expenditures for these services during the initial three-year term, it is in the best interest of the University to exercise the renewal option to avoid going through a new competitive procurement process to select firms for future potential work. The renewal agreement will also be a not-to-exceed amount of \$300,000 for the three-year term. The University will inform the Board of expenditures for services rendered within the three-year renewal term.

Trustee Serrano, seconded by Trustee Azcoitia moved to recommend purchases \$100,000 or greater: renewal of 3-year agreement for A/E services for rood and façade maintenance and repairs.

Discussion: Trustees also asked about sidewalk repairs around the main campus.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes Palos (e.o.): Yes

The matter is recommended.

ITEMS FOR INFORMATION

Preliminary FY23 Operating Budget

Mike Wenz, Executive Director of University Budgets, reported that the University is requesting an operating budget of \$86,129,700 for Fiscal Year 2023. This represents a decrease of 4.5% from FY2022, primarily due to the loss of Federal COVID-19 relief funding. The FY2023 budget is based on a 6% decline in projected tuition revenue and a 5% increase in the State appropriation. The Board of Trustees is asked to approve the University operating budget that represents preliminary estimated spending plans for the upcoming fiscal year beginning on July 1, 2022 and will be asked to approve the final FY2023 detailed budget at its September 2022 Board meeting.

In FY2022, the University received an appropriation of \$35,566,900. In February 2022, the Governor presented a budget plan that called for a 5% increase of \$1,788,400, to a total of \$37,345,300 for FY2022. The final appropriation amount is still subject to approval by the state legislature and the University continues to monitor the state budget process. The preliminary budget presented here is based on the Governor's recommended level of appropriation.

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The unrestricted operating budget reflects the tuition and fee rates adopted by the Board in November 2021 for FY2023, and enrollment projections developed internally by the University. These tuition rates include no increase in undergraduate tuition, currently 420.44 per credit hour for Illinois residents and a two percent increase for new graduate students from 441.46 to 450.29 per credit hour for Illinois residents.

The FY2022 budget was developed during the evolving COVID-19 pandemic in a year where nearly all classes and a majority of employees were learning and working remotely. Enrollment and registration patterns through the pandemic have been atypical, making forecasting difficult. In the end, the FY2022 budget anticipated a 9% decline in student credit hours, while in actuality, the decline is trending at approximately 12% below FY2021 levels.

The forecast for FY2023 tuition revenues is based on an examination of the flow of new and continuing graduate and undergraduate students. For continuing students, declining enrollment in recent years leads to persistent future declines as well, as incoming classes are not sufficient to replace the flow of students who are graduating. For this reason, this budget anticipates a decline in continuing credit hours for FY2023 as well, with retained student credit hours anticipated to fall approximately 9% below FY2022 budgeted levels and approximately 6% below the current FY2022 projections.

For new student credit hours, this budget considers the likely impact of the NEIU for You program approved by the Board of Trustees during FY2022. This program is designed to reverse the declining trend in new student enrollment and has established targets of 400 new first-time full-time freshmen, 900 new transfer students, and 538 new graduate students for Fall 2022. The FY2023 budget is built around these targets. This would represent a total increase of 220 new students relative to the previous year, a substantial improvement but not enough to offset the headwinds associated with the declines of the recent past. In total, the FY2023 budget anticipates a 6 percent decline in tuition revenue, from \$50,780,200 to \$47,412,000.

In addition to appropriation and tuition revenue, the University generates a small amount of other income from interest on cash balances and miscellaneous sales. This amount is budgeted at \$400,000 for FY2023. In FY2022, Other Income included \$2,788,000 in federal COVID-19 relief funding which will not be available moving forward. In the coming weeks, as fall enrollments materialize, the final budget will consider any known changes to state funding and tuition revenues and high priority spending needs.

Expenditures for FY2023 will be balanced to anticipated operating revenues. At this time, the University is finalizing spending plans based on the anticipated revenues of \$86,129,700 as outlined above. The FY2023 request budget was approved at a level of \$95,685,500, and the FY 2022 final operating budget was set at a level of \$90,227,800. While the expenditure budget reflects a significant decline from the FY2022 budget and the FY2023 request budget approved by the Board in September 2021, reorganization and improved efficiencies have seen expenditures for the current and past (FY2021) budget years come in substantially below budget. While a significant cause of lower than anticipated spending has been personnel turnover and vacant positions, it is not the only change. The pandemic affected workflow and work processes, often making them more efficient, and as the University adjusts to the new normal, personnel and non-personnel budgets are being adjusted to reflect this changed environment.

In addition to the unrestricted operating budget, this preliminary plan includes forecasts for the restricted operating budget, which includes student fee programs, auxiliary services, indirect costs and grant sources. The restricted operating budget includes expenditures from revenue sources that are restricted either by an external requirement or by internal accounting policy. Preliminary student fee program budgets reflect the fee rates as approved by the Board of Trustees in November 2021. These restricted operating

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funds are projected to total \$59,279,300 in FY2022. This represents a decline of \$5,676,000 from FY2023, primarily due to the decline in federal COVID-19 support and a decline in student fee-supported activities due to anticipated declines in credit hour enrollment.

The total preliminary FY2023 budget is summarized in Table 1. Resources available for operating purposes in FY2023 are estimated at \$145,409,000, a decrease of \$9,774,200 or 6.3 percent, from the FY2021 budget. Approximately \$6,788,000 of this decline represents the end of federal COVID-19 relief funding.

Table 1
NORTHEASTERN ILLINOIS UNIVERSITY
Fiscal Year 2023 Preliminary Operating Budget
(with comparable data provided for Fiscal Year 2022)

	FY2022 Budget	FY2023 Preliminary Budget	Annual Change	
			Dollar	Percent
<u>Unrestricted Operating Budget</u>				
State General Funds Appropriations	\$ 35,566,900	\$ 37,345,300	\$ 1,778,400	5.0 %
University Income Fund - Tuition	50,780,200	47,412,000	(3,368,200)	(6.6)
University Income Fund - Tuition Differential	692,000	972,400	280,400	40.5
University Income Fund - Other	3,188,700	400,000	(2,788,700)	(87.5)
<i>Unrestricted Operating Budget</i>	\$ 90,227,800	\$ 86,129,700	\$ (4,098,100)	(4.5) %
<u>Restricted Operating Budget</u>				
Student Fee Programs	\$ 9,001,100	\$ 8,412,600	\$ (588,500)	(6.5) %
Sales & Services	2,817,100	2,463,800	(353,300)	(12.5)
Auxiliary Services	3,977,900	4,056,500	78,600	2.0
Indirect Costs Recovery	2,138,900	1,870,600	(268,300)	(12.5)
Grants & Contracts-Education	600,000	600,000	-	-
State and Local Grants & Contracts	12,704,400	12,028,100	(676,300)	(5.3)
Federal Grants & Contracts*	32,926,000	28,926,000	(4,000,000)	(12.1)
Private Grants & Contracts	790,000	921,700	131,700	16.7
<i>Restricted Operating Budget</i>	\$ 64,955,400	\$ 59,279,300	\$ (5,676,100)	(8.7) %
Total Operating Budget	\$ 155,183,200	\$ 145,409,000	\$ (9,774,200)	(6.3) %

Trustees engaged in a robust discussion about this proposed budget. Mr. Wenz explained that forecasting over the past two years has been extraordinarily difficult. Additionally, the University's historical operations have been fundamentally changed, so trying to predict which expenses and revenue streams will return, and how quickly, is anyone's guess. Trustees are focused on the NEIU for You initiative to help increase the number of incoming students, but remain concerned about keeping the continuing students enrolled in full-time courses. The overall pool of high school and community college students in Illinois continues to shrink each year, putting more pressure on the operations. Fall 2022 enrollment figures will continue to inform the final budget and more information will be available June when the recruitment and enrollment cycle is at its zenith. Trustees thanked the staff for the comprehensive overview of the budget and current operations of the University.

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Bachelor of Science degree in Cybersecurity – Financial Impact

Manish Kumar reported that this degree program proposal was presented at the March 10, 2022 Academic/Student Affairs, Enrollment, and Technology Committee meeting and received the committee's recommendation for approval. Because the Computer Science department already offers a minor in Cybersecurity, the University will not incur any new costs by offering this program as a major. The technology, faculty, staff, and infrastructure are already in place to support this program upgrade. Trustees noted that programs such as this, that are in high-demand, will help increase enrollment as much or more than an effective recruitment strategy.

BEP Expenditures Report

Vicky Santiago, Director of Procurement, reported an update of University's FY2021 BEP expenditures and its efforts in attaining minority, women and persons with disabilities owned businesses contracting goals. The Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/) became effective August 1994 to promote and encourage the continuing economic development of businesses owned by minorities, women, and persons with disabilities.

To comply with guidelines established by this program, the State of Illinois sets goals for all state agencies and public universities and specifically requires Northeastern to establish a goal of making at least 20 percent of all purchases of commodities, equipment, and contractual services, after allowable exemptions, from certified minority, women, and persons with disabilities owned businesses. The University submits a Fiscal Year Compliance Plan, which details the University's goals for the upcoming fiscal year, and the Fiscal Year Expenditure Report, which details the University's achievements relative to its goals for the past fiscal year.

In fiscal year 2021, the University established an aggregate BEP Compliance Plan Goal of \$1,681,138.20. The table below summarizes FY2021 payments made to BEP owned firms by certification designation. Actual expenditures were \$1,316,701.32 or 16%, a shortfall of \$364,436.88 or 4%.

African American Males	\$296,868.91
African American Females	42,580.59
Hispanic American Males	272,518.15
Hispanic American Females	139,944.98
Asian American Males	167,833.50
Asian American Females	29,995.00
Caucasian Females	364,807.69
Sheltered Workshops	2,152.50
Total FY2021 Payments Made to BEP firms	\$1,316,701.32

The COVID pandemic greatly affected the types of goods and services procured which hindered our ability to meet the 20% aspirational goal. The shortfall was primarily due to few or no expenditures in the following categories: Catering Services, Security Services, Bus Transportation Services; Travel Agency Services, Cafeteria Services and construction projects. The Purchasing Office regularly works to increase BEP participation in contracting include reaching out to current University vendors to encourage firms to register in the BEP program. In FY21, Purchasing provided training to University personnel on how to search for vendors in the BEP database.

Due to restrictions with in person meetings, the University did not participate in Minority, Women and Veteran owned Business Enterprise vendor fairs. However, we look forward to hosting and attending these

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meeting in the future. Based on current expenditures in FY22, we anticipate meeting the established BEP goal. For example, the University recently entered into a \$2.1 million contract with a BEP vendor for Workday Software and Maintenance project. We also entered into a \$500,000 contract with an IPHEC BEP vendor for the campus wide Wi-Fi project.

The University recognizes the value of diversity and inclusion in public contracting and are committed to exploring additional opportunities to improve the equitable distribution of University business and to be a supportive partner of the Business Enterprise Program, and will continue its efforts and commitment to ensure economic opportunities for minority, women, and persons with disabilities owned businesses to participate in the university's procurement process. Trustees hope to be able to achieve a greater than 20 percent participation rate going forward, and thanked Vicky for her work on behalf of the University.

University Police Update

Manish Kumar presented a report on the University Police. Despite budget reductions, the University Police force remains sufficient for a University of this size. The University continues to make improvements which aid police in keeping all locations safe, such as adding new security cameras, replacing the emergency messaging board system, and ongoing officer and department trainings. The NEIU Police Department remains committed to the safety and security of the University.

Bryn Mawr Property Update

Manish Kumar reported that the RFP solicitation for real estate broker services for the Bryn Mawr properties was updated and re-advertised on March 4, 2022. A virtual pre-submittal conference was held on March 16, 2022. Proposals are due on March 31, 2022. Trustee Eagle added that these properties are considered surplus properties and the University is permitted to either sell or lease it. Regarding the El Centro property: The community that helped get El Centro built, would like to opportunity to present a development idea for the vacant buildings adjacent to the El Centro building. The Finance, Buildings and Grounds Committee would like to set a deadline for community feedback on the El Centro property.

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

Manish Kumar presented the purchases report.

Construction Update

Manish Kumar presented the construction report. The Capital Development Board (CDB) awarded the project to Linear Electric. The construction is anticipated to begin in Spring of 2022. Contractor to submit construction schedule. CDB has informed us that the awarded contractor has decided to pull out. The project will be re-bid as soon as the updated bid documents are ready. Awaiting revised schedule from the architects. CDB has approved 100% construction bid documents and the project is out for bid. Pre-bid meeting is scheduled for March 16, 2022. Consultants have submitted preliminary drawing to CDB for review and approval. The project is underway. Consultants have begun field investigation and preliminary design. Awaiting project schedule.

El Centro Signage Update

Manish Kumar reported that the contract with Daktronics, Inc. was executed on February 10, 2022. Additional purchase orders were issued to two other vendors on March 2, 2022 for ancillary services (electrical services and soil boring tests). Council order from Alderman Ramirez-Sosa to be obtained in May 2022. Permit to be issued in August 2022. Electrical lines, fabrication and installation of sign to be

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completed October 2022. Final hook up, programming and testing, and landscaping to be completed November 2022.

Motion to Convene in Closed Session

At 10:32 a.m. Trustee Eagle, seconded by Trustee Azcoitia moved to convene in Closed Session citing section 2(c)5 of the Illinois Open Meetings Act.

Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano: Yes Palos (e.o.): Yes

The motion carried.

Motion to Reconvene in Open Session

At 11:47 a.m. Trustee Serrano, seconded by Trustees Eagle moved to reconvene in Open Session. The motion was approved by acclamation. Trustee Azcoitia left the meeting at 11:36 a.m.

Old/New Business

There was no further business.

Motion to Adjourn

At 11:48 a.m. Trustee Serrano, seconded by Trustee Palos moved to adjourn. The meeting was adjourned by acclamation.

Respectfully submitted,

Sherry Eagle, Chair of the Committee
Karl Voigt, Assistant Board Secretary
Approved April 14, 2022