MEETING OF THE AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

May 20, 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 I Hotel and Conference Center, Illinois Ballroom, 1900 South First Street, Champaign, Illinois, on Wednesday, May 20, 2026, beginning at 2:07 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;[1] Mr. Jesse H. Ruiz. Ms. Sarah C. Phalen was absent. 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., 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. Milhouse arrived at 2:16 p.m.

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 March 18, 2026. On motion of Mr. Ruiz, seconded by Mr. Basta, 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 MAY 21, 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 May 21, 2026. All proposed agenda items discussed at the meeting are on file with the secretary.

Revise Dollar Limits on Purchases, Leases, Budget Approval, Contract Approval, and Other Actions Requiring Specific Board of Trustees Authorization

Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to revise dollar limits on purchases, leases, budget approvals, contract approvals, and other actions requiring specific Board of Trustees authorization. Dr. Ellinger explained that the proposed revision was needed to clarify the existing policy with respect to change orders while maintaining previously established thresholds adopted in 2024. He stated that specific thresholds were identified for Board approval, including limits tied to medical center operations, construction contracts, and proportional increases over original contract values. Dr. Ellinger said the proposal also reaffirmed the comptroller's authority for approvals below established thresholds, with certain actions continuing to be reported to the Board for oversight. He noted that the revisions aligned policy with current practice and improved clarity and governance.

Approve Preliminary Operating Budget for Fiscal Year 2027

Dr. Ellinger then reported on the recommendation to approve the preliminary operating budget for Fiscal Year 2027. He explained that the actions of the State, including a determination of the State appropriation, will conclude after the last Board meeting of this fiscal year. Dr. Ellinger informed the committee that the final budget, based on the State appropriation, will be presented to the Board at a future meeting, likely in September. He said this recommendation authorizes expenditures at levels reflected in the current Fiscal Year 2026 budget. Dr. Ellinger stated that authorization is also requested for the president to accept resignations, to make such additional appointments as are necessary, to approve the issuance of notices of non-reappointment, and to make such changes and adjustments in items included in the preliminary budget as are deemed necessary.

Approve Design for Integrated Bioprocessing Research Laboratory Addition (IBRL 2.0), Urbana

Dr. Ellinger then discussed the recommendation to approve the design for the Integrated Bioprocessing Research Laboratory Addition (IBRL 2.0) at Urbana. He described the history of the project, which was approved by the Board in September 2025, and said the schematic design was completed in February 2026. Dr. Ellinger stated that schematic design estimates a total project budget of $40.0 million. He said the project is currently in the design development phase, and Board approval of the design is needed in order for the project to move forward.

Dr. Ellinger introduced Ms. Carol Ross Barney, design principal and founder, and Mr. Mordecai Scheckter, project manager, both with Ross Barney Architects, to give a design presentation. Ms. Ross Barney and Mr. Scheckter attended via remote videoconference. Ms. Ross Barney shared project goals, the project team, and information about the building and budget. She said the building should be complete in September 2028 and is expected to earn LEED v4 Silver designation. Ms. Ross Barney showed the integration of the building to the master plan and presented images of other buildings as context. She shared the preliminary site and landscape plan, and Mr. Scheckter presented floor plans and renderings of the interior and exterior of the building.

Dr. Isbell said this building represents important next step in Illinois' history of leadership in biomanufacturing. He described economic development benefits, and he said it would enable researchers to explore new solutions to address global issues such as climate change, resource scarcity, health, supply chain resiliency, and more. Dr. Isbell said it will provide opportunities for both undergraduate and graduate students.

Name the Landuyt Center for Entrepreneurship,
The Grainger College of Engineering, Urbana

Dr. Isbell then reported on a proposal to name the Landuyt Center for Entrepreneurship in The Grainger College of Engineering. He said the naming would recognize donors Richard and Gayle Landuyt and reflects a philanthropic commitment that creates long-term stability, enables a deliberative expansive strategy, and creates more opportunity for innovation and entrepreneurship.

Approve Acquisition of Property at 924 South Morgan Street, Chicago

Mr. Cepeda asked Dr. Ellinger to discuss the recommendation to approve the acquisition of property at 924 South Morgan Street, Chicago. He said the property, currently leased by the University of Illinois Foundation, houses academic operations. Dr. Ellinger stated that the proposed acquisition is being made ahead of the contractual deadline of 2030 for cost savings due to reduced interest expenses. He said the total cost, including acquisition and associated expenses, would not exceed $4.5 million.

Purchase Recommendations

Mr. Cepeda then asked Dr. Ellinger to present purchase recommendations. Dr. Ellinger first reported on the recommendation to purchase marketing and delivery services for the

Office of the Provost at Urbana for scaled online degree programs from Coursera Inc., at an estimated cost of $185.0 million over a five-year period, with an optional renewal. He shared information about the benefits of university's relationship with Coursera. Ms. Blackwell asked if there was a revenue sharing structure associated with this arrangement, and Dr. Ellinger said that over the last five fiscal years, the relationship has generated $201.3 million in net revenue to the university.

Next, Dr. Ellinger shared information regarding the recommendation to purchase a parking access and revenue control system (PARCS) solution for the Office of the Vice Chancellor for Administrative Services at Chicago from Amano McGann, Inc., at a cost of $3.675 million for an initial three-year term, with a total potential cost of approximately $6.0 million including renewals. He discussed the benefits of the system, which he said would improve liability, security, and customer experience.

Dr. Ellinger reported on the recommendation to purchase pediatric physician staffing services for the University of Illinois College of Medicine Peoria (UICOMP) from LocumTenens.com at an estimated cost of $4.6 million over three years, with optional extensions. He said these services enable UICOMP to fulfill the terms of the provider services agreement between UIC and OSF St. Francis Medical Center and ensure continuity of clinical services within UICOMP clinics and contracted hospital services at OSF Children's Hospital of Illinois and OSF St. Francis Medical Center in Peoria. Dr. Ellinger said the need for these services is driven by a limited national supply of pediatric subspecialists and the difficulty of recruiting permanent physicians to Central Illinois.

Dr. Ellinger discussed the recommendation to enter into a maintenance and service agreement for the University of Illinois Hospital and Clinics for radiology equipment with GE Precision Healthcare LLC at a cost of $9.0 million over five years. He said a maintenance agreement is the most cost-effective way to ensure the optimal performance, reliability, and safety of this medical imaging equipment.

Next, Dr. Ellinger reported on a recommendation on a requested approval to purchase specialty pharmaceuticals for the UI Hospital and Clinics from CuraScript SD at an estimated cost of $9.0 million over three years. He listed the medications purchased from CuraScript, and he said they can only be purchased from this vendor.

Dr. Ellinger shared information regarding the recommendation to purchase transcatheter aortic valve replacement supplies for the UI Hospital and Clinics from Edwards Lifesciences LLC at an estimated cost of $3.65 million over five years. He said that UI Hospital performs transcatheter aortic valve replacement (TAVR) procedures to treat aortic valve stenosis, a condition in which a heart valve cannot fully open. He said these minimally invasive procedures are an alternative to open-heart surgery and require the purchase of vendor-specific valves and accessories.

Dr. Ellinger then reported on the recommended purchase to obtain laundry services from Marberry Laundry LLC for the UI Hospital and Clinics at an estimated cost of $15.5 million over five years, with a total potential cost of $33 million including renewal. He described the services provided and said a competitive Request for Proposal was issued in December 2025. He told the committee that the hospital has used Marberry Laundry since July 2024, and the pricing is considered reasonable given the fixed five-year rate. He said the estimated average annual spend is $3.1 million, which is lower than recent actual spending because prior years included one-time costs to replace scrubs, gowns, and lab coats with new colors and styles.

Dr. Ellinger then discussed the recommendation for the College of Business and Management at the University of Illinois Springfield to renew the online program support agreement with Risepoint, LLC, at a cost of $10.0 million through the contract period of July 1, 2026, through June 30, 2028. He described the services provided and said the partnership has supported the growth of several online graduate programs since the contract began in 2021, which has generated more than $10.0 million in net revenue for the university. He discussed additional benefits of this arrangement.

Dr. Ellinger stated that the recommended change order would increase the existing agreement with Risepoint, LLC by $3.0 million for the current contract term. He said that since the contract began in January 2021, UIS has added several online MBA, MIS, and graduate certificate programs that have grown in popularity, resulting in increased compensation to Risepoint.

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

PRESENTATION

Fiscal Year 2025 External Audit Update

Mr. Cepeda asked Mr. Brent Rasmus, associate vice president, controller, and deputy comptroller, University of Illinois System, to present a Fiscal Year 2025 External Audit Update (materials on file with the secretary). Mr. Rasmus stated that this independent audit is conducted on behalf of the Illinois Auditor General and performed by the audit firm RSM for the fifth consecutive year. He said the University received a clean, unmodified opinion on its financial statements. Mr. Rasmus gave a summary of the 10 financial, federal compliance, and State compliance findings, which he said are below the 16-year average. Mr. Rasmus reviewed the four financial and federal compliance audit findings and described corrective actions for each. He then provided information about the six State compliance audit findings and shared additional details for context. Mr. Rasmus referred to an ongoing commitment to continuous improvements in internal controls and reiterated that efforts to address each finding are underway. The committee briefly discussed the findings, and Mr. Cepeda expressed appreciation that the purchasing card (P-card) finding from previous years has been resolved. Mr. Cepeda thanked him for the presentation.

Summary of Internal Audit Activity through Second Quarter Ended March 31, 2026

Mr. Cepeda asked Ms. Julie A. Zemaitis, executive director of University audits, to present a summary of audit activity through the first quarter ended March 31, 2026 (materials on file with the secretary). Ms. Zemaitis showed the audit plan completion status for Fiscal Year 2026 and noted that four projects were deferred to next year's plan due to a higher volume of added projects. She showed that fewer hours were used on planned audits and said this is an expected outcome of a flexible risk-based plan. She then presented the implementation of internal audit recommendations for Fiscal Years 2024, 2025, and 2026, and she said risks were accepted by management for seven 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. Ms. Zemaitis also showed the aging of outstanding recommendations with management's original expected implementation dates of Fiscal Year 2025 and prior.

Ms. Zemaitis then gave a staffing update and discussed plans to expand staff size. Mr. Cepeda thanked Ms. Zemaitis for the continuous improvement and expressed appreciation for the work of Ms. Zemaitis and the staff in the Office of University Audits.

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. Mr. Cepeda announced that the next meeting of this committee is scheduled for Wednesday, May 20, 2026, in Champaign.

MOTION FOR EXECUTIVE SESSION

At 3:12 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: discussion of minutes of meetings lawfully closed under the Open Meetings Act (subsection 21).” On motion of Mr. Basta, seconded by Mr. Milhouse, the 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 questions or comments, the executive session ended at 3:16 p.m.

REGULAR MEETING RESUMED

The meeting resumed at 3:17 p.m., with all committee members recorded as being present at the start of the meeting in attendance. Mr. Cepeda stated that there was one agenda item requiring action by the committee, and Dr. Stein read aloud the title of the item, “Disclose Certain Minutes of Executive Sessions Pursuant to 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)].

A review of unreleased items from May 2012 to January 2026 has been conducted, and the previously withheld text noted below is recommended for release at this time.

The University counsel and the secretary of the Board, having consulted with appropriate University officers, recommend that the following matter considered in executive session for the time period indicated 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 of Illinois System concurs.

Executive Session Minutes Released to Public

<u>November 12, 2025, Audit, Budget, Finance, and Facilities Committee Meeting</u>

Mr. Cepeda convened the executive session at 4:02 p.m. All trustees that were listed as being present at the start of the meeting were in attendance. The following were also in attendance: Mr. Howard S. Engle, treasurer; President Timothy L. Killeen; Dr. Nicholas P. Jones, executive vice president and vice president for academic affairs; Dr. Paul N. Ellinger, comptroller and vice president/chief financial officer; Dr. Joseph T. Walsh Jr., vice president for economic development and innovation; Mr. Scott E. Rice, University counsel; Dr. Jeffrey A. Stein, 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 Dr. Stein and Mr. Rice to discuss minutes sequestered under the Open Meetings Act. Dr. Stein stated that each public body subject to the Open Meetings Act shall, at least every six months, meet to review the minutes of all closed meetings. He said that he and Mr. Rice reviewed such minutes and recommend the release of minutes from May 21, 2025, which pertain to the semiannual review that took place at that time. Mr. Rice reiterated that this is a review required under the Open Meetings Act, and he listed the primary topics of sequestered minutes from Audit, Budget, Finance, and Facilities Committee meetings. There were no comments or questions regarding this process.

On motion of Mr. Ruiz, seconded by Mr. Basta, this recommendation was approved. There were no “nay” votes.

MEETING ADJOURNED

On motion of Mr. Ruiz, seconded by Mr. Basta, the meeting adjourned at 3:18 p.m. There were no “nay” votes.

Respectfully submitted,

JEFFREY A. STEIN
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary