CALL TO ORDER AND ROLL CALL
The Budget and Finance Committee of the Board of Trustees met on Friday, October 10, 2014 in Engbretson Hall at Governors State University. The meeting was called to order at 10:31 am by Committee Chair Patrick Ormsby. Committee members Jack Beaupre, Lorraine Tyson, and Jeremy Joyce were in attendance, as well as Trustees Brian D. Mitchell, Bruce N. Friefeld, and Anibal Taboas. Please note Trustee Eileen Durkin excused herself at 10:37 am.

Others present: Elaine P. Maimon, President; Deborah E. Bordelon, Provost and Vice President for Academic Affairs; Gebeyehu Ejigu, Executive Vice President and Chief of Staff; Alexis Kennedy, General Counsel; Karen Kissel, Vice President for Administration and Finance; Will Davis, Vice President for Development; Maureen Kelly, Director of Governmental and Community Relations; Rashidah J. Muhammad, Faculty Senate President; Sheryl Jones-Harper, Civil Service Senate President; Lisa Wallace, Student Senate President; Colleen Sexton, Associate Provost; Ann Vendrely, Associate Provost; Reinhold Hill, Dean, College of Arts and Sciences; Ellen Foster Curtis, Dean, College of Business and Public Administration; Elizabeth Cada, Dean, College of Health and Human Services; Aurelio Valente, Interim Vice President for Student Affairs; Betsy Joseph, Director of University Housing and Auxiliary Services; Faculty Senate Representatives Susan Ji and Yonghong Jia; and David Dixon, Internal Auditor.

Committee Chair Ormsby welcomed Faculty Senate Representatives Susan Ji and Yonghong Jia.

INFORMATION ITEMS
The report is in the Board Book. There were no questions.

Operational Budget v. Annual Expense Report as of August 31, 2014
Ejigu reported this is a tradition the Board has established, and that both the Board and Administration find helpful for internal management of University resources. The report is in the Board Book. There were no questions.
Report on Mandatory and Discretionary Tuition Waivers
Ejigu pointed out this report is required as a statute, with presentation to the Board prior to submitting it to the IBHE. He added the Administration is encouraged; what has been a real burden in the past, unfunded mandates from the legislature, seems to be stabilizing. He went on to explain that a significant portion of the unfunded mandate relates to veterans. Of the total 585 students who received unfunded waivers, 325 were veterans. Ejigu emphasized that the University is very proud to be helping veterans; however the State is supposed to reimburse the University but does not, or sometimes will reimburse a very small percentage. Slovak added GSU does not expect any reimbursement for these funds going forward. Maimon reiterated the University is dedicated to the education of veterans; however in Illinois there is no incentive for veterans to access federal aid funds before state funds, so the Illinois State Public Universities become the recipient of this undue burden. Tyson asked whether this is a State law, which Maimon confirmed.

DISCUSSION ITEMS
Review of preliminary plans to upgrade the University’s wired and wireless infrastructure
Ejigu gave a Power Point presentation. He stated that GSU’s wired and wireless infrastructure is past its useful life except in areas where upgrades have been made due to construction projects; however this only accounts for 20% of campus. The project would be funded by monies collected through the student technology fee. Friefeld responded he is pleased to hear that those funds are available, stating that when the technology fee was implemented this type of project was exactly what those funds were supposed to support. Taboas asked if any part of the University qualifies for an E rate, where the Federal government matches 90% of this type of upgrade for certain activities, adding that perhaps the Family Development Center would be eligible for this rate. Ejigu thanked Taboas for pointing out the possibility of external funding, and will pursue the possibility. Tyson asked whether technology fees can be used for things other than technology, and whether these fees are incorporated into the University’s reserves. Ejigu explained that technology fees can only be used on technology that has a direct impact on students, and that they are not a part of the University’s general reserves. Ormsby stated the Administration originally planned to bring this item before the Board for discussion today and for approval in December; however since the procurement process is streamlined by going through the Public State University cooperative, the funding is available, and the need is high, this item will be placed on the Consent Agenda for approval today. Ejigu confirmed that a resolution has been drafted. Tyson concurred to move this item forward.

Review of preliminary plans to renovate the dining facility
Ejigu provided a Power Point presentation. The kitchen and dining area occupies 13,500 square feet and was designed in the early 1970’s, reflecting the technology at that time. The kitchen area is too large and the serving and sitting areas are too small. Plans have been developed to reduce
the size of the kitchen and expand the sitting and serving areas, as well as make aesthetic improvements. Ejigu introduced Betsy Joseph, Director of University Housing and Auxiliary Services, who initiated a study of the cafeteria area approximately one year ago. Master planning for this project has just begun; therefore the cost estimate is preliminary. The University is proposing to fund the project with carry forward resources, which are now at $6.8M in unencumbered reserves. It is estimated this fund will continue to grow at about $250K per year. The project will be brought before the Board for approval at the December meeting. Tyson asked whether there has been an analysis on projections of revenues before and after renovations. Joseph responded the master planning has included increased traffic, institution of a meal plan, an App, and rearranging of the service area which should result in increased usage and increased revenues. She explained that currently the cafeteria is overcrowded and therefore people are choosing different options.

Tyson stated she would like to see some revenue projections before committing funds to this project. She added she would also like to see a more inviting coffee area with the inclusion of a smoothie bar. Joseph responded the next six weeks will be critical in defining the scope of the project. The planning team’s priority has been the functioning of the dining facility and meeting the needs of the students and campus community; however projections will be developed as well. Tyson questioned whether contracts with more recognizable vendors have been investigated. Joseph stated that is indeed a part of the conversation. Taboas commented that the University of Tokyo sells all food items in vending machines, which service upwards of 10,000 people per day. He suggested this as an out-of-the-box concept to consider. Ejigu affirmed the Administration will work closely with the design teams regarding various options. Friefeld commented that as the campus becomes more populated improving the dining facilities is a good move.

**ACTION ITEMS**
Ormsby requested a motion to accept the minutes of the May 9, 2014 Budget and Finance Committee meeting. Tyson made a motion. Beaupre seconded. The motion was approved by unanimous voice vote.

*Resolution 15—09: Approval of FY15 Operating Budget.* Ormsby requested a motion to approve Resolution 15-09. Beaupre made a motion. Mitchell seconded. Ejigu explained that when this budget was developed the University was looking at draconian budget cuts and unclear enrollment numbers; however, surprisingly, state appropriations were only $60K less than FY14 and enrollment is up 12.33%. He added the Administration is very comfortable with this conservative budget. The motion was approved by unanimous voice vote.
Resolution 15—10: Approval of Request to the Illinois Board of Higher Education (IBHE) for FY16 Operating Appropriations. Ormsby requested a motion to approve Resolution 15-10. Tyson made a motion. Beaupre seconded. Ejigu stated each year at this time the IBHE requires the University to create a state funds budget for the next fiscal year. GSU is requesting a $2.49M increase in appropriations from FY15, the bulk of which represents negotiated salary increases. Additionally, the cost of utilities is expected to rise significantly. There were no questions. The motion was approved by unanimous voice vote.

Resolution 15—11: Approval of Request to the Illinois Board of Higher Education for FY16 Capital Appropriations. Ormsby requested a motion to approve Resolution 15-11. Beaupre made a motion. Tyson seconded. Ejigu stated this is the first time the Administration is seeking Board approval of the capital budget, which includes two major capital projects that have been identified: 1) a multipurpose center designed to address many needs, including classrooms; and 2) a stand-alone university library. The estimated cost of the multi-purpose building is $40M, and the library is estimated to cost $32M. He added these projects are already before the IBHE. There are six smaller projects totaling an estimated $11.5M. Maimon explained that from a political perspective, GSU has been short-changed with regard to capital appropriations, pointing out that it took 20 years to get the E/F science renovation done. The needs of GSU have changed. The University is growing exponentially and serving the State in new ways, and these projects need to be given priority by the General Assembly and the Governor’s office. Tyson asked if there were other resources the University could tap into if the State does not allocate these funds. Ejigu replied that reserve and carry forward funds are a possibility, to which Tyson expressed her concern that reserve funds would dwindle if the café renovation is completed with these funds and/or emergency expenses arise. Tyson followed up by stating she would like to see options for financing the café renovation rather than deplete half the University’s reserves. Ejigu agreed to bring back more specifics and options with regard to the café renovation project at the December meeting, including debt capacity studies should financing be the preferred method.

Beaupre noted the second phase of student housing isn’t included in this request, asking when that process would begin. Ejigu responded the State does not fund student housing; the University has to secure its own financing through bonds. The first phase of housing is going to be analyzed very carefully to determine the timing of the next phase. Ideally a substantial wait-list for housing would be necessary to proceed. Ejigu estimated it would be at least two years before the University starts considering the second phase of student housing. The motion was approved by unanimous voice vote.

Resolution 15—12: Approval of Contract or Contracts for the Upgrade of the University’s Wired and Wireless Infrastructure. Ormsby requested a motion to approve Resolution 15-12. Tyson made a motion. Mitchell seconded. Wallace thanked the Board for bringing this item for a vote today because it is something that is definitely needed, adding the students will be ecstatic
when they hear this news. Ejigu agreed the needs of the students are a primary reason why this action was brought before the Board today. The motion was approved by unanimous voice vote.

PUBLIC COMMENT
There were no requests for Public Comment.

Ormsby entertained a motion to adjourn. Tyson made a motion. Beaupre seconded. The motion was approved by unanimous voice vote. The meeting of the Board of Trustees Budget and Finance Committee adjourned at 11:39 a.m.

Respectfully submitted,

Joan Johns Maloney