

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

January 14, 2026

This meeting of the Audit, Budget, Finance, and Facilities Committee of the Board of Trustees of the University of Illinois was held in the Isadore and Sadie Dorin Forum, Rooms D, E, and F, 725 West Roosevelt Road, Chicago, Illinois, on Wednesday, January 14, 2026, beginning at 2:01 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. Howard S. Engle, treasurer; Mr. Wilbur C. Milhouse III; Ms. Sarah C. Phalen; Mr. Jesse H. Ruiz. Ms. J. Carolyn Blackwell; Ms. Tami Craig Schilling; Mr. Joseph Gutman;¹ Dr. Bryan S. Traubert; Ms. Ariana A. Mizan, voting student trustee, Urbana; Mr. Quinn S. Basta, student trustee, Chicago; and Mr. Joe Humphrey, 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. Charles L. Isbell Jr., chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System; Dr. Marie Lynn Miranda, chancellor, University of Illinois Chicago, and

¹ Mr. Gutman and Mr. Humphrey attended via remote videoconference.

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.

MOTION FOR EXECUTIVE SESSION

At 2:02 p.m., Mr. Cepeda stated: “A motion is now in order to convene an executive session to consider the following topics as permitted under Section 2(c) of the Illinois Open Meetings Act: pending, probable, or imminent litigation against, affecting, or on behalf of the University (subsection 11); and setting the price for the sale or lease of property owned by the university (subsection 6).” On motion of Mr. Basta, seconded by Mr. Milhouse, this motion was approved. There were no “nay” votes.

EXECUTIVE SESSION

Material redacted pursuant to the Illinois Open Meetings Act (5 ILCS 120/2.06d)

EXECUTIVE SESSION ADJOURNED

With no additional comments or questions, the executive session ended at 2:11 p.m.

REGULAR MEETING RESUMED

The meeting resumed at 2:11 p.m.

MOTION FOR EXECUTIVE SESSION

At 2:12 p.m., Mr. Cepeda stated: “A motion is now in order to convene an executive session to consider the following topic as permitted under Section 2(c) of the Illinois Open Meetings Act: the purchase or lease of real property for use by the University.” On motion of Mr. Basta, seconded by Mr. Milhouse, this motion was approved. There were no “nay” votes.

EXECUTIVE SESSION

Material redacted pursuant to the Illinois Open Meetings Act (5 ILCS 120/2.06d)

EXECUTIVE SESSION ADJOURNED

With no additional comments or questions, the executive session ended at 2:29 p.m.

REGULAR MEETING RESUMED

The meeting reconvened at 2:30 p.m. with all trustees previously recorded as being present in attendance. Mr. Cepeda asked if there were any comments or corrections to the

minutes from the meeting held on November 12, 2025. On motion of Ms. Phalen, seconded by Mr. Milhouse, 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 JANUARY 15, 2026

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 January 15, 2026. All proposed agenda items discussed at the meeting are on file with the secretary.

Delegate Authority and Approve Actions Leading to the Issuance of
One or More Series of Auxiliary Facilities System Revenue Bonds

Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to delegate authority and approve actions leading to the issuance of one or more series of Auxiliary Facilities System (AFS) revenue bonds. Dr. Ellinger referred to regular monitoring of the University’s debt portfolio for refunding and restructuring opportunities and reported that similar transactions have resulted in \$40.5 million in savings over the past two and a half years. He stated that the University typically only proceeds with stand-alone refundings when the transaction produces a net present value savings exceeding 3 percent of the principal amount being refunded. Dr. Ellinger added that AFS revenue bonds have historically been issued to finance construction and renovation of auxiliary facilities across the Urbana, Chicago, and Springfield campuses. He said that given current interest rate conditions, certain outstanding AFS bond issues may be refunded in whole or in part

to produce debt service savings, and he said that the specific bond series eligible for refunding were identified in the accompanying Board materials. Dr. Ellinger reported that this item recommends that the Board authorize the issuance of one or more series of bonds to refund outstanding bonds in an aggregate principal amount not to exceed \$150.0 million. He said the final amount and level of savings will depend on market conditions at pricing and that decisions regarding the timing, size, and structure of the transaction will rest with the vice president/chief financial officer and comptroller. Dr. Ellinger added that the intention was to sell and issue the bonds in the first quarter of 2026.

Approve Project Budget and Award Construction Contract for
Florida Avenue Residence Halls Restroom Renovation, Urbana

Dr. Ellinger then discussed the recommendation to approve the project budget and award a construction contract for the Florida Avenue Residence Halls restroom renovation at Urbana. He gave a history of the project and described the project scope and said the request is for the approval of the project with a total budget of \$23.1 million. Dr. Ellinger told the committee that bids for construction were solicited and competitive bidding procedures were conducted in accordance with the Illinois Procurement Code. He said an award of a single prime contract to the lowest bidder is being recommended. Dr. Ellinger said funding would be provided from the AFS Repair and Replacement Reserve Funds and institutional funds operating budget.

Rename the East Round Barn, South Round Barn, and West Round Barn, Urbana

Mr. Cepeda asked Dr. Isbell to report on the recommendation to rename the East Round Barn, South Round Barn, and West Round Barn at Urbana. Dr. Isbell stated that this recommendation would rename the barns as the Leah J. Wightman East Round Barn, Leah J. Wightman South Round Barn, and Leah J. Wightman West Round Barn, respectively. He stated that Ms. Leah J. Wightman grew up on a farm outside Arcola, Illinois, near a round barn that held deep personal significance for her. He said she cherished round barns for the way they reminded her of her family and childhood. Dr. Isbell stated that Ms. Wightman earned her degree from the University of Illinois in 1977 and served as an administrator at Parkland College for many decades. He told the committee that University's historic round barns offered Ms. Wightman an opportunity to honor her family and formative experiences while also supporting the preservation of Illinois' agricultural heritage for future generations.

Approve Project Budget and Award Construction Manager Contract for
UI Hospital Clinical Decision Unit and Cancer Care Expansion,
University of Illinois Hospital and Clinics, Chicago

Next, Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to approve the project budget and award a construction manager contract for the University of Illinois Hospital and Clinics, Chicago. Dr. Ellinger noted that Dr. Barish briefly discussed the value of this project at the University Healthcare System Committee meeting the previous day. Dr. Ellinger then gave some background on the project and said that the University's agreement with the Illinois Board of Higher Education (IBHE) for a \$20.0 million grant to support the project is contingent upon the inclusion of at least a 16-bed Clinical Decision Unit (CDU) and improvements to emergency patient intake conditions.

Dr. Ellinger gave an overview of the scope of the project, which he said would include construction of a four-story addition over the Southeast Plaza and remodeling of adjacent first-floor spaces. He reported that the first floor would include an improved Emergency Department intake area with expanded waiting and triage capacity, a 16-bed CDU, and associated emergency support space, with the upper floors providing shell space for future diagnostic, interventional radiology, and surgical services. He said the fourth floor would be designated for mechanical systems, and he stated that the project is planned to achieve a minimum of LEED Gold certification.

Dr. Ellinger stated that for the project to proceed, it would be necessary to increase the project budget to a preliminary amount of \$14,527,000, an increase of \$12,524,200. He said the increase is necessary to provide comprehensive professional

services to complete the design and administration of the project. Dr. Ellinger told the committee that a Certificate of Need would need to be granted from the Illinois Health Facilities and Services Review Board and that the application would be submitted following completion of design development phase. He said the total project budget, currently estimated at approximately \$85.0 million, would be established at that time.

Dr. Ellinger stated that additionally, for the project to proceed, a construction manager must be employed to coordinate the execution of design development, construction documents, bidding, and construction. He stated that the recommended firm is Berglund Construction Company of Chicago, for a fee not to exceed \$4.2 million, inclusive of reimbursable expenses. He reported on diverse vendor participation and said funding for this project is available from an IBHE grant for Phase One of the Hospital Access Expansion project and the operating budget of the University of Illinois Hospital and Clinics. Dr. Ellinger said construction is planned to begin in May 2027, reach substantial completion in November 2029, and welcome its first patients in December 2029.

Approve Project Budget and Award Construction Contract for
Jefferson Hall and Henry Hall Renovations, Chicago

Dr. Ellinger then reported on the recommendation to approve the project budget and award a construction contract for Jefferson Hall and Henry Hall renovations at the University of Illinois Chicago. He provided background on the project, which he said has been coordinated with the College of Architecture, Design, and the Arts, as well as the

vice chancellor for administrative services. Dr. Ellinger said the project design and initial budget of \$23.9 million was approved by the Board in March 2025. He described the scope of the work to be completed and said the improvements are intended to create contemporary, flexible learning environments that support active and hybrid instruction for the School of Theatre and Music and undergraduate program in Computer Science and Design. Dr. Ellinger said it will also provide needed office space for the College of Architecture, Design, and the Arts. He shared additional information about the project, which he said is planned to achieve at least LEED Silver certification.

Dr. Ellinger said that construction bids were received in 2025 and that the project must be increased to \$28.0 million due to market volatility, including the impact of tariff announcements. He said this would be an increase of \$4.1 million, and he told the committee that the project would be funded entirely from the University of Illinois Chicago institutional fund operating budget.

Dr. Ellinger said that competitive bidding procedures were conducted in accordance with the Illinois Procurement Code and that the recommended award is a single prime contract to the lowest responsive and responsible bidder, Accel Construction Services Group, LLC of Chicago. He said he project includes a commitment to diverse vendor participation, with a target of 33 percent total diverse spend. Dr. Ellinger reported that construction is anticipated to begin in March 2026 and conclude in June 2027, with temporary relocation of existing occupants required to support safety and maintain the project schedule. Brief discussion followed, and Dr. Ellinger added that this would be the

first major renovation for Jefferson Hall and Henry Hall, acknowledging the significant need for these improvements.

Rename the Campus Observatory, Springfield

Mr. Cepeda asked Dr. Gooch to discuss the recommendation to rename the Campus Observatory at the University of Illinois Springfield. Dr. Gooch shared information regarding the recommendation to rename the Campus Observatory at the University of Illinois Springfield as the Charles A. Schweighauser Observatory, in recognition of the distinguished career and lasting contributions of Mr. Charles A. Schweighauser.

Dr. Gooch stated that Mr. Schweighauser joined the faculty of Sangamon State University in 1973 and was viewed as a visionary educator, scientist, and public intellectual whose career spanned astronomy, physics, English, and environmental studies. She said he was revered for his interdisciplinary brilliance and community outreach. Dr. Gooch referred to his profound impact on the university and said that as a faculty member, Mr. Schweighauser helped shape the university's academic foundation, pioneering both the environmental studies and astronomy programs and establishing observatories that continue to serve students and the public. She highlighted Mr. Schweighauser's creation of the enduring "Star Parties" in 1976, his development of the world's first accessible telescope, and his mentorship of faculty that she said exemplify his commitment to inclusive science and education. Dr. Gooch stated that Mr. Schweighauser's outreach extended statewide through public engagement and documentary filmmaking. She referred to his contributions beyond Illinois and said that

naming the observatory in his honor would recognize a legacy defined by innovation, generosity, and a lifelong dedication to opening the cosmos to learners of all ages.

Purchase Recommendations

Mr. Cepeda asked Dr. Ellinger to report on purchase recommendations. Dr. Ellinger reported on recommended purchases for University of Illinois Hospital and Clinics, beginning with the purchase of Lantidra for islet cell transplant therapy for an estimated \$13.5 million over a three-year period from CellTrans Inc. of Chicago, Illinois. He stated that Lantidra is used in islet cell transplants for the treatment of brittle Type 1 diabetes. Dr. Ellinger stated that Lantidra was approved by the FDA in June 2023 as a minimally invasive cell-transplant therapy for patients aged 18 and older that was developed over a 20-year period by a team at UI Hospital. He noted that it is currently offered exclusively at UI Health. He stated that successful treatment can restore the body's ability to regulate blood sugar, reducing or eliminating the need for regular insulin use. Dr. Ellinger referred to a presentation provided in November at the University Healthcare System Committee that highlighted the clinical impact of this therapy and the significance of UI Health being the sole provider of this FDA-approved treatment.

Dr. Ellinger then shared information regarding the recommended purchase of laboratory reagents from One Lambda, Inc. for an estimated \$15.0 million over a 41-month term. He said these reagents are used in the hospital's transplant program. Dr. Ellinger referred to increased transplant volumes that have accelerated utilization of reagents and said One Lambda is the primary supplier of these specialized reagents.

Next, Dr. Ellinger reported on the recommended purchase of comprehensive radiation oncology professional services for an estimated \$19.5 million over five years from the University of Chicago Radiation and Cellular Oncology. He stated that UI Health does not employ radiation oncology physicians and has only a limited number of medical physicists. Dr. Ellinger said these services are essential to providing continuous inpatient and outpatient radiation therapy and supporting oncology services across the hospital, adding that radiation oncology coverage is required 24 hours per day, seven days a week, and 365 days per year. He told the committee that UI Health currently contracts with the University of Chicago under a co-management model that supports coordinated care, continuous quality improvement, and the development of new radiotherapy programs. Dr. Ellinger said the program supports approximately 11,000 patient visits and more than 8,000 image-guided radiation treatments annually and reported that patient visits have increased by 36 percent and radiation treatments by 40 percent over the past five years. Dr. Ellinger discussed aspects of this arrangement and said that continuing this partnership is considered the most operationally efficient and clinically sound approach, avoiding significant quality, cost, and operational risks associated with alternatives. Dr. Robert A. Barish, vice chancellor for health affairs, Chicago, and Dr. Jonathan M. Radosta, chief medical officer, University of Illinois Hospital and Clinics, provided additional context and expressed support for the longstanding partnership. Dr. Barish commented on the outpatient cancer care center at the hospital, and Dr. Radosta shared information about the combined residency program where residents rotate at both the University of Illinois Hospital and the University of

Chicago hospital. Dr. Radosta also remarked on the use of radiation treatment and said increased use of radiation therapy is expected.

Dr. Ellinger then discussed recommended purchase of a Vortek Control System upgrade for the Division of Intercollegiate Athletics (DIA) at the University of Illinois Urbana-Champaign. He said the cost is estimated at \$1.2 million and the recommended vendor is Hoist Sales and Services of Sarasota, Florida. Dr. Ellinger told the committee that the vendor will replace the over-stage rigging system at the State Farm Center that was installed in 2009. He said the control system has reached the end of its reliable service life and can no longer accept updates. Dr. Ellinger described the benefits of the upgraded system and said Hoist Sales and Services was the original vendor for the 2009 installation. He said the upgrade is necessary to reduce the risk of system failure, which could result in significant revenue loss and impair the State Farm Center's ability to support a full range of events and entertainment for the university.

Dr. Ellinger then discussed a recommended change order for the Office of Medicaid Innovation (OMI) in the University of Illinois System Office to approve a change order for continued consulting services related to the Illinois Medicaid program. He said that that these consulting services assist the University and its strategic partner, the Illinois Department of Healthcare and Family Services (HFS), in better understanding the Medicaid industry landscape and its challenges. He said this work includes analysis of national approaches to managed care, contractual arrangements, and strategies to improve the quality of youth-in-care services. Dr. Ellinger stated that the recommendation would approve an increase in cost of approximately \$3.7 million for an up to 14-month period

with McKinsey & Company, Inc. of Washington, D.C. Dr. Ellinger referenced the initial task order and noted that OMI is entirely funded by HFS in support of the Illinois Medical Assistance Program, including the state's Medicaid program.

Discussion followed, and Board members raised questions regarding the scalability and intellectual property associated with Lantidra. Dr. Radosta indicated that national expansion would require additional facilities to scale production, and he commented on the success rate of Lantidra in treating brittle Type 1 diabetes. He said that further information regarding intellectual property ownership could be provided after the meeting.

Ms. Phalen requested clarification regarding the McKinsey change order. Dr. Ellinger explained that OMI does not have the staff or expertise to conduct the analyses required, and he said the consulting engagement is intended to explore next steps and opportunities. He said he could follow up with OMI to provide additional details on expected outcomes.

There were no additional questions, and there were no objections to these items being forwarded to the full Board for approval.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Mr. Cepeda asked if there was new business to discuss, and there was none. He announced that the next meeting of this committee is scheduled for Wednesday, March 18, 2026, in Springfield.

MEETING ADJOURNED

On motion of Mr. Ruiz, seconded by Ms. Blackwell, the meeting adjourned at 3:04 p.m.

There were no “nay” votes.

Respectfully submitted,

JEFFREY A. STEIN
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary