

MEETING OF THE AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
MARCH 19, 2025

This meeting of the Audit, Budget, Finance, and Facilities Committee of the Board of Trustees of the University of Illinois was held in the Student Union Ballroom, Room 224, 2251 Richard Wright Drive, Springfield, Illinois, on Wednesday, March 19, 2025, beginning at 2:30 p.m.

Trustee Ramón Cepeda, chair of the committee, convened the meeting and asked the secretary to call the roll. The following committee members were present: Mr. Ramón Cepeda; Mr. Lester H. McKeever Jr.,¹ treasurer; Mr. Wilbur C. Milhouse III; Ms. Ariana A. Mizan, student trustee, Urbana; Ms. Sarah C. Phalen;² Mr. Jesse H. Ruiz. Ms. J. Carolyn Blackwell; Ms. Tami Craig Schilling; Mr. Joseph Gutman;³ Dr. Suzet M. McKinney; Mr. Quinn S. Basta, student trustee, Chicago; and Mr. Christian Johnson, student trustee, Springfield, attended as guests.

Also present were President Timothy L. Killeen; Dr. Nicholas P. Jones, executive vice president and vice president for academic affairs; Dr. Robert J. Jones, chancellor, University of Illinois Urbana-Champaign, and vice president, University of

¹ Mr. McKeever attended via remote videoconference.

² Ms. Phalen arrived at 2:31 p.m.

³ Mr. Gutman attended via remote videoconference.

Illinois System; Dr. Marie Lynn Miranda, chancellor, University of Illinois Chicago, and vice president, University of Illinois System; Dr. Janet L. Gooch, chancellor, University of Illinois Springfield, and vice president, University of Illinois System; Dr. Paul N. Ellinger, comptroller (and vice president/chief financial officer); Dr. Joseph T. Walsh Jr., vice president for economic development and innovation; Ms. Adrienne Nazon, vice president of external relations and communications; Mr. Scott E. Rice, University counsel; and Dr. Jeffrey A. Stein, secretary of the Board of Trustees and of the University.

OPENING REMARKS

Mr. Cepeda welcomed everyone to the meeting and asked if there were any comments or corrections to the minutes from the meeting held on January 22, 2025. On motion of Mr. Milhouse, seconded by Mr. McKeever, the minutes were approved. There were no “nay” votes.

REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON MARCH 20, 2025

Mr. Cepeda asked specific individuals in attendance to provide presentations and report on the items that will appear on the Board’s agenda at its meeting on March 20, 2025. All proposed agenda items discussed at the meeting are on file with the secretary.

Appoint External Audit Firm for Illinois Quantum and Microelectronics Park, LLC

Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to appoint an external audit firm for the Illinois Quantum and Microelectronics Park, LLC (IQMP). Dr. Ellinger stated that Forvis Mazars, LLP, conducts audits for the other University-Related Organizations (UROs). He said IQMP now requires an external audit, and he recommended that Forvis Mazars, LLP, be appointed as external auditor for two consecutive years, beginning with Fiscal Year 2025. He provided information about Forvis Mazars, LLP.

Name Artisan Village Area, Allerton Park and Retreat Center, Urbana

Dr. Ellinger then reported on the recommendation to rename the Artisan Village area at the Allerton Park and Retreat Center as the Marjorie and Frank MacFarlane Artisan Village, in honor of the parents of Ms. Joan Hood and in recognition of the generous donation of Ms. Hood and Mr. Peter Hood. He said the donation of \$1,950,000 was given in honor of Mr. MacFarlane and Mrs. MacFarlane, and he shared information about Ms. Hood and Mr. Hood and their affiliation with the university. Dr. Ellinger described plans for the Artisan Village area and the buildings located within that space.

Approve Project Budget and Award Construction Contract for
Clark, Barton, and Lundgren Halls – Heating Piping Replacement, Urbana

Dr. Ellinger provided information regarding the recommendation to approve the project budget and award a construction contract for heating and piping replacement at Clark Hall, Barton Hall, and Lundgren Hall. He gave a history of the project and said that in

order for the project to proceed, it is necessary to approve the project budget of \$20.0 million to cover design, construction, and owner's costs. He said this recommendation would also award a single-prime contract to A & R Mechanical Contractors, Inc. Dr. Ellinger reported on the rates of diverse vendor participation.

Approve Project Budget for Renovation, Altgeld Hall and Replacement,
Illini Hall, Urbana

Dr. Ellinger discussed the recommendation to approve the project budget for renovation of Altgeld Hall and replacement of Illini Hall in Urbana. He said the project consists of four phases, all of which are being managed by the Capital Development Board using a single-prime delivery method. Dr. Ellinger gave a history of the project and costs and said the State allocated funds to cover a budget shortfall of \$58.0 million in 2024. He reported on the State, university, and donor funds being used for the project. Mr. Johnson inquired about the use of space for this project, and Dr. Ellinger said both buildings are used for academic purposes. He noted that Altgeld Hall is a signature building on the Urbana campus.

Approve Project Budget and Award Construction Contract
for Undergraduate Library Redevelopment, Urbana

Dr. Ellinger then reported on the recommendation to approve the project budget and award a construction contract for the Undergraduate Library Redevelopment project at Urbana and said this would transform the former Undergraduate Library into a dedicated space for archives and special collections while expanding student spaces in the main

library. He listed the key objectives of the project and described its history. Dr. Ellinger said the project is funded by student fees, donor funds, library funds, and funds from the Office of the Provost, and he referred to the proposed budget increase.

Amend Professional Services Consultant Contract
for Cancer Center Research and Health Innovation Complex, Urbana

Dr. Ellinger then shared information regarding the recommendation to amend the professional services consultant contract for the Cancer Center Research and Health Innovation Complex project in Urbana. He gave an overview of the scope and purpose of the project and said that in order for the project to proceed, it is necessary to amend the professional services consultant contract for Moody-Nolan, Inc. to provide professional services required for the schematic design and design development phases of the project.

Mr. Cepeda noted that extensive discussions have taken place throughout the development process regarding the projects being discussed today.

Approve Design and Award Construction Contract
for Doris Kelley Christopher Illinois Extension Center, Urbana

Next, Dr. Ellinger reported on the recommendation to approve the design and award a construction contract for the Doris Kelley Christopher Illinois Extension Center in Urbana. He gave an overview of the project, which was approved by the Board in September 2021, and said the project's design was approved by the Board in May 2023. Dr. Ellinger explained that construction bids received in 2024 exceeded available funds, prompting a value reengineering design phase, which successfully reduced costs by \$14.0

million. He said that approval of the redesign is required and that this recommendation would also award a construction contract to Broeren Russo Builders, Inc.

Dr. Ellinger asked Ms. Karla Smalley, principal and architect, Bailey Edward Design, Inc. and Mr. Damon Wilson, associate principal and architect, Bailey Edward Design, Inc., to give a design presentation (materials on file with the secretary). Ms. Smalley gave an overview of project design changes and said the building would remain the same size. She told the committee these changes would reduce the budget by \$14.0 million. Mr. Wilson presented the site design and floor plan and showed the evolution of the exterior design from March 2023 to November 2024. He also presented various renderings of elevations. Mr. Cepeda thanked Ms. Smalley and Mr. Wilson for the presentation and asked if trustees had any questions. Ms. Craig Schilling emphasized the importance of University of Illinois Extension, stating that her affiliation with the University began as a child through Extension programs. She stated that she is excited about the building and its use, and she referred to the advantages of having such a building for extension. Dr. Robert Jones agreed with these remarks and commented on the role of extension in fulfilling the land grant mission of the university. He expressed appreciation for the generosity of Doris Kelley Christopher and said he is excited about the project. Mr. Ruiz asked for clarification regarding the project budget and the gift from Ms. Christopher, and Dr. Jones stated that the gift from Ms. Christopher was \$40.0 million. President Killeen thanked trustees for supporting projects such as this one and the Japan House expansion, stating that these are unique spaces on a university campus.

Approve Project Budget and Design, Amend Professional Services Consultant and Construction Manager Contracts for Jefferson Hall and Henry Hall Renovations, Chicago

Dr. Ellinger discussed the recommendation to approve the project budget and design and amend the professional services consultant and construction manager contracts for Jefferson Hall and Henry Hall renovations in Chicago. He gave an overview of the project's history and scope. Mr. Cepeda introduced Mr. Gabriel Wilcox, project architect, Krueck Sexton Architects, Ltd., to give a design presentation (materials on file with the secretary). Mr. Wilcox gave an overview of the project timeline and its budget. He described the concept of a unified entry to the arts corridor and showed images of the existing area and renderings of the new entry. He presented renderings of the south entry portal and main entrance to the College of Architecture, Design, and the Arts (CADA) in Henry Hall. Mr. Wilcox showed renderings of the interior and highlighted gathering spaces for students, as well as an immersive design studio space. He reported on sustainability and said the project is on track to earn LEED Gold designation. Mr. Cepeda thanked Mr. Wilcox for the presentation and expressed appreciation for the improvements.

Dr. Miranda commented on the brutalist architecture prevalent on the Chicago campus and said the proposed design would greatly improve the south pathway corridor between Henry Hall and Jefferson Hall. She explained that there are multiple schools within CADA, and she told trustees that CADA has one of the highest retention and graduation rates at the university. Dr. Miranda highlighted the CS + Design program and the School of Design's relationship with Morningstar, Inc., noting that the

Morningstar Design Scholarship Fund and Morningstar Design Faculty Scholar Fund were recently established.

Delegate Authority to the Comptroller to Initiate a Public-Private Partnership
Pre-Development Process and to Enter into Related Agreements
to Construct the National Quantum Facility, Chicago

Dr. Ellinger then discussed the recommendation to delegate authority to the comptroller to initiate a public-private partnership (P3) pre-development process and to enter into related agreements to construct the National Quantum Facility at Chicago. He said the facility will foster a diverse ecosystem of quantum computing from early-stage startups to established companies and research institutions operating under the governance of IQMP LLC. Dr. Ellinger stated that tenants will have access to advanced cryogenic resources through flexible leasing options from short-term engagements to long-term research projects. He noted that Dr. Harley Johnson, chief executive officer of IQMP, LLC would present an overview of the National Quantum Facility and its integration into the IQMP park the following day at the Board of Trustees meeting. He told trustees that there would be two phases of approval, the first of which would authorize the comptroller to begin the P3 process, publish a Request for Proposal (RFP), select a project development team, and execute pre-development agreements. Dr. Ellinger listed examples of pre-development activities and said pre-development costs are capped at \$3.5 million with progress tied to milestone achievements. He said the comptroller may halt activities if the steering committee and comptroller deem it is not in the best interest of the Board to proceed at

that time. He referred to the University's experience with P3 projects and expressed confidence in moving forward with the P3 pre-development process.

Purchase Recommendations

Next, Mr. Cepeda asked Dr. Ellinger to report on purchase recommendations. Dr. Ellinger first discussed a recommended contract with ICON Collective, Inc. of Champaign for the Division of Intercollegiate Athletics (DIA) at Urbana for an estimated \$4.25 million. He referred to a companion item recommending the authorization of policies related to name, image, and likeness (NIL) and said this agreement would provide NIL-related services. Dr. Ellinger described the terms and fees of the agreement and said if and to the extent that the University is permitted to enter into, or offer to enter into, a publicity rights agreement with a prospective or current student-athlete, then DIA would engage ICON Collective, Inc. to provide similar marketing services to and on behalf of DIA in connection with the community-based activation and fulfillment of such publicity rights agreements. Dr. Ellinger said the companion NIL item would be discussed at the meeting of the Academic and Student Affairs Committee meeting.

Dr. Ellinger then reported on the recommended purchase of Livtencity, a specialty pharmaceutical, for UI Hospital and Clinics for an estimated cost of \$5.0 from Cardinal Health Inc. He stated this medication is used for patients who have undergone organ transplants and that it is distributed exclusively by Cardinal Health. Livtencity said most patients receive this therapy for one to two months and that the cost is reimbursed by insurance plans.

Dr. Ellinger provided information regarding the recommended purchase of implants and accessories for intraocular lens insertion for UI Hospital and Clinics for an estimated cost of \$7.5 million from Alcon Laboratories, Inc. He said that UI Health has been using Alcon lenses and insertion equipment for more than 13 years.

Next, Dr. Ellinger discussed the recommended renewal for comprehensive travel agency services from Anthony Travel, LLC, for DIA at Urbana for the period of August 11, 2025, through August 10, 2030, for an estimated \$51,257,189. He described the scope of services provided and said the vendor has demonstrated satisfactory performance in fulfilling the terms and conditions of their contract. Dr. Ellinger said that due to negotiations with the vendor, pricing will only increase by 2 percent for the remaining five years. Mr. Johnson and Dr. Ellinger discussed types of travel designated as “NCAA-directed travel.”

Dr. Ellinger reported on the recommended renewal of an annual license of full-text journal article databases from Academic Search Complete Business Source Premier for the Consortium of Academic and Research Libraries in Illinois (CARLI) for a two-year period beginning July 1, 2025, through June 30, 2027, for an estimated \$3,498,410 from EBSCO Information Services, LLC. He said this subscription is being paid by State funds.

Lastly, Dr. Ellinger discussed the change order for Big Ten officiating fees for DIA at Urbana. He gave a history of these fees, which he said have increased due in part to the expanded use of instant replay. He said the change order increase is estimated to be \$440,000 for the remainder of the contract term. Mr. McKeever referred to a

hearing on NIL-related topics at which Mr. Joshua H. Whitman, director of DIA at Urbana, testified. Mr. Whitman stated that it was an opportunity to talk to the congressional delegation about the changing landscape of college athletics.

Mr. Milhouse asked about the criteria for selection of vendors and whether consideration was given to Illinois-based businesses. Mr. Aaron Carter, assistant vice president of procurement services, discussed selection preferences and said some criteria depend on certain commodities. He said that the proposed purchases discussed today likely do not have an Illinois preference. Mr. Milhouse asked if this is something that could be considered in the future, and Mr. Carter said he would discuss it with Mr. Rice and would report back. Mr. Milhouse stated that he would advocate for keeping procurement dollars in Illinois.

There were no objections to these items being forwarded to the full Board for approval.

PRESENTATION

Summary of Internal Audit Activity through Second Quarter Ended December 31, 2024

Mr. Cepeda asked Ms. Julie A. Zemaitis, executive director of University audits, to present a summary of audit activity through the first quarter ended December 31, 2024 (materials on file with the secretary). Ms. Zemaitis showed the audit plan completion status for Fiscal Year 2025 and said that as of today, 36 projects are complete. She

showed the implementation of internal audit recommendations for Fiscal Year 2023, 2024, and 2025, and she said risks were accepted by management for three recommendations. Ms. Zemaitis reported on the audit report findings by functional area and level of risk, and he provided information on the aging of outstanding recommendations by management's original expected implementation date. She showed the number of high and moderate recommendations, along with the location of each. Mr. Johnson and Ms. Zematis discussed the process for following up on recommendations where the risk was accepted.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Cepeda asked if there was any new business, and there was none. He announced that the next meeting of this committee is scheduled for Wednesday, May 21, 2025, at 1:15 p.m., in Champaign.

MEETING ADJOURNED

On motion of Mr. Milhouse, seconded by Ms. Blackwell, the meeting adjourned at 3:39 p.m. There were no "nay" votes.

Respectfully submitted,

JEFFREY A. STEIN
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary