

MEETING OF THE AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

MAY 9, 2022

This meeting of the Audit, Budget, Finance, and Facilities Committee of the Board of Trustees of the University of Illinois was held via teleconference¹ on Monday, May 9, 2022, beginning at 3:01 p.m.

Trustee Ramón Cepeda, chair of the committee, stated that the chair of the Board of Trustees determined that an in-person meeting would not be practical or prudent due to COVID-19 and that under Section 7(e)(2) of the Open Meetings Act, this meeting would be held virtually. Mr. Cepeda convened the meeting and asked the secretary to call the roll. The following committee members were present: Mr. Ramón Cepeda; Mr. Donald J. Edwards; Mr. Lester H. McKeever Jr., treasurer; Ms. Sarah C. Phalen;² Mr. Austin Verthein, voting student trustee, Springfield. Ms. Naomi Jakobsson attended as a guest.

Also present were President Timothy L. Killeen; Dr. Robert J. Jones, chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System; Dr. Michael D. Amiridis, chancellor, University of Illinois Chicago, and vice president, University of Illinois System; Dr. Karen M. Whitney, interim chancellor,

¹ Per Governor J. B. Pritzker's Executive Order 2022-12 and 5 ILCS 120/7(e)(2).

² Ms. Phalen arrived at 3:02 p.m.

University of Illinois Springfield, and vice president, University of Illinois System; Dr. Avijit Ghosh, interim executive vice president and vice president for academic affairs; Dr. Paul N. Ellinger, interim comptroller (and vice president/chief financial officer); Dr. Joseph T. Walsh Jr., vice president for economic development and innovation; and Mr. Gregory J. Knott, secretary of the Board of Trustees and of the University. Attached is a listing of other staff members and some members of the media in attendance at this meeting.

Mr. Cepeda asked if there were any comments or corrections to the minutes from the meeting held March 7, 2022. On motion of Mr. McKeever, seconded by Ms. Phalen, the minutes were approved by the following roll call vote:³ Aye, Mr. Cepeda, Mr. Edwards, Mr. McKeever, Ms. Phalen, Mr. Verthein.

PRESENTATIONS AND BOARD ITEMS

Mr. Cepeda asked certain individuals in attendance to provide presentations and report on the items that will appear on the Board's agenda at its meeting on May 19, 2022. All proposed agenda items discussed at the meeting are on file with the secretary.

Approve Preliminary Operating Budget for Fiscal Year 2023

Mr. Cepeda asked Dr. Ellinger to report on the recommendation to approve the preliminary operating budget for Fiscal Year 2022. Dr. Ellinger explained that the actions

³ Per 5 ILCS 120/7(e), all votes are conducted by roll call.

of the State, including a determination of the State appropriation, will conclude after the last Board meeting of this fiscal year. He said this process of approving a preliminary operating budget is required by State statute and enables the University to continue operations and pay its bills. Dr. Ellinger told the committee that the final budget based on the State appropriation will be brought to the Board in September. He said this recommendation authorizes expenditures at levels reflected in the current Fiscal Year 2022 budget.

Name the UI Health Specialty Care Building, Chicago

Next, Dr. Ellinger reported on the recommendation to name the Outpatient Surgery Center and Specialty Clinics facility located at Wood and Taylor streets as the UI Health Specialty Care Building. He said the estimated date for completion is in June 2022.

Rename the Library, Learning, and Student Success Center, Springfield

Dr. Ellinger then discussed the recommendation to rename the Library, Learning, and Student Success Center as Library Commons. He said this would bring improved clarity to the name and function of the building.

Capital and Real Estate Items

Mr. Cepeda then asked Dr. Ellinger to report on capital and real estate items. Dr. Ellinger first discussed the recommendation to approve the construction contract for the Neuropsychiatric Institute Façade Repair, Chicago. Dr. Ellinger gave a brief history of

the project and described its scope. He said this item recommends awarding a contract to Industria Inc. and said that competitive bidding procedures were followed in accordance with the Illinois Procurement Code. He listed the Women Business Enterprise (WBE), Veteran Business Enterprise (VBE), and Minority Business Enterprise (MBE) participation rates.

Approve Professional Services Consultant for
Doris Kelley Christopher Illinois Extension Center, Urbana

Next, Dr. Ellinger reported on the recommendation to employ Bailey Edward Design of Chicago as a professional services consultant for the Doris Kelley Christopher Illinois Extension Center at Urbana. He described the project and listed the firm's fees. He also reported on MBE, WBE, and Veteran-Owned Small Business (VOSB) participation rates and said the total diversity spend is 83 percent.

Purchase Recommendations

Dr. Ellinger then reported on purchase recommendations, beginning with the recommendation to purchase transcatheter aortic valve implants for UI Hospital and Clinics from Medtronic USA. He said this purchase is needed for transcatheter aortic valve replacement (TAVR) procedures that are performed at the hospital as an alternative to open-heart surgery. He said this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code.

Next, Dr. Ellinger reported on the recommended purchase of temporary clinical and non-clinical staffing services to support the operations of UI Hospital and Clinics from Cross Country Staffing Inc./Medical Staffing Network. He described the situations in which temporary staffing are used and said Cross Country Staffing has been a reliable source of temporary help before and throughout the COVID-19 pandemic. He listed the amount spent on temporary staffing each year and said the estimated \$20.0 million annual cost is based on historical spend.

Dr. Ellinger then discussed the recommended purchase of solid waste disposal services, including the removal of solid waste stored in containers, at the University of Illinois Chicago. He said that while this service is currently provided “in house” by the university, several trucks need to be replaced, making it cheaper to outsource the service. He told the committee that competitive selection procedures were followed in accordance with the Illinois Procurement Code. Dr. Ellinger and Mr. McKeever discussed the established 5 percent goal for Business Enterprise Program (BEP) participation, and Dr. Ellinger indicated he would follow up with additional information on the decision to establish that goal after the meeting.

Dr. Ellinger reported on change orders, beginning with a recommendation to increase COVID-19 sample collection and courier services awards for the current contract term through June 30, 2022, for Shield Illinois. He said these increases are required due to the increased volume of samples collected and transported due to increased testing during the Omicron variant outbreak. Dr. Ellinger said Shield also

terminated collection/courier services with two other providers, requiring increased collection/courier services from the remaining three providers.

Lastly, Dr. Ellinger reported on the recommended change order for Huron Consulting Services LLC, which would furnish assistance in implementing a campus-wide plan to improve administrative processes and organizational transformation. He referred to assistance and services provided by Huron in recent years and asked Dr. Andreas C. Cangellaris, vice chancellor for academic affairs and provost, Urbana, to comment. Dr. Cangellaris said the university partnered with Huron and launched its Operational Excellence at Illinois initiative to streamline, innovate, reduce costs, improve services, and coordinate administrative processes. He said the first two phases are complete, and this change order would enable the university to engage Huron for the next phase of the initiative.

There were no objections to forwarding the items listed above to the full Board for voting.

Business Process Improvement and Data Integration

Mr. Cepeda asked Dr. Ellinger and Mr. Kelly Block, associate vice president, Administrative Information Technology Services (AITS), to give a presentation on business process improvement and data integration (materials on file with the secretary). Dr. Ellinger acknowledged the contributions of Dr. Ghosh and introduced Mr. Block, who gave the presentation. Mr. Block discussed the three-year process to automate business processes to eliminate repetitive work, data entry, and paper-based processes.

He gave examples of automated processes and listed the benefits. He described the evaluation of processes; reported on the hours saved by implementing process automations; and presented the volume of student, faculty, and staff transactions. Mr. Block presented a series of major business system improvements and described the role of data analytics to support decision-making. He also described activities related to risk control management and referred to enterprise-scale projects that promote resiliency.

Dr. Ellinger acknowledged Dr. Ghosh for initiating this work. Mr. Cepeda thanked Dr. Ellinger and Mr. Block for the presentation and commended them for being proactive. Brief discussion followed, and President Killeen commented that increased automation has saved money and increased efficiency.

Internal Audit Activity Through Third Quarter Ended March 31, 2022

At 3:40 p.m., Mr. Cepeda asked Ms. Julie A. Zemaitis, executive director of University Audits, to give a presentation on internal audit activity through second quarter ended March 31, 2022 (materials on file with the secretary). Ms. Zemaitis showed the audit plan completion status for Fiscal Year 2022, which reflected the number of projects and hours spent for in-house staff. She then showed the number of projects for co-sourced construction audits and discussed the timing and phases of those audits. Ms. Zemaitis showed the beginning balance and implementation of audit recommendations for Fiscal Years 2020, 2021, and 2022 and noted that one recommendation in Fiscal Year 2022 was withdrawn due to a program closure. She said that the number of open recommendations has been much lower in recent years than it was in the past, and she described some

process changes that have made this possible. Next, Ms. Zemaitis showed the number of audit high and moderate risk findings from July 1, 2021, through March 31, 2022. She provided information on the aging of outstanding recommendations by management's original expected implementation date, as well as those with implementation dates in Fiscal Year 2021 and prior. Ms. Zemaitis concluded her presentation, and Mr. McKeever thanked her for the outstanding review.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Cepeda asked if there was any new business. Dr. Ellinger announced that Mr. Michael B. Bass, senior associate vice president and deputy comptroller, will be retiring on June 1, 2022, after serving at the University for 20 years. He described Mr. Bass's background and experience and added that he is also an alum and was a notable student-athlete at Urbana. Mr. Cepeda wished Mr. Bass congratulations on his retirement and expressed appreciation for his assistance when he first became chair of the committee. President Killeen commented on Mr. Bass's loyalty and knowledge, and Mr. McKeever echoed these remarks.

Mr. Cepeda announced that the next meeting of this committee is scheduled for Monday, July 11, 2022, at 3:00 p.m. in Room 2850, University Hall, 601 South Morgan Street, Chicago, with videoconference sites in the Graduate Boardroom, I Hotel

and Conference Center, 1901 South First Street, Champaign; and the Emmet and Mary Pearson Conference Room 553, Public Affairs Center, One University Plaza, Springfield.

MOTION FOR EXECUTIVE SESSION

At 3:53 p.m., Mr. Cepeda stated: “A motion is now in order to hold an executive session to consider discussion of minutes of meetings lawfully closed under the Open Meetings Act.” Mr. Knott stated that each public body subject to the Open Meetings Act shall, at least every six months or soon after thereafter as is practicable, meet to review the minutes of all closed meetings, and we will be discussing this review during the executive session today. On motion of Mr. Verthein, seconded by Mr. McKeever, this motion was approved by the following roll call vote: Aye, Mr. Cepeda, Mr. Edwards, Mr. McKeever, Ms. Phalen, Mr. Verthein; No, none.

EXECUTIVE SESSION

Mr. Cepeda convened this executive session at 3:54 p.m. All committee members were present. Ms. Jakobsson attended as a guest. The following were also in attendance: President Timothy L. Killeen; Mr. Thomas R. Bearrows, University counsel; Dr. Avijit Ghosh, interim executive vice president and vice president for academic affairs; and Mr. Gregory J. Knott, secretary of the Board of Trustees and of the University.

Discussion of Minutes of Meetings Lawfully Closed Under the Open Meetings Act

Mr. Cepeda asked Mr. Knott and Mr. Bearrows to discuss the minutes that had been sequestered under the Open Meetings Act. Mr. Knott outlined the requirement within the Open Meetings Act for public bodies to review minutes, at least twice annually, for purposes of the public interest and in the interest of individual privacy, and to consider whether a need for these materials to be held from release still exists. Mr. Bearrows stated that he and Mr. Knott reviewed the minutes that are sequestered under the Open Meetings Act, and he referred to guidelines used to determine whether the need for confidentiality continues. He described the topics discussed in the sequestered minutes from this committee and stated that the only sequestered minutes recommended for release at this time relate to the discussion of sequestered minutes from November 8, 2021. No members of the committee disagreed with this recommendation.

EXECUTIVE SESSION ADJOURNED

The executive session adjourned at 3:56 p.m.

AGENDA

At 3:57 p.m., the open session resumed. Mr. Cepeda stated that there was one agenda item requiring action by the committee, and Mr. Knott read aloud the title of the item, "Disclose Certain Minutes of Executive Sessions Pursuant to the Open Meetings Act." The committee agreed that one vote would be taken and considered the vote on the agenda item as listed below.

Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

(1) Under the Open Meetings Act passed by the General Assembly, public bodies subject to the Act that conduct business under exceptions specified in the Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under such exception. Pursuant to the Act, “[m]inutes of meetings closed to the public shall be available only after the public body determines that it is no longer necessary to protect the public interest or the privacy of an individual by keeping them confidential...” [5 ILCS 120/2.06(f)].

An item from May 2012 through January 2022 that has been heretofore unreleased is recommended for release at this time.

The University counsel and the secretary of the Board, having consulted with appropriate University officers, recommends that the following matter considered in executive session for the time period above be made available to the public at this time.

The committee action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The president of the University concurs.

Executive Session Minutes Released to Public

November 8, 2021, Audit, Budget, Finance, and Facilities Committee

Mr. Edwards convened this executive session at 4:02 p.m. All committee members except Mr. Cepeda were present. Ms. Craig Schilling attended via remote videoconference as a guest. The following were also in attendance: President Timothy L. Killeen; Mr. Thomas R. Bearrows, University counsel; and Mr. Gregory J. Knott, secretary of the Board of Trustees and of the University.

Discussion of Minutes of Meetings Lawfully Closed Under the Open Meetings Act

Mr. Edwards asked Mr. Knott and Mr. Bearrows to discuss the minutes that had been sequestered under the Open Meetings Act. Mr. Knott outlined the requirement within the Open Meetings Act for public bodies to review minutes, at least twice annually, for purposes of the public interest and in the interest of individual privacy, and to consider whether a need for these materials to be held from release still exists. Mr. Bearrows stated that he and Mr. Knott reviewed the minutes that are sequestered under the Open Meetings Act, and he referred to guidelines used to determine whether the need for confidentiality continues. He described the topics discussed in the sequestered minutes from this committee and stated that the only sequestered minutes recommended for release at this time relate to the discussion of sequestered minutes from May 10, 2021. No members of the committee disagreed with this recommendation.

On motion of Mr. Edwards, seconded by Mr. Phalen, this recommendation was approved by the following roll call vote: Aye, Mr. Cepeda, Mr. Edwards, Mr. McKeever, Ms. Phalen, Mr. Verthein; No, none.

MEETING ADJOURNED

President Killeen briefly commented that during the two years of the pandemic the University has significantly improved business processes, decreased the number of open audit recommendations, and created a system of protocols to support the University and its surrounding communities. He said he will be sharing the results of the most recent economic impact study at the next meeting of the Board.

On motion of Mr. Edwards, seconded by Ms. Phalen, the meeting adjourned at 4:00 p.m. by the following roll call vote: Aye, Mr. Cepeda, Mr. Edwards, Mr. McKeever, Ms. Phalen, Mr. Verthein; No, none.

Respectfully submitted,

GREGORY J. KNOTT
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary