

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

March 18, 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 Student Union Ballroom, Room 224, 2251 Richard Wright Drive, Springfield, Illinois, on Wednesday, March 18, 2026, beginning at 1:56 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;<sup>1</sup> Ms. Sarah C. Phalen; Mr. Jesse H. Ruiz. Ms. J. Carolyn Blackwell; Ms. Tami Craig Schilling; Mr. Joseph Gutman; 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.,<sup>2</sup> chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System; Dr. Marie Lynn Miranda, chancellor, University of Illinois Chicago, and

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<sup>1</sup> Mr. Milhouse arrived at 1:57 p.m.

<sup>2</sup> Dr. Isbell 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.

Mr. Cepeda asked if there were any comments or corrections to the minutes from the meeting held on January 14, 2026. 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 MARCH 19, 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 March 19, 2026. All proposed agenda items discussed at the meeting are on file with the secretary.

Approve Project Budget for Renovation, Altgeld Hall, and Replacement, Illini Hall,  
Urbana (Capital Development Board Project)

Dr. Ellinger first discussed the recommendation to approve the project budget for renovation of Altgeld Hall and replacement of Illini Hall, both at Urbana. He shared information about the recommended increase in the project budget and reported that the

Board had previously approved a \$250.5 million budget in March 2025. He gave an update on the work completed to date and said that due to delays and cost escalation, an additional \$56.0 million is required to complete Phase 4, bringing the total project budget to \$306.5 million. Dr. Ellinger noted that the State funds totaling \$56.0 million have been released to cover the difference.

Dr. Ellinger emphasized that the project will fully restore historic Altgeld Hall, which was built in 1897 and is listed on the National Register of Historic Places, and replace Illini Hall with a modern facility supporting administrative functions, classrooms, and a new data science center. He said construction is expected to conclude in September 2028.

Approve Project Budget and Amend Professional Services Consultant Contract for  
Ikenberry Residence Hall 4 and Demo 0091, 0092, Urbana

Dr. Ellinger then presented a recommendation to approve the project budget and amend the professional services consultant contract for Ikenberry Residence Hall 4 and the demolition of Taft and Van Doren Halls. He explained that the project is part of the implementation of the Ikenberry Commons Strategic Plan, which was updated in 2022. Dr. Ellinger said this responds to enrollment growth and the need to provide high-quality housing to support the undergraduate first-year live-in requirement. He said the first phase of implementation includes the construction of a new residence hall with integrated dining and the demolition of Taft Hall and Van Doren Hall, comprising approximately 82,900 square feet of outdated facilities. Dr. Ellinger said the new building is estimated at

160,000 gross square feet, providing 600 to 800 beds and a 300-seat dining hall, along with study rooms, lounges, student services, music practice rooms, and a living learning community.

Dr. Ellinger said the request would increase the project budget to \$12.0 million, an increase of \$10,787,000. He said preliminary analysis estimates the entire project will require a total budget of \$181.5 million, noting that subsequent approvals would be sought as information is received. He said it was recommended to continue to employ the professional services consultant Goettsch Partners of Chicago through all design and construction phases. Dr. Ellinger said the diverse vendor participation rate was approximately 41 percent, and he told the committee project completion was targeted for July 2029.

Approve Energy Conservation Project and Award Professional  
and Construction Services Contract, College of ACES Buildings, Urbana

Dr. Ellinger then reported on the recommendation to approve an Energy Conservation Project at the College of Agricultural, Consumer, and Environmental Sciences (ACES) and to engage an energy service company (ESCO). He gave background on the project and its history, and he said this initiative was executed under the Public University Energy Conservation Act, which authorizes guaranteed energy savings agreements with ESCOs. Dr. Ellinger listed the ACES facilities at the University of Illinois Urbana-Champaign that were candidates for the program and described the energy conservation measures (ECMs) to be completed. He said this recommendation would employ Veregy

Central LLC as the ESCO for energy performance contracting at the College of ACES Buildings with fees totaling approximately \$38.1 million. He said Veregy has committed to 30 percent minority-owned and 3 percent veteran-owned business participation.

Employ Architect/Engineer for  
Thomas M. Siebel Center for Computer Science Addition, Urbana  
(Capital Development Board Project)

Next, Dr. Ellinger discussed the recommendation to employ an architect/engineer for the Thomas M. Siebel Center for Computer Science Addition at Urbana, noting that this was a Capital Development Board (CDB) project. He gave a brief history of the project, which was approved by the Board in November 2025 with a preliminary budget of \$78.0 million, and said the addition would expand capacity for the Siebel School of Computing and Data Science; support the university's teaching, research, and service missions; and support research in a range of areas. Dr. Ellinger said this recommendation would approve the request for the CDB to employ HDR Architecture Inc. for the professional services required for the project. He said funding includes \$20.0 million in State capital appropriations, \$33.0 million in institutional funds, and \$25.0 million in gift funds, and construction is expected to conclude in 2030.

Dr. Isbell emphasized the importance of the construction projects to expand the university's mission. He highlighted their impact on student support, research capacity, and economic development for the State of Illinois. He expressed appreciation for the continued investment and support from the Board and the State.

### Purchase Recommendations

Mr. Cepeda then asked Dr. Ellinger to present purchase recommendations. Dr. Ellinger first reported on the recommendation to purchase robotic surgical supplies for University of Illinois Hospital and Clinics, Chicago, for an estimated \$28.3 million for a five-year term from Intuitive Surgical, Inc. He said the hospital uses Intuitive's robotic systems for minimally invasive procedures, with case volume increasing from 1,225 in 2021 to 1,809 in 2025. He told the committee that supply costs rose accordingly and the award amount reflects projected growth.

Dr. Ellinger then discussed the recommended purchase for the Hilbert Quantum Computer at the Illinois Quantum and Microelectronics Park (IQMP) for a \$10.0 million, one-time purchase of a Hilbert Quantum Computer from Inflection of Louisville, Colorado. He said the acquisition supports cryoplat facilities and advances quantum research infrastructure funded by grants.

Next, Dr. Ellinger reported on renewal recommendations and shared information regarding the recommended renewal for IT hardware and software from PIER Group, LLC, as a sheltered market renewal for \$85.0 million for four years. He said this reflects an increase of \$30.0 million due to high usage. Dr. Ellinger shared information about the sheltered market program, which he said supports supplier diversity.

There were no additional questions, and 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, 2025

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, 2025 (materials on file with the secretary). Ms. Zemaitis showed the audit plan completion status for Fiscal Year 2026 and highlighted the number of completed projects and projects that were added. She showed that fewer hours were used on planned audits. She then presented the implementation of internal audit recommendations for Fiscal Year 2024, 2025, and 2026, and she said risks were accepted by management for five recommendations, none of which were high risk. Ms. Zemaitis reported on the audit report findings by business process area and level of risk, and she provided information on the aging of outstanding recommendations by management's original expected implementation date. She also showed the aging of outstanding recommendations with management's original expected implementation dates of Fiscal Year 2025 and prior.

Ms. Zemaitis then discussed the use of data analytics and gave an overview of the continuous auditing program. She described critical areas of analysis, standardized queries and reporting, and risk assessment scoring. Ms. Zemaitis also reported on the use of artificial intelligence (AI) in current audits and continuous auditing, and she referenced monthly meetings to brainstorm and expand responsible AI adoption. She shared a summary of results of an Institute of Internal Auditors (IIA) survey on the use of AI in

internal audits and said that the majority of respondents expect the use of AI in internal auditing to increase over the next year.

Mr. Cepeda thanked Ms. Zemaitis for the presentation, and Mr. Engle commended Ms. Zemaitis and her team for managing the number of added projects while not falling behind on the audit plan. He said it is important to ensure resources are in place to be able to respond to emerging issues.

#### OLD BUSINESS

There was no business presented under this aegis.

#### NEW BUSINESS

Mr. Cepeda asked if there was new business to discuss. He congratulated Dr. Ellinger and Mr. Mike Wilson, assistant vice president, capital programs and utility services, on the purchase of the building at 250 South Wacker in Chicago. Mr. Cepeda announced that the next meeting of this committee is scheduled for Wednesday, May 20, 2026, in Champaign.

#### MEETING ADJOURNED

On motion of Mr. Ruiz, seconded by Ms. Phalen, the meeting adjourned at 2:31 p.m.

There were no “nay” votes.

Respectfully submitted,

JEFFREY A. STEIN  
*Secretary*

RAMÓN CEPEDA  
*Chair*

EILEEN B. CABLE  
*Special Assistant to the Secretary*