

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

Resolution No. 2022.10/37
FY2023 Operating Budget

Resolution

Whereas, the Board of Trustees of Illinois State University (*the "Board"*) has the authority to approve Illinois State University's (*the "University"*) annual operating budget, and

Whereas, the Illinois Board of Higher Education policies stipulate that the Board of Trustees shall approve an official budget for fiscal year 2023 ("*FY2023*") by source of funds, object and function, and

Whereas, the Board took action at its May 6, 2022, meeting authorizing expenditures from tentative budget allocations:

Therefore, be it resolved that the Board of Trustees approves the FY2023 Budget for Operations totaling \$509.3 million as shown in Table 1, Table 2, and Table 3, which are attached hereto and incorporated herein.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
FY2023 Operating Budget**

Background. In FY2004, the Illinois Board of Higher Education (IBHE) adopted several new policies related to fiscal accountability in higher education. One policy calls upon each public university governing board to review and approve an official budget each fall. The IBHE policy requires the budget be approved by source of funds, by functional expenditures and by objects of expenditure. Moreover, the specific functions and objects of expenditure are defined by the IBHE. Those definitions are provided in Appendix A.

The University's major sources of funds can be grouped into two broad classifications—unrestricted purpose funds and restricted purpose funds. Unrestricted purpose funds are those that the University has the most discretion in allocating among its instruction, public service, research and academic and institutional support functions. These funds include:

- **State Appropriated Funds.** Funds appropriated to Illinois State University annually by the General Assembly and approved by the Governor for ordinary operational expenses.
- **University Income Fund.** Include annual tuition revenue, Academic Enhancement Fee and miscellaneous operational and instructional fees.

State appropriated funds and the University Income Fund are aggregated and collectively budgeted as General Revenue Funds.

Restricted purpose funds are those funds whose use is restricted either by a granting agency, legislative statutes and rules, or by other contractual commitments. These funds include:

- **Bond Revenue (Auxiliary Facilities System – AFS):** Revenues that are derived from the operation of facilities constructed with proceeds from debt issued by the University, such as residence halls and dining centers. The revenue is used both for operations of the unit and to repay the debt to the bond holders. These funds cannot be used for other purposes.
- **Grants and Contracts:** Includes funds that are awarded to individual faculty or staff members for research projects or institutional improvement. Funds may come from federal, state or local grant foundations and are governed by individual guidelines of the grantor.
- **Other Local Funds:** Includes monies generated by self-supporting units such as the University Farm, monies from student fees such as the athletic fee, and monies generated by charging a course material fee. These funds are restricted in use to the specific purpose for which they are charged. In other words, revenue generated from a course material fee must be used to purchase materials for this same course in the future. These funds are sometimes referred to as “Agency Funds.”
- **Higher Education Emergency Relief Fund (HEERF):** Federal Coronavirus (COVID-19) emergency grants for Postsecondary Education:
 - CARES/HEERF I (Coronavirus Aid, Relief, and Economic Security Act,)
 - GEER (Governors’ Emergency Education Relief Fund)
 - CRRSSA/HEERF II (Coronavirus Response and Relief Supplemental Appropriations Act, 2021.)
 - ARP/HEERF III (American Rescue Plan.)
- **State College and University Trust Fund:** Revenue is from fees generated by the University’s proportion of collegiate license plates sold; distributed, subject to appropriation by the General Assembly, to each university or college for the sole purpose of scholarship grant awards to residents of the State of Illinois.

Context

Table 1 includes a summary of the FY2022 budget and actual revenues by fund source in order to provide a context for the proposed FY2023 operating budget. Also provided is the dollar and percentage change between the FY2022 budget and the FY2023 proposed budget.

Table 1							
Illinois State University							
Fiscal Year 2022 Budget and Actual Revenues and Fiscal Year 2023 Proposed Budget							
(in thousands of dollars)	<u>FY2022</u>			<u>Proposed FY2023</u>		<u>FY2022-FY2023</u>	
Source of Funds	Fiscal Year 2022 Budget	Actual Revenue	Percent of Total	Fiscal Year 2023 Budget	Percent of Total	Dollar Change	Percent Change
<u>Unrestricted</u>							
State Appropriation	\$ 73,100	\$ 73,100	15%	\$ 73,100	14%	\$ -	0.0%
University Income Fund	\$ 225,781	\$ 224,446	46%	\$ 230,200	45%	\$ 4,419	2.0%
Subtotal	\$ 298,881	\$ 297,546	61%	\$ 303,300	60%	\$ 4,419	1.5%
<u>Restricted</u>							
Bond Revenue Operations	\$ 104,650	\$ 94,826	19%	\$ 110,400	22%	\$ 5,750	5.5%
Grants and Contracts	\$ 31,300	\$ 31,610	6%	\$ 32,000	6%	\$ 700	2.2%
Other Local Funds	\$ 62,600	\$ 63,269	13%	\$ 63,600	12%	\$ 1,000	1.6%
State College and University Trust Fund (collegiate license plate revenue)	\$ 25	\$ 22	0%	\$ 25	0%	\$ -	0.0%
Subtotal	\$ 198,575	\$ 189,727	39%	\$ 206,025	40%	\$ 7,450	3.8%
Total	<u>\$ 497,456</u>	<u>\$ 487,273</u>	<u>100%</u>	<u>\$ 509,325</u>	<u>100%</u>	<u>\$ 11,869</u>	<u>2%</u>
COVID Grant Funds - FY2022							
HEERF III Proceeds - Institutional		\$ 22,000		\$ -		\$ (22,000)	
FEMA Funds		\$ 3,700		\$ -		\$ (3,700)	
Institutional Support		\$ 25,700		\$ -		\$ (25,700)	
HEERF III Proceeds - Student Aid		\$ 22,100		\$ -		\$ (22,100)	
GEER Funds (subset of HEERF)		\$ 1,100		\$ -		\$ (1,100)	
Student Support		\$ 23,200		\$ -		\$ (23,200)	
Total		\$ 48,900		\$ -		\$ (48,900)	
HEERF (Higher Education Emergency Relief Fund), GEER (Governors' Emergency Education Relief Fund), FEMA (Federal Emergency Management Agency)							

Table 1 shows that actual revenues from all operating fund sources in FY2022 total \$487.3 million with an additional \$48.9 million from COVID Grant Funds.

Federal COVID grant funding for Institutional Support received in FY2022 to help offset the negative impact of institutional operating losses and additional costs resulting from the COVID-19 pandemic totaled \$25.7 million, including HEERF and FEMA proceeds.

Federal COVID grant funding in support of student aid totaled \$23.2 million, with \$22.1 million HEERF III proceeds and an additional \$1.1 million of GEER funding. HEERF III funds were distributed to students in accordance with federal HEERF guidelines that targeted students with the most financial need. GEER is federal HEERF funds allocated through the State of Illinois and specifically designated to support initiatives that help enroll and retain under-represented, first generation, high economic need students. To address online equipment and access equity gaps in this regard, most of the University GEER funds supported a laptop loaner program and portable wifi devices for students with high financial need.

Looking ahead to FY2023, the University does not anticipate receiving any additional federal or state support grants related to COVID remediation. Accordingly, there are no COVID Grant funds reflected in the FY2023 Budget. Going forward, in FY2023, we expect total revenues, including use of historical reserves, will be approximately \$509.3 million.

The proportion of University operations and grants that are funded from State appropriations (\$73.1M) remains similar to FY2022 at 14 percent of the total institutional annual operating revenues, including \$3.1 million that will be transferred to the Illinois Department of Central Management Services as a contribution toward group health insurance premiums.

As demonstrated in Table 1, 22 percent of the University's FY2023 budget will be made up of Bond Revenue Operations, such as housing, dining and student facility operations. The revenue declines evident in FY2021 resulting from reduced occupancy (approximately 50%) for housing and dining contracts and lower facility rental income due to the COVID-19 pandemic, rebounded to close to pre-pandemic levels in FY2022 and remain stable, or slightly higher, for FY2023.

Other Local Funds, or "Agency" funds represents 12 percent of the total University budget. Grants and Contracts represents 6 percent. State College and University Trust Fund revenues represents resources derived from collegiate license plate sales, held by the state for distribution through appropriation. It is expected that the annual revenue will be approximately \$25 thousand dollars.

Budget Detail by Object and Function of Expenditure

Table 2 provides an estimated breakdown of anticipated FY2023 expenditures by fund and object of expenditure (see appendix A). All universities are labor intensive organizations, and Illinois State University is no exception. Just under half (49.3 percent) of all funds is budgeted for personal service expenditures. Of the \$251 million budgeted for personal services, \$181.5 million, or 72 percent, is expected from General Revenue and University Income funds.

Table 2 Illinois State University Fiscal Year 2023 Budget Objects by Fund Sources							
(in thousands of dollars)	Appropriation and Income Fund	State College and University Trust Fund	Other Local Funds	Grants and Contracts	Bond Revenue	Total	Percent of Total
Personal Services	\$ 181,460		\$ 23,100	\$ 15,400	\$ 31,000	\$ 250,960	49.3%
Medicare	3,000		400	300	300	4,000	0.8%
Contractual	37,400		26,200	11,000	19,400	94,000	18.5%
Travel	920		590	150	50	1,710	0.3%
Commodities	4,000		5,400	800	11,000	21,200	4.2%
Equipment	11,000		3,500	1,900	1,500	17,900	3.5%
Telecommunications	900		210	50	650	1,810	0.4%
Operation Auto	520		200	50	100	870	0.2%
Awards and Grants	41,000	\$ 25	3,900	1,100	8,000	54,025	10.6%
Permanent Improvements	13,900		100	50	20,000	34,050	6.7%
Group Health Insurance	3,100			1,200	-	4,300	0.8%
Debt Service	6,100				14,100	20,200	4.0%
General Services Overhead					4,300	4,300	0.8%
Total	\$ 303,300	\$ 25	\$ 63,600	\$ 32,000	\$ 110,400	\$ 509,325	100.0%
Percent of Total	59.5%	0.0%	12.5%	6.3%	21.7%	100.0%	

The sum of personal services, permanent improvements and awards and grants accounts for approximately two-thirds of all expenditures. The remaining third will be used for all other expenses such as technology, group health insurance, equipment purchases, debt service and utilities.

Personal Services includes compensation increases for minimum wage, merit and union contract agreements. Other major operational expenses, such as contractual, travel, commodities and equipment have been adjusted to reflect an increase in product and service costs.

Annual campus Financial Aid awarded to need-based students and merit aid to further assist in student recruitment is projected to equal \$54 million and is shared among all fund types. These resources are to honor the ongoing financial aid commitments made to returning students along with funds needed to attract our FY2023 new entering freshman and transfer students.

Permanent Improvements for academic and other state-supported facilities includes several construction and renovation projects funded by operating funds, academic enhancement fees, and reserves. Projects include renovation of the Center for Visual Arts Rotunda, creation and improvement of STEAM (Science, Technology, Engineering, Arts and Math) lab space, elevator repair/replacement and continued improvements to building infrastructure.

Bond Revenue Permanent Improvements of \$20 million include the construction of Athletics' Indoor Practice Facility, facility upgrades in Housing and Dining and completion of the Esports arena.

Table 3 presents the estimated FY2023 operations and grants budget by fund and functional category of expenditure. The budget is divided into eight functional areas: Instruction, Organized Research, Public Service, Academic Support, Student Services, Institutional Support, Operations and Maintenance of the Physical Plant, and Independent

Operations (See Appendix A). These functional classifications are identified and defined in the Illinois Board of Higher Education’s *Resource Allocation Management Program (RAMP)*.

(in thousands of dollars)	Appropriation and Income Fund	State College and University Trust Fund	Other Local Funds	Grants and Contracts	Bond Revenue	Total	Percent of Total
Instruction	\$ 153,000		\$ 6,200	\$ 6,200		\$ 165,400	32.5%
Organized Research	3,600		1,700	17,000		22,300	4.4%
Public Service	3,600		12,900	5,800		22,300	4.4%
Academic Support	26,000		400	300		26,700	5.2%
Student Services	55,000	\$ 25	38,200	1,700	\$ 8,000	102,925	20.2%
Institutional Support	26,000		2,400	1,000		29,400	5.8%
O&M Physical Plant	30,000		1,800		28,800	60,600	11.9%
Independent Operations					59,500	59,500	11.7%
Debt Service	<u>6,100</u>				<u>14,100</u>	<u>20,200</u>	<u>4.0%</u>
Subtotal	\$ 303,300	\$ 25	\$ 63,600	\$ 32,000	\$ 110,400	\$ 509,325	100.0%
Percent of Total	59.5%	0.0%	12.5%	6.3%	21.7%	100.0%	

Illinois State University expects to spend \$210 million in FY2023 on the activities associated with its core functions of instruction, research and public service, representing 41 percent of the estimated total University expenditures. Most of these funds (\$160.2 million) are derived from General Revenue appropriations or University Income Fund. Another \$26.7 million is expected to be spent on those activities that provide direct support to those core functions, referred to in the table above as “Academic Support.” The largest allocation within this function is for the operations of Milner Library but also includes academic administrative functions.

Of the \$60.6 million estimated to be spent on operations and maintenance (O&M Physical Plant,) almost \$12 million is budgeted for utilities (electricity, natural gas, sewer and water) and utility conservation projects. Deferred maintenance of facilities will continue to be addressed as funds allow. The University’s accumulated backlog of maintenance required to bring all campus facilities up to top working condition is estimated at \$361.6 million with \$199.3 million needed for state supported facilities and \$162.3 million for Bond Revenue facilities.

Conclusion

This item was prepared in accordance with Illinois Board of Higher Education policy that calls upon public university governing boards to review and approve an operating budget annually each fall. The University continues to allocate its resources to its highest priorities and to support those initiatives that are outlined in its strategic plan, *Educate•Connect•Elevate*. Instruction and the support of high-quality faculty and staff continue to be the two highest priorities.

Appendix A

Standard Definitions of Functions and Objects of Expenditures

Functional Areas:

Instruction – Activities carried out for the explicit purpose of eliciting some measure of educational change in a learner or group of learners. Activities include both teaching and facilitating activities.

Organized Research – Activities intended to produce one or more research outcomes including the creation of knowledge, reorganization of knowledge and the application of knowledge. Research activities carried out on an individual or project basis usually result from special institutional grant awards to individual faculty members.

Public Service – Program elements established to make available to the public the various unique resources and capabilities of the University for the specific purpose of responding to a community need or solving a community problem.

Academic Support – Activities that are carried out in direct support of the three primary programs of instruction, organized research and public service.

Student Services – Activities carried out with the objective of contributing to the emotional and physical well-being of students as well as to their intellectual, cultural and social development outside the context of the University's formal instructional activities.

Institutional Support – Activities carried out to provide for the day-to-day functioning as well as the long-range viability of the University as an operating organization.

Operation and Maintenance of the Physical Plant – Activities related to maintaining existing grounds and facilities used for educational and general purposes, providing utility services, campus security and fire protection, transportation and rental of space.

Independent Operations – Auxiliary Services and programs and activities that are unrelated to the primary mission of the university (instruction, organized research and public service).

Objects of Expenditure:

Personal Services – Wages and salaries.

Contractual – Payment for services from vendors. The largest contractual expenditure for Illinois State University is utility expense.

Travel – Reimbursements to employees or vendors for in state or out of state travel including transportation, mileage, lodging and meals.

Commodities – Purchase of articles of a consumable nature such as office supplies.

Equipment – Purchases over \$100 for tangible personal property such as office furniture and equipment.

Telecommunications – All telephone and telecommunication services such as internet ports, long distance charges, cell phone charges, fax machine charges and local telephone charges.

Operation of Automotive Equipment – Operation, maintenance and repair of automotive equipment.

Awards and Grants – Most commonly used for awards and grants to students. This includes aid for student financial need and academic merit.

Permanent Improvements – Remodeling and renovation of existing structures.

Debt Service – Payments for annual principal and interest on bonds and certificates of participation.

General Services Overhead – Payment for use of administrative services outside the immediate operation of the unit. For example, the comptroller’s area, which is supported by general revenue funds, performs accounting functions for all areas on campus; therefore, the non-appropriated units pay a portion of their expenses.

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

Resolution No. 2022.10/38
FY2024 Appropriated Budget
Request: Operating and Capital

Resolution

Whereas, Illinois State University is required to submit its appropriated operating budget request and its capital appropriation request to the Illinois Board of Higher Education, and

Whereas, the authority for approval of the appropriated operating budget request and the capital appropriation request resides with the Board of Trustees of Illinois State University:

Therefore, be it resolved that the Board of Trustees approves the FY2024 appropriated operating budget request totaling \$83.1 million and the capital appropriation request totaling \$567.1 million as shown in Table 1 and Table 2, which are attached hereto and incorporated herein.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
FY2024 Appropriated Budget Request: Operating and Capital**

Illinois State University’s FY2024 appropriation request supports the University’s strategic plan, *Educate•Connect•Elevate* and will allow the University to increase its contributions toward addressing critical statewide goals for higher education.

State appropriated dollars provide the critical and irreplaceable core of support for delivery of high-quality instructional programs and educational services to students. Maintaining strong and stable funding lessens the reliance on the university income fund, which is realized primarily from student tuition and fee payments; therefore, helping to maintain the affordability of a college degree.

The University continues to implement cost-saving measures to redirect resources to high priority needs. For example, substantial funds are committed to financial aid in order to attract and retain students who have little or no resources to pay college costs. As we await capital and deferred maintenance funding, scarce operating resources have also been redirected to address repair and maintenance of campus facilities. The University maintains pride that its instructional programs continue to be recognized both nationally and internationally for their quality and value.

FY2024 Operating Budget Request

Increases

Consistent with the goals outlined in *Educate•Connect•Elevate*, the University is committed to enhancing salaries in order to improve salary competitiveness and attract and retain exceptional faculty and staff to continue to provide a vibrant learning community for students. Therefore, \$4.6 million is requested for faculty and staff compensation increases.

Almost 25% of the increase in funding, or \$2.4 million, requested for Illinois State University, is in support of additional student financial aid. Strategically using University resources to enhance student accessibility and affordability through financial scholarships supports the core values of Illinois State University outlined in *Educate•Connect•Elevate*. An additional \$1 million each is being requested for key equity, diversity and inclusion initiatives including support of non-traditional students and post-secondary attainment equity, as well as \$1 million dedicated to targeted expansion efforts of high need disciplines within the state of Illinois.

Table 1 below summarizes the University's proposed appropriated operating budget request for FY2024 and a request for distribution from the State College and University Trust Fund. The State College and University Trust fund is revenue from collegiate license plate sales held by the state for distribution to Universities through appropriation. These requests represent a responsible and reasonable statement of the University’s highest priorities and goals.

Table 1
Illinois State University FY2024 Appropriation Requests
(in thousands of dollars)

Appropriated Operating Funds Base – FY2023 level	\$ 73,100.3
<u>Increases</u>	
Faculty & Staff Compensation	4,600.0
Student Financial Aid	2,400.0
Non-Traditional Student Initiatives	1,000.0
Post-Secondary Attainment Equity	1,000.0
Target Expansion of High Need Disciplines in Illinois	<u>1,000.0</u>
Total Increase - \$10,000 / 13.7%	
FY2024 Appropriated Operating Funds Request	\$ 83,100.3
FY2024 State College and University Trust Fund Request	<u>25.0</u>
Total: FY2024 Appropriation Requests	\$ <u>83,125.3</u>

FY2024 Capital Request

The capital projects for which funding is requested for FY2024 are instrumental in addressing the goals and priorities articulated in the University's strategic plan, *Educate•Connect•Elevate*, as well as the recommendations in *Master Plan 2010-2030: Looking to the Future*. These projects are important to enhancing a healthy, safe and environmentally sustainable campus and to ensuring the University has the physical infrastructure necessary for excellence in instruction, research and service in the 21st century.

Identifying the projects included in the annual request to the state for capital improvement funding involves an ongoing process of assessing academic and support service capital needs, determining facility use strategies, analyzing facilities' conditions and opportunities, and evaluating available resources. The major projects included in the FY2024 request and the priority assigned to them are reviewed and approved by the University's Capital Planning and Budget Team comprised of individuals from each division of the institution, shared governance constituencies, and Intercollegiate Athletics.

Table 2 summarizes the University's request for state funds for capital improvements in FY2024 totaling \$567.1 million, including \$526.7 million for six major capital improvement projects and \$40.4 million for capital renewal projects.

Table 2
FY2024 Capital Request

Request for funds for major capital projects, or "Regular" capital, are listed in priority order below:

New Engineering Building	\$ 130,630,500
New Mennonite College of Nursing Building	78,378,300
Thomas Metcalf School Replacement	74,459,972
DeGarmo Hall Rehabilitation;	49,871,250
University High School Replacement	82,297,800
Williams Hall Renovation	<u>111,036,510</u>
FY2024 Regular Capital Request	\$ 526,674,332
FY2024 Capital Renewal Request	<u>\$ 40,408,700</u>
Total FY2024 Capital Request	<u>\$ 567,083,032</u>

The major capital projects focus on addressing academic programmatic needs and ensuring the University's facilities promote excellence in instruction, research and service. They involve renovating and upgrading existing academic facilities; addressing life-safety requirements; replacing outdated mechanical, electrical and plumbing systems; and upgrading utility and technology systems. The projects also involve the construction of new facilities for future Engineering programs, the Mennonite College of Nursing, and the University's educational teaching laboratory schools. A considerable amount of the University's accumulated deferred maintenance needs can be addressed through these targeted rehabilitation and renovation projects.

The state's Capital Renewal Program provides resources for smaller remodeling, restoration, utility and infrastructure projects. Funds from the program are distributed proportionately among state colleges and universities based upon their square footage maintained by state funds. The University's request for FY2024 reflects the amount appropriated in the *Rebuild Illinois Capital Plan*.

Summary descriptions of each of the requested major capital projects follow.

New Engineering Building **\$130,630,500**

Beginning in 2016, the University engaged the Education Advisory Board (EAB) to investigate the feasibility of establishing new engineering programs at Illinois State University through a combination of quantitative data analytics and secondary research. EAB sought to assess the need and viability of engineering programs at Illinois State University. The University established an Academic Steering Committee and undertook a study to investigate the feasibility of establishing Mechanical Engineering and Electrical Engineering programs at Illinois State University. The committee examined the possibility of establishing programs in Mechanical Engineering and

Electrical Engineering to leverage the already existing faculty expertise in the departments of Physics and Technology and other departments and schools across the university. The new programs were recently approved by the Illinois State University Board of Trustees along with the Illinois Board of Higher Education. This capital request is for a new building and necessary equipment on campus to house these targeted programs.

New Mennonite College of Nursing Building **\$78,378,300**

This project addresses space needs and will provide for the construction of a new home for the Mennonite College of Nursing. The new facility will be designed to meet current needs and future growth. This space will include consolidation of campus facilities, offices for College faculty and staff, meeting rooms, conference rooms, and a variety of teaching classrooms that are special to the needs of the nursing program. The building will be sited to best address the specific goals and requirements of the program, which not only include instruction but also the clinical health care industry relationships. This project, which involves construction of a new facility for the College, is recommended in Master Plan Update 2010-2030.

Thomas Metcalf Laboratory School Replacement **\$74,459,972**

The Thomas Metcalf School building, which was constructed in 1955, houses the University's laboratory school for kindergarten through the eighth grade. The facility is outdated and aging, the pool failed and has been closed and is currently not in use. The infrastructure is in extremely poor condition and the Facilities Condition Assessment reported high figures identifying the mechanical, electrical, plumbing, and fire alarm systems. More importantly, the geographic location on the school is problematic with poor vehicular access to the building and less than adequate outdoor space for the elementary school-aged children. It is critical to construct a modern laboratory school to resolve those inadequacies that now exist and to meet the 21st first century requirements on campus. This project is recommended in the Master Plan Update 2010-2030.

DeGarmo Hall Rehabilitation **\$49,871,250**

This project provides for rehabilitation of DeGarmo Hall which houses the College of Education. DeGarmo Hall was built in 1972. Forty-eight years later, it is in need of infrastructure updates and program-driven improvements. The "curtain wall" exterior has deteriorated to the point of failure. It is now very difficult to maintain and needs to be replaced, and the interior spaces need to be reconfigured to better serve the 21st first century program and pedagogy requirements. The space needs have grown substantially since 1972. Interior spaces no longer meet the needs of current or future programs. Mechanical, electrical, and plumbing improvements also need to be addressed. This project is recommended in the Master Plan Update 2010-2030.

University High School Replacement **\$82,297,800**

The current University High School building was constructed in 1965 and houses the University's laboratory school for ninth through twelfth grades. The facility is outdated and aging, and the mechanical, electrical, plumbing, and fire alarm systems are in need of replacement. Its geographic location on the campus is problematic with poor vehicular access to the building and less than adequate outdoor space. This project provides for the construction of a modern laboratory school to meet the 21st century requirements. This project is recommended in the Master Plan Update 2010-2030.

Williams Hall Renovation **\$111,036,510**

This project will rehabilitate Williams Hall, which was originally built in 1940 as the University Library. The project will restore the quality and integrity of the original University library building. Selective demolition will be completed to allow a program specific addition. The interior of the old library building will be renovated. This project will replace and/or upgrade the building's mechanical, electrical and plumbing systems. The remodeling will correct code deficiencies, remove asbestos, repair/replace the slate roof, and bring the structure back to its original architectural significance. The building is on a prominent site on the Illinois State University Quadrangle and represents a classic form of collegiate Georgian style architecture. Williams Hall is planned to be used for University academic program space comprised of classroom and office spaces. This project is recommended in the Master Plan Update 2010-2030.

This funding request is representative of the amount appropriated to the University beginning in FY2020 as part of the *Rebuild Illinois Capital Plan*.

Resource constraints have prevented the University from routinely remodeling and rehabilitating facilities in accordance with current higher education pedagogical requirements and facility standards. Many ISU academic facilities need an extensive amount of work to replace, upgrade, and/or improve mechanical, electrical, and plumbing systems as well as to address basic facility infrastructure needs such as building envelopes, roofing, flooring, and windows.

The projects identified for Capital Renewal funding address critical facility, mechanical, electrical, plumbing and building envelopes across campus. The projects will enable the University to ensure the structural integrity and operations of facilities and thereby improve pedagogical efficiency, productivity, cost-effectiveness, and accountability by reducing the backlog of deferred maintenance and improving energy conservation, reliability and efficiency.

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

**Resolution No. 2022.10/39
Authorization to Purchase
Microsoft Windows Computers**

Resolution

Whereas, the University has a third-party contract relationship with various vendors to purchase technology devices for campus departments and student use, and

Whereas, the University believes it economically benefits campus-wide departments and TechZone (via student & 3rd party retail sales) to centralize procurement of such devices, and

Whereas, the University constituency has continued to adopt a range of Microsoft Windows-based technology tools including personal computers, mobile devices, and software applications:

Therefore, be it resolved that the University Board of Trustees authorizes the Office of Technology Solutions to collectively purchase MS Windows - based computers, mobile devices, and software applications on behalf of campus-wide university department and TechZone (retail venue) for an annual amount not to exceed \$1.8 million for each of the next four fiscal years (FY23 through FY26). Historical records indicate that approximately 85% (\$1.53M) are for campus-wide department purchases and 15% (\$270k) represents inventory for future retail sales.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
Authorization to Purchase Microsoft Windows Computers**

This resolution seeks authorization from the Board of Trustees for the Office of Technologies and the retail services managed by TechZone and Student Technologies (TechZone) to purchase goods from multiple vendors for internal departmental computer purchase needs as well as commercial product resale to students, faculty, staff, and the public at large. TechZone serves as the campus computer store as well as providing warranty and general servicing of computers and other technology devices.

Illinois State University offers products and support to students, faculty, and staff for a variety of common computing platforms including Dell, Apple, Lenovo, and others. Microsoft Windows is the predominant operating system for university operations due to its integration with the Microsoft Office Suite.

The University has utilized three primary vendors for Microsoft Windows-based computer equipment and software for many years. Approximately 80 percent of machines in departmental use for faculty, staff, and student labs are Microsoft Windows-based machines. Retail sales of these machines through TechZone to students helps fulfill its university student computer requirements whereby all students are equipped with 24x7 access as well as access to a personal computer for academic and personal productivity.

The three primary vendors that ISU utilizes offer specific academic discounts via the Illinois Public Higher Ed Cooperative (IPHEC). Illinois State’s TechZone serves as an authorized reseller for students, faculty, staff, and the community. This service allows members of the University community to purchase computer-related equipment from a highly qualified team that are trained in university operations. For university-owned campus departmental purchases, this allows TechZone to ensure that computers and related equipment are uniformly set up with the proper software and hardware specifications. In addition, TechZone is an authorized service center, which provides certified technicians to perform needed warranty repair work directly on-campus.

Historically, university departmental orders in excess of \$5,000 have been processed by direct requisition submission to the Purchasing Office. Although this process proved effective in the past, going forward, all purchases will be processed through TechZone to ensure greater efficiency, consistency, and cost savings by utilizing existing IPHEC approved vendors.

Annual expenditures to each of the three vendors can be seen in the table below. Historical records indicate that approximately 85% (\$1.53M) are for campus-wide department purchases and 15% (\$270k) represents inventory for future retail sales.

Vendor	FY18	FY19	FY20	FY21	FY22
Dell	\$1,276,000	\$1,021,000	\$1,105,000	\$985,000	\$1,200,000
Lenovo	\$685,000	\$363,000	\$536,000	\$265,000	\$620,000
HP	\$45,000	\$14,000	\$1,400	\$4,000	\$5,000
Total	\$2,006,000	\$1,398,000	\$1,642,400	\$1,254,000	\$1,825,000

The resolution seeks authorization for the Office of Technology Services to acquire these products through TechZone on behalf of university-wide campus departments as well as for certain resale inventory for an annual amount not to exceed \$1.8 million for each of the next four years (FY23 through FY26). This resolution does not represent a request for new funds, but instead represents a more cost-effective solution to purchasing annual computer related equipment.

Source of funding:

\$1,530,000 - ISU Campus-Wide Departmental Purchases (85%), General Revenue, Auxiliary Facility Services, and Local Agency Funds

\$270,000 - ISU TechZone Retail Sales: (15%), Local Agency Funds

\$1,800,000 Total Annual Funds (not to exceed)

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

Resolution No. 2022.10/40
Authorization for Capital Project
Watterson Towers Elevator
Upgrade and Modernization

Resolution

Whereas, Watterson Towers, is comprised of two 28-story student residence hall towers, and an elevator center service core tower which opened in 1969 and houses approximately 2,200 students and is owned and operated by Illinois State University, and

Whereas, Watterson Towers features many unique architectural design characteristics, including three separate towers connected by breezeways, 5-story residence style “houses”, and a roof terrace, and

Whereas, Watterson Towers Elevators Nos. 1-4 were originally installed in 1969 and have been modernized multiple times over the years with the last major upgrade in 1999, and

Whereas, Watterson Towers Elevators Nos. 5-8 were installed in 1989 and were upgraded in 1999, and

Whereas, all eight Watterson Towers elevators have equipment that is in fair to poor condition and the control system and machines have become increasingly unreliable, and have exceeded their intended life, and are becoming more difficult and expensive to maintain:

Therefore, be it resolved that the Board of Trustees authorizes a capital project to design and implement an elevator modernization and upgrade project in Watterson Towers to provide improved safe and reliable building elevator service for all building users and undertake construction at a cost not to exceed \$15,000,000.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
Authorization for Capital Project – Watterson Towers Elevator Upgrade and Modernization**

Background

Watterson Towers is a 28-story high-rise building at Illinois State University (ISU) and is one of the tallest residence halls in the world. Construction was completed in 1969. The residence hall is home to approximately 2,200 student residents and features many unique design characteristics. These characteristics include three separate towers connected by breezeways, 5-story residence style “houses”, and a roof terrace. The design of the houses makes vertical circulation unique and challenging as the elevators only serve the third level of every 5-story house. The buildings were originally served by four geared traction elevators. However, due to the number of residents and the long wait times, four additional elevators were added in 1989.

Elevator Nos. 1-4 were installed in 1969 and have been modernized multiple times over the years with the last major upgrade in 1999. Elevator Nos. 5-8 were installed in 1989 and contain original hoisting equipment with a control system that was upgraded in 1999.

Justification

All eight elevators have equipment that is in fair to poor condition which is commensurate with age and very high usage. The control system and machines have become increasingly unreliable and becoming more difficult and expensive to maintain. Premature equipment failure has created reliability concerns resulting in elevators being out of service for extended periods at the worst possible times negatively impacting UHS operations and creating significant inconveniences for residents.

While the elevator hall call signals are operational, they are not visible from certain areas in the elevator lobby and do not adequately identify which elevator is serving a hall call. This causes confusion during heavy traffic periods and affects performance of the elevator system. This reduces building elevator efficiency and effectiveness. This project proposes these fixtures be relocated to a more central location in each elevator lobby. The code defined minimum time the car doors are required to stay open will then be reduced, consequently reducing the total time each elevator parks at a floor landing. This proposed reduction in the total time each elevator is at a landing will effectively improve elevator system performance. By relocating the fixtures from the inside of each entrance frame to more predominant areas in the corridor, their visibility will significantly improve.

The MEP systems supporting the elevators were code compliant at the time of the latest installation/modernization. However, the existing elevators and MEP support systems installed are not in alignment with more current building construction and elevator compliance standards. Examples of more current elevator standards include Phase I and Phase II Firefighters’ Emergency operation, ADA required signaling, two-way emergency communications, and emergency power signaling. This proposed modernization project will bring the Watterson Tower elevator systems up to current operation standards.

Project Scope

This project proposes a complete elevator modernization and upgrade project encompassing all eight Watterson Towers elevators to provide ISU with an improved reliable elevator system for the next 25 years. This project proposes the following scope:

- New microprocessor-based control systems and wiring
- New elevator machines equipped with all required safety and code required elevator features
- A new control system to allow ISU to remotely monitor the status of the elevators and initiate service calls immediately
- New gearless traction type machines to provide a significant improvement in performance, energy efficiency, and a decrease in long-term maintenance costs and frequency
- New integral dual brake system consisting of the main brake and code required emergency brake
- Replacement of the car enclosure including the car shell, car doors, finished flooring, interior wall finishes, ceiling, and lighting and a new heavy-duty type door operator and hardware
- Security cameras in each elevator car
- Replacement of car call and corridor (hall) call fixtures
- Replacement of the hoist way doors and associated hardware at each landing, with exception of the painted entrance frames which will be refinished
- Abatement of the hoist way door panels asbestos containing materials (ACM) in the elevator enclosure and assemblies

- New code required door hardware
- New ADA required floor/braille identification signage at all floors
- New hoist way and pit equipment
- New NEMA and weather resistant equipment to address hoist way environmental conditions
- New emergency operations and signaling to be located in the Fire Command Center, located in the main lobby of the Watterson Towers Service Level
- New elevator annunciator units, standby power indicators and a two-position Phase I fire recall switch located in the Fire Command Center
- New communication system to enable communication from within the building to each car
- A Full-Service Maintenance Contract as part of the modernization package
- New corridor call fixtures at each landing and a reconfiguration of the existing signal system and directional lanterns
- Relocation of the hall call station fixtures back to their original locations to improve the performance of the elevator system and maintain the door and ADA signal timing requirements

Project Schedule

The project schedule will be subject to contractors’ equipment delivery dates and UHS work blackout dates, such as move in and move out. Upon Board approval, ordering of long lead elevator equipment will be initiated once successful bids have been received and a construction contract signed. The successful contractor will then develop their schedule to accommodate equipment delivery and UHS work blackout dates with the objective to start work as soon as possible. The contractor will work continuously until the project is completed and only take 2 of the 8 elevators out of service at a time, completing 2 at a time in sequence until project completion. Upon completion, the project will provide a 2-year warranty period, with a companion 5-year Maintenance Contract.

Resource Requirements:

A/E Fees	\$ 500,000
Construction	\$ 4,850,000
Elevator Modernization and Equipment	\$ 8,000,000
Contingency	<u>\$ 1,650,000</u>
 Total Project Cost – Not to Exceed	 <u>\$ 15,000,000</u>

Source of Funding: Auxiliary Facility Resources – Housing Reserves

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

**Resolution No. 2022.10/41
Authorization to Purchase
University Housing Student Room
Expansion Furniture**

Resolution

Whereas, on-campus housing is a vital service which plays a central role in shaping the campus experience for current students, recruiting prospective students, and meeting the expectations of students' families, and

Whereas, University Housing Services regularly replaces furniture which is broken, unsightly or has otherwise outlived its usefulness, and

Whereas, recent enrollment trends have created higher demand for residential space on campus, and

Whereas, residence halls are constructed in such a way to allow flexibility in the overall capacity of facilities; Increasing capacity in times of demand and shrinking capacity when appropriate, and

Whereas, University Housing Services requires additional furniture to increase capacity and meet student expectation:

Therefore, be it resolved that the Board of Trustees authorizes funds to immediately purchase the furniture from an IPHEC approved vendor (Ecologic Furniture) to implement this plan as soon as possible at a cost not to exceed \$1,650,000.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
Authorization to Purchase University Housing Student Room Expansion Furniture**

Background

University Housing Services strives to provide an on-campus housing experience that meets or exceeds the expectations of students and their families. Doing so requires Housing to maintain residential facilities, provide furniture and furnishings (e.g., bed frame, loft kit, dresser, desk, desk chair, wardrobe, arm chair, coffee table, end table) that are in good working order, functional, and that are aesthetically pleasing in a variety of different living environments.

Additionally, UHS strives to be responsive to enrollment demands, increasing capacity during times of higher enrollment.

Justification

The cost of durable and appealing residential furniture is high. As such, it is imperative to plan for the routine replacement of these items on a recurring cycle. This allows for costs to be evenly distributed across many years.

Additionally, demand for on-campus housing continues. Residence halls are designed to adapt in times of increased demand. Spaces can be quickly converted to accommodate students. Most students can be moved to permanent spaces within the first six-weeks of school. Providing these students with the best possible experience requires us to purchase additional furniture.

The current capacity of all residential facilities is currently just over 5,800 beds. As of move in this fall, 5,990 had requested to live on campus. This represents an occupancy rate of 103.3%. Additional students were accommodated in spaces which are designed specifically to convert to residence hall rooms in these circumstances.

Project Scope

If approved, UHS plans to immediately purchase the furniture from an IPHEC approved vendor (Ecologic Furniture) to implement this plan as soon as possible at a cost not to exceed \$1,650,000.

Resource Requirements:

Watterson Housing Complex	\$ 843,420
Cardinal Court Apartments	\$ 153,890
Fell & School Apartments	\$ 474,070
Misc. ISU Trade Labor Support	\$ 13,620
Project Contingency	<u>\$ 165,000</u>
 Total Projected Costs – Not to Exceed	 <u>\$ 1,650,000</u>

Source of Funding: Auxiliary Facility Resources – Housing Reserves

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

**Resolution No. 2022.10/42
Authorization to Rename
Redbird Arena**

Resolution

Whereas, the Board of Trustees of Illinois State University, as authorized by the Board of Trustees Governing Document, Section C, Policies, Subsection IV-C, Naming of Facilities, shall approve the naming of all facilities at the University, and

Whereas, Illinois State Athletics, as part of the University’s efforts to increase corporate engagement, has sought a corporate partner that desires the naming rights to Redbird Arena, the home to Illinois State volleyball, men’s basketball, women’s basketball, and gymnastics, and

Whereas, Illinois State Athletics has received an offer from Citizens Equity First Credit Union (CEFCU) of approximately \$3.1 million to be paid over ten (10) years for the naming rights for Redbird Arena and related sponsorship opportunities, and

Whereas, the University seeks to recognize CEFCU’s financial commitment and partnership with the University by renaming the facility “CEFCU Arena,” and

Whereas, the University Naming Committee has recommended and President Kinzy has endorsed the recommendations as described herein:

Therefore, be it resolved that the Board of Trustees in regular meeting assembled, approves renaming Redbird Arena to “CEFCU Arena” which will be effective upon the completion of a Naming Rights and Sponsorship Agreement between the University and CEFCU, in recognition of the financial commitment and corporate sponsorship provided by CEFCU.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, October 14, 2022

Secretary/Chairperson

**Board of Trustees
Illinois State University
Authorization to Rename Redbird Arena**

Illinois State Athletics respectfully requests that Redbird Arena be renamed “CEFCU Arena” upon the execution of a Naming Rights and Sponsorship Agreement (the “Agreement”) between the University and Citizens Equity First Credit Union (CEFCU).

Redbird Arena is a 10,200 seat multi-purpose arena built in 1989. It is home to several of the University’s Division I programs, including Illinois State volleyball, men’s basketball, women’s basketball, and gymnastics. In addition, Redbird Arena hosts many University, campus, and community events each year including University commencement ceremonies, the Gamma Phi Circus, and a variety of Illinois High School Association events.

CEFCU was originally founded in 1937 to serve the employees of the Caterpillar Inc. Credit unions are required by law to have a defined field of membership and CEFCU membership criteria currently allows employees of Caterpillar Inc., Caterpillar dealers, partner companies, and individuals who live and work in fourteen central Illinois counties (including McLean County) as well as three California counties to belong to the credit union. It is presently owned by more than 360,000 members.

Renaming Redbird Arena to “CEFCU Arena” will occur upon approval of the Board of Trustees and the execution of a corporate Naming Rights and Sponsorship Agreement between the University and CEFCU. Pursuant to the Agreement, CEFCU will pay Illinois State Athletics approximately \$3.1 million over ten (10) years for the naming rights for Redbird Arena, in addition to certain related sponsorship and hospitality opportunities.

The funds realized by the University as a result of the Agreement will be used to enhance the student-athlete experience at Illinois State University.