

Press Proof (Not for Publication)

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

September 14, 2012

This meeting of the Board of Trustees of the University of Illinois was held in the Pine Lounge, Illini Union, 1401 West Green Street, Urbana, Illinois, on Friday, September 14, 2012, beginning at 8:10 a.m.¹

Chair Christopher G. Kennedy called the meeting to order and asked the secretary to call the roll. The following members of the Board were present: Mr. Ricardo Estrada, Ms. Karen Hasara, Ms. Patricia Brown Holmes, Mr. Christopher G. Kennedy, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. James D. Montgomery, Mr. Lawrence Oliver, Ms. Pamela B. Strobel. Governor Pat Quinn was absent. Mr. John W. Tienken, voting student trustee from the Springfield campus, was present. The following nonvoting student trustees were present: Mr. David Pileski, Urbana campus; Mr. Kenneth M. Thomas, Chicago campus. President Robert A. Easter was present.

¹ At 8:03 a.m., Mr. Kennedy convened the meeting of the Board of Trustees as the sole member of Wolcott, Wood and Taylor, Inc. All members of the Board were present except Governor Quinn. There was one agenda item, which was approved. On motion of Mr. Montgomery, seconded by Mr. Estrada, the meeting adjourned at 8:10 a.m.

Also present were the officers of the Board: Mr. Lester H. McKeever, Jr., treasurer; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary. In addition, the following persons were also in attendance: Ms. Marna K. Fuesting and Ms. C. Ellen Foran, both assistant secretaries; and Ms. Eileen B. Cable, special assistant to the secretary.

MOTION FOR EXECUTIVE SESSION

At 8:11 a.m., Mr. Kennedy stated: “A motion is now in order to hold an executive session to consider University employment or appointment-related matters; collective negotiating matters; and pending, probable or imminent litigation against, affecting, or on behalf of the University.”

On motion of Mr. Montgomery, seconded by Ms. Hasara, this motion was approved. There were no “nay” votes.

EXECUTIVE SESSION

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

EXECUTIVE SESSION ADJOURNED

The executive session was adjourned at 9:32 a.m.

REGULAR MEETING RESUMED

The meeting resumed at 9:47 a.m., with all Board members previously recorded as being present in attendance.

PERFORMANCE OF THE STATE SONG

Mr. Kennedy invited Dr. Barrington Coleman, associate professor of voice and conductor of the University of Illinois Varsity Men's Glee Club, Urbana, to sing the State song, *Illinois*, which was followed by a round of applause.

INTRODUCTION OF UNIVERSITY OFFICERS AND SENATE OBSERVERS

President Easter introduced the vice presidents of the University in attendance: Dr. Phyllis M. Wise, vice president, University of Illinois, and chancellor of the Urbana campus; Dr. Paula Allen-Meares, vice president, University of Illinois, and chancellor of the Chicago campus; Dr. Susan J. Koch, vice president, University of Illinois, and chancellor of the Springfield campus; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Dr. Christophe Pierre, vice president for academic affairs; Dr. Joe G.N. Garcia, vice president for health affairs; and Dr. Lawrence B. Schook, vice president for research. President Easter then introduced the senate observers and the representative of the academic professional staff: Ms. Mary Mallory, associate professor and coordinator, government information services, access and collections, University Library, Urbana, representing the University Senates Conference;

Dr. Abbas Aminmansour, associate professor, school of architecture, Urbana, representing the Urbana Senate; Dr. Philip Patston, associate professor, department of oral medicine and diagnostic services, Chicago, representing the Chicago Senate; Dr. Kathy Jamison, associate professor of communication, Springfield, representing the Springfield Senate; Mr. Konstantinos Yfantis, acting manager, Teaching and Learning Services, Campus Information Technologies and Education Services (CITES), Urbana, representing the academic professional staff. Also in attendance were Dr. Nicholas Burbules, chair of the University Senates Conference; Dr. Donald Chambers, vice chair of the executive committee and chair of the budget, planning, and priorities committee of the Chicago Senate; and Dr. Matthew Wheeler, chair of the Urbana Senate executive committee. President Easter also introduced Dr. Joyce Tolliver, University Senates Conference, who attended the meeting in an unofficial capacity.

In addition to those that were previously noted, the following University officers were present: Dr. Avijit Ghosh, senior advisor to the president; Mr. Thomas P. Hardy, executive director for University relations; Ms. Katherine R. Laing, executive director of governmental relations; Ms. Margaret M. O'Donoghue, interim special assistant to the president.

REMARKS FROM THE PRESIDENT

President Easter discussed strong enrollments across the three campuses, totaling 73,495 students. He said that the *U.S. News & World Report* rankings have been released, noting

that these are campus-specific but are favorable to the University as a whole. He then referred to the Brilliant Futures campaign and thanked the University's donors for contributing to its success, and he briefly commented on upcoming advancement events at each campus, including the University of Illinois Foundation weekend held at Urbana.

Next, President Easter referred to items on the Board's agenda and highlighted the item requesting approval of a project for the Advanced Chemical Technology Building at the Chicago campus, which has been pending the release of funds from the State since the proposal was approved in 2003. He reported that Governor Quinn and many others attended the groundbreaking ceremony and that the State released \$64.0 million to assist with the funding of this project.

Mr. Kennedy thanked President Easter for his comments and introduced members of the press in attendance at this meeting: Mr. Sean Powers, WILL; Ms. Christine des Garennes, *The News-Gazette*; Mr. Michael Kiser, WDWS; and Mr. Michael Helenthal, *Inside Illinois*.

WELCOME FROM THE CHANCELLOR AT URBANA

At 9:50 a.m., Mr. Kennedy thanked Vice President/Chancellor Wise for the Campus Insights program that was provided the previous evening and asked her to provide some comments on the Urbana campus. Dr. Wise showed a video that was sent to welcome new students at the start of the academic year. The video featured new faculty, staff, and others who are new to the Urbana campus wearing shirts displaying their new titles. A

round of applause followed the conclusion of the video. Dr. Wise then presented Mr. Pileski with a shirt bearing the title “New Student Trustee.” She also presented a shirt to President Easter featuring his title as “New President,” as well as the titles of the many other positions he has held at the University. A round of applause followed.

Vice/President Chancellor Wise then began her presentation (materials on file with the secretary). She commented briefly on the *U.S. News & World Report* rankings and on the academic quality of the incoming class, stating that the number of students from underrepresented groups has risen since last year. She stated that the amount of unmet need is increasing, and that closing this gap is difficult. She referred to increased competition, decreasing aid, and the global recession, and said it is fundamental that the University remain true to its mission. She mentioned the need for a sustainable business plan and the importance of retaining faculty, and she described this as an unprecedented time of opportunity.

Next, Vice President/Chancellor Wise discussed goals for the upcoming year and referred to a recent exercise on visioning future excellence. She said it is a privilege to be at the campus and showed a video that featured students describing what the University means to them. Her presentation was followed by a round of applause.

REPORT FROM CHAIR, AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE

At 10:15 a.m., Mr. Kennedy asked Mr. McMillan, chair of the Audit, Budget, Finance, and Facilities Committee, to provide a report from that committee. He stated that Mr.

McMillan serves on the committee with Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Pileski, and Mr. Tienken. He stated that Trustee Hasara also attended the meeting.

Mr. McMillan stated that the committee met on September 4, 2012, at 1:00 p.m., and reported that committee members approved the minutes of the meeting that was held on July 9, 2012. He said that three presentations were made: Vice President Knorr presented the proposed budget summary for operations for Fiscal Year 2013; Vice President Pierre provided a presentation regarding the preliminary Fiscal Year 2014 budget request; and Ms. Julie Zemaitis, executive director of University audits, presented the internal University Audits annual report.

Mr. McMillan stated that committee members reviewed nine items within the purview of the committee on today's agenda. He reported that Mr. Michael Bass, senior associate vice president for business and finance and deputy comptroller, provided information regarding capital items, and that Dr. Heather Haberaecker, executive assistant vice president for business and finance, presented information regarding purchases. He stated that Vice President Knorr provided a brief report to the committee on the status of the State appropriation receivable, the status of pension reform, changes to the State's credit rating, and an update on the appearance before the Legislative Audit Commission on August 29, 2012. He stated that the next meeting of this committee will be held on October 29, 2012, at 1:00 p.m., and will include a vendor diversity presentation.

Quarterly Update and State Economic Report

Mr. McMillan then asked Dr. David Merriman, associate director, Institute of Government and Public Affairs (IGPA), to provide a presentation (materials on file with the secretary). Dr. Merriman provided an overview of recent IGPA activities, and he commented on the State Budget Crisis Task Force and reported its findings. He then provided an economic overview of the State and discussed unemployment in Illinois and the Midwest. He reported that the economy is improving at a slow rate, and he discussed the 2013 economic outlook and the impact of potential fiscal tightening measures. He then reported on the State's fiscal situation, which he said has improved slightly with respect to unpaid bills, and said that the current fiscal situation will likely continue. He described some steps the State has taken to address these issues and also discussed the potential impact of the pension shortfall on higher education. He also provided information regarding the State's bond rating, and explained that the absence of a plan to address the State's fiscal situation has impacted its rating. He concluded his presentation by stating that conditions are slowly improving and to expect continued fiscal problems.

Brief discussion followed, and Mr. Kennedy asked Dr. Merriman if he could provide, at a later date, a chart comparing unemployment throughout the country in communities with a tier-one research university. Dr. Merriman also provided additional information about what he described as a narrow tax base, and explained that certain services and retirement income are not taxed in Illinois. He also responded to a question

from Mr. McMillan and stated that the State has not been greatly impacted in its ability to borrow funds, due partially to low rates.

Budget Summary for Operations Fiscal Year 2013

At 10:35 a.m., Mr. McMillan asked Mr. Knorr to provide a presentation on the Fiscal Year 2013 Budget Summary for Operations (materials on file with the secretary). Mr. Knorr reviewed current circumstances that were considered in the preparation of this budget and provided information on the unpaid State appropriation to the University from Fiscal Year 2012 and 2013. He said that the general fund appropriation was reduced by 6 percent for Fiscal Year 2013, noting that the direct appropriation from the State will be below the Fiscal Year 1997 level in nominal dollars and below the Fiscal Year 1966 level when adjusted for inflation. Mr. Knorr then provided information regarding the operating budget for Fiscal Year 2013, which he said increased by 3.7 percent, exclusive of payments on behalf made by the State. He presented charts depicting sources of revenue and areas of planned spending, and reviewed specific components of unrestricted and restricted funds. He also provided information regarding the 28.7-percent increase in the cost of payments on behalf, which are paid by the State for health care and pensions for employees. He provided a chart reflecting the decrease in State support per student from Fiscal Year 1990 through 2013.

Mr. Knorr and Mr. Kennedy discussed the general revenue fund, payments on behalf, and the capital appropriation, and Dr. W. Randall Kangas, associate vice

president for planning and budgeting, explained that the remaining funding of the 2010 capital bill has now been released, noting that this was the only capital appropriation in the past eight years. Mr. McMillan and President Easter also commented on the increase in tuition revenue, stating that this is due to the increased cost of tuition, student enrollment, and higher rates of tuition paid by out of State students.

At 10:55 a.m., Mr. Knorr concluded his presentation.

REPORT FROM CHAIR, GOVERNANCE, PERSONNEL, AND ETHICS COMMITTEE

Mr. Kennedy then asked Ms. Strobel, chair of the Governance, Personnel, and Ethics Committee, to provide a report, and stated that Ms. Hasara, Mr. Montgomery, and Mr. Thomas also serve on the committee. Ms. Strobel stated that the committee last met on August 28, 2012, at 3:00 p.m. She reported that the committee approved the minutes of the last meeting that was held on June 28, 2012, and reviewed the items in today's agenda that are within the purview of the committee. She stated that Ms. Katherine Laing, executive director of governmental relations, provided a legislative update and discussed the impact of recently passed legislation on the University. Ms. Strobel said the committee also briefly discussed feedback from the Board retreat that was held in July, which was very positive, and noted that the materials related to the retreat are available online. Ms. Strobel reported that committee members also discussed the Board's self-assessment, and she stated that plans are underway to send the self-assessment to Board members in the fall. In addition, she stated that the committee discussed the upcoming

review of the governing documents of the University and explained that the goal of this review will be to update and streamline these documents. She indicated that this will be a significant amount of work, and that a small group of six to eight people will be involved in rewriting and updating sections that are in need of modification. She reported that after the University Senates Conference and the President have an opportunity to review the changes, the revised documents will be submitted to the Board for approval, noting that the committee will serve as a conduit to address any issues that may arise in the process. She stated that the next meeting of the committee is scheduled for October 25, 2012, at 1:00 p.m.

REPORT FROM CHAIR,
UNIVERSITY HEALTHCARE SYSTEM COMMITTEE

Next, Mr. Kennedy asked Dr. Koritz, chair of the University Healthcare System Committee, to provide a report from that committee, and stated that Dr. Koritz serves on the committee with Mr. Estrada and Mr. Oliver. Dr. Koritz stated that the committee met the previous day at 1:00 p.m. He reported that the committee discussed implications of the Affordable Care Act, and said that it is expected that the number of Illinois residents enrolled in Medicaid will double. He explained that while Medicaid reimbursements are currently paid by the Federal government, this will transition to a State responsibility in 2016, which he said could affect the reimbursement rate for the hospital. He stated that committee members also received a report on hospital finances, and he told the Board that the hospital reported a profit of \$14.0 million, which is the best net profit the hospital

has seen in 15 years. He stated that the committee also reviewed the items on the Board's agenda within the purview of the committee, and that facility upgrades and construction projects are on schedule.

Dr. Koritz told the Board that the committee was presented with information regarding IPAL, the Illinois Provider Access Line. He explained that IPAL is a dedicated telephone line at the hospital for referring physicians, which he said is a great benefit to both patients and doctors throughout the State and should increase the number of transfer patients and referrals to the hospital. He said that transfers have already increased by 22 percent. In addition, Dr. Koritz reported that Dr. Uretz J. Oliphant, regional dean of the University of Illinois at Chicago College of Medicine at Urbana-Champaign, provided a presentation to the committee on the college and highlighted the medical scholars program. Dr. Koritz stated that Urbana and Chicago combined produce the second-highest number of MD/PhD graduates in the country.

REPORT FROM CHAIR, ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Mr. Kennedy then asked Ms. Hasara, chair of the Academic and Student Affairs Committee, to provide a report. Ms. Hasara stated that she serves on the committee with Mr. Estrada, Ms. Holmes, Dr. Koritz, Mr. Oliver, Mr. Pileski, Mr. Thomas, and Mr. Tienken. Ms. Hasara stated that the committee met the previous day at 3:00 p.m. She told the Board that all committee members were in attendance, and that Mr. McMillan also attended the meeting. She stated that committee members approved the minutes

from the previous meeting and also reviewed the items within the purview of the committee on the agenda at today's meeting. She reported that Dr. Lawrence Schook, vice president for research, provided information regarding the item recommending appointments to the Illinois VENTURES, LLC board of managers. She stated that Dr. Christophe Pierre, vice president for health affairs, provided a presentation regarding the faculty renewal process, and explained that the number of faculty have decreased while the number of students, research productivity, and teaching responsibilities have increased, adding that this situation is not sustainable. Ms. Hasara stated that Dr. Renee Romano, vice chancellor of student affairs, Urbana, provided a presentation on recruiting and retaining quality students from underrepresented groups, and that she provided examples of some programs that promote an inclusive environment. Ms. Hasara highlighted the Tolerance Program, which she said is a program that investigates bias-motivated incidents at the Urbana campus. She told the Board that the committee also briefly discussed the Trustee Mentor Program, and said that regular communication among mentors and student trustees is encouraged. She reported that the next meeting of the committee is scheduled for November 7, 2012, at 3:00 p.m.

Mr. Montgomery inquired about the loss of faculty, and Ms. Hasara explained that some reductions have been due to retirements, while others have left for positions at other institutions. She said other reductions are due to financial constraints, and that hires are made strategically. President Easter commented that although there are 13-percent fewer tenure and tenure-track faculty, the number of students and generation

of research funding has increased. Ms. Hasara stated that there was a robust discussion at the committee meeting regarding the size and composition of the faculty, and President Easter added that a detailed analysis at the unit level takes place that considers teaching and research needs. He also commented on the need to pursue new areas of research and funding, and that positions that have been vacated are not automatically filled with the same type of faculty member who held the position previously.

AGENDA

At 11:17 a.m., Mr. Kennedy announced that the agenda for this meeting would now be considered. All Board members recorded as present at the start of the meeting were in attendance. Mr. Kennedy explained the items for which a voice vote of the Board is requested would be first, and that the secretary would read the titles of these items. He noted that several Board members had previously discussed concerns with President Easter, and other staff members regarding these items, and he said that he would welcome further discussion at this time.

By consensus, the Board agreed that one vote would be taken and considered the vote on each agenda item nos. A1 through 02 inclusive.

(The record of the Board action appears at the end of each item.)

Approve Minutes of Board of Trustees Meetings

(A1) The Secretary presents for approval the minutes of the Board of Trustees meetings of July 18 and 19, 2012.

On motion of Mr. McMillan, seconded by Dr. Koritz, these minutes were approved.

Appointments to the Faculty, Administrative Professional Staff,
and Intercollegiate Athletic Staff

Appointments to the Faculty

(1) According to State statute, the student trustee will not vote on those items marked with an asterisk.

The following new appointments to the faculty at the rank of assistant professor and above, and certain administrative positions, have been approved since the previous meeting of the Board of Trustees and are now presented for your confirmation.

The Board 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.

Urbana-Champaign

College of Agricultural, Consumer and Environmental Sciences

Gail Marcia Ferguson, Assistant Professor of Human and Community Development, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$67,500, beginning August 16, 2012.

Samuel Edward Wortman, Assistant Professor of Crop Sciences, summer appointment, on 100 percent time, at a monthly rate of \$7,778, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, effective August 16, 2012.

College of Applied Health Sciences

Sean P. Mullen, Assistant Professor of Kinesiology and Community Health, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, beginning August 16, 2012.

College of Business

Qintao Fan, Associate Professor of Accountancy, summer appointment, on 100 percent time, at a monthly rate of \$22,667, June 16-August 15, 2012; and continuing as Q probationary faculty, on an academic year service basis, on 100 percent time, at an annual salary of \$204,000, for four years effective August 16, 2012.

Minkyung Koo, Assistant Professor of Marketing, Department of Business Administration, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$145,000, beginning August 16, 2012.

Kristina M. Rennekamp, Assistant Professor of Accountancy, summer appointment, on 100 percent time, at a monthly rate of \$20,000, June 29-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$180,000, effective August 16, 2012.

College of Education

Daniel John Berry, Assistant Professor of Educational Psychology, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$69,000, beginning August 16, 2012.

College of Engineering

Gaurav Bahl, Assistant Professor of Mechanical Science and Engineering, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$91,500, beginning August 16, 2012.

Thomas E. Kuhlman, Assistant Professor of Physics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$90,000, beginning August 16, 2012.

Gregory MacDougall, Assistant Professor of Physics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$87,500, beginning August 16, 2012.

Sewoong Oh, Assistant Professor of Industrial and Enterprise Systems Engineering, summer appointment, on 100 percent time, at a monthly rate of \$9,756, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$87,800, effective August 16, 2012.

Andrew M. Smith, Assistant Professor of Bioengineering, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$90,000, beginning August 16, 2012.

Qiong Wang, Associate Professor of Industrial and Enterprise Systems Engineering, probationary faculty on initial/partial term appointment, on an academic year service basis, on 100 percent time, at an annual salary of \$114,000, beginning October 16, 2012.

College of Fine and Applied Arts

John Anthony Boesche, Associate Professor of Theatre, Q probationary faculty, on an academic year service basis, on 100 percent time, at an annual salary of \$80,000, for three years beginning August 16, 2012.

College of Law

* **Jason Mazzone**, Professor, College of Law, summer appointment, on 100 percent time, at a monthly rate of \$21,053, June 20-August 15, 2012; and continuing on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$180,000, effective August 16, 2012; and Lynn and Daniel Murray Faculty Scholar, non-tenured, on an academic year service basis, on zero percent time, with an annual stipend of \$12,500, beginning August 16, 2012, for a total salary of \$192,500.

College of Liberal Arts and Sciences

* **Andrew Peter Arana**, Associate Professor of Philosophy, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$80,000, beginning August 16, 2012.

* **Cynthia Buckley**, Professor of Sociology, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$100,000, beginning August 16, 2012.

* **Walter Jerome Davila**, Professor of History, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$110,000, beginning August 16, 2012; and Jorge Lemann Chair of History, non-tenured, on an academic year service basis, on zero percent time, non-salaried, beginning August 16, 2012, for a total salary of \$110,000.

* **Sharon Hammes Schiffer**, Professor of Chemistry, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$210,000, beginning August 16, 2012.

Kami Lee Hull, Assistant Professor of Chemistry, summer appointment, on 100 percent time, at a monthly rate of \$8,722, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$78,500, effective August 16, 2012.

Michael W. Kraus, Assistant Professor of Psychology, summer appointment, on 100 percent time, at a monthly rate of \$7,556, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$68,000, effective August 16, 2012.

Chul-Joo Lee, Assistant Professor of Communication, summer appointment, on 100 percent time, at a monthly rate of \$8,000, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$72,000, effective August 16, 2012.

* **Erik S. McDuffie**, Associate Professor of African American Studies, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$87,000, beginning August 16, 2012.

* **Kevin Mumford**, Professor of History, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$110,000, beginning August 16, 2012.

Joaquin Rodriguez Lopez, Assistant Professor of Chemistry, summer appointment, on 100 percent time, at a monthly rate of \$8,722, July 23-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$78,500, effective August 16, 2012.

Alison Renee Weitzel, Assistant Professor of Chemistry, summer appointment, on 100 percent time, at a monthly rate of \$8,722, July 1-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$78,500, effective August 16, 2012.

Graduate School of Library and Information Science

Emily Joyce Magdelyn Knox, Assistant Professor, Graduate School of Library and Information Science, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$72,500, beginning August 16, 2012.

College of Media

Janice Marie Collins, Assistant Professor of Journalism, probationary faculty on initial/partial term appointment, on an academic year service basis, on 100 percent time, at an annual salary of \$80,000, beginning January 16, 2013.

School of Social Work

Venera Bekteshi, Assistant Professor, School of Social Work, summer appointment, on 100 percent time, at a monthly rate of \$8,000, July 1-July 31, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$72,000, effective August 16, 2012.

Emeriti Appointments

Paul J. Armstrong, Associate Professor Emeritus, School of Architecture, July 1, 2012

Craig M. Bethke, Professor Emeritus of Geology, July 1, 2012

Joseph Lee Beverly, Professor Emeritus of Animal Sciences, July 1, 2012

Shun Lien Chuang, Professor Emeritus of Electrical and Computer Engineering, July 1, 2012

Dan B. Faulkner, Professor Emeritus of Animal Sciences, July 1, 2012

Rhanor Gillette, Professor Emeritus of Physiology in the Department of Molecular and Integrative Physiology, July 1, 2012

Gary E. Gladding, Professor Emeritus of Physics, July 1, 2012

Cathy L. Greenfield, Associate Professor Emerita of Veterinary Clinical Medicine, July 1, 2012

Margaret R. Grossman, Professor Emerita of Agricultural and Consumer Economics; and Bock Chair Emerita in Agricultural Law in the Department of Agricultural and Consumer Economics, July 1, 2012

Michael T. Heath, Professor Emeritus of Computer Science; and Fulton Watson Copp Chair Emeritus in the Department of Computer Science, July 1, 2012

Anne D. Hedeman, Professor Emerita, School of Art and Design, July 1, 2012

A. J. Hildebrand, Professor Emeritus of Mathematics, May 16, 2012

Ronald R. Kovatch, Professor Emeritus, School of Art and Design, May 16, 2012

John I. Marden, Professor Emeritus of Statistics, May 16, 2007

Michael T. McCulley, Associate Professor Emeritus, School of Architecture, June 1, 2012

John C. Nerone, Research Professor Emeritus of Media and Cinema Studies; and Research Professor Emeritus, Institute of Communications Research, June 1, 2012

William D. O'Brien, Professor Emeritus of Electrical and Computer Engineering, June 30, 2012

Michael L. Philpott, Associate Professor Emeritus of Mechanical Science and Engineering, June 26, 2012

Michael Jacob Plewa, Professor Emeritus of Crop Sciences, July 1, 2012

Mariangela Segre, Professor Emerita of Pathobiology, July 1, 2012

John S. Trach, Professor Emeritus of Special Education, June 25, 2012

Surya Pratap Vanka, Professor Emeritus of Mechanical Science and Engineering, July 1, 2012

Timothy J. Van Laar, Professor Emeritus, School of Art and Design, May 16, 2012

Out-Of-Cycle Faculty Promotion and Tenure

To the Rank of Professor Without Change in Tenure:

Carol L. Braunschweig, from Associate Professor, Division of Nutritional Sciences (non-tenured), College of Agricultural, Consumer and Environmental Sciences, to the rank of Professor, Division of Nutritional Sciences (non-tenured), effective August 16, 2012.

To the Rank of Associate Professor on Indefinite Tenure:

Liming Feng, from Assistant Professor of Industrial and Enterprise Systems Engineering, College of Engineering, to the rank of Associate Professor of Industrial and Enterprise Systems Engineering, on indefinite tenure, effective August 16, 2012.

To the Rank of Associate Professor on Indefinite Tenure and To the Rank of Associate Professor Without Change in Tenure:

Luis F. Rodriguez, from Assistant Professor of Agricultural and Biological Engineering, College of Agricultural, Consumer and Environmental Sciences, to the rank of Associate Professor of Agricultural and Biological Engineering on indefinite tenure, effective August 16, 2012; and from Assistant Professor, Information Trust Institute, College of Engineering (non-tenured), to the rank of Associate Professor, Information Trust Institute (non-tenured), effective August 16, 2012

Chicago

College of Architecture and the Arts

Yen Chi Lai, Assistant Professor, School of Architecture, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$62,000, beginning August 16, 2012.

College of Business Administration

Yihui Tang, Assistant Professor of Managerial Studies, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$110,000, beginning August 16, 2012.

College of Education

Aerika S. Brittian, Assistant Professor of Educational Psychology, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, beginning August 16, 2012.

College of Engineering

Mark Grechanik, Assistant Professor of Computer Science, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$103,000, beginning August 16, 2012.

College of Liberal Arts and Sciences

Mahrad Almotahari, Assistant Professor of Philosophy, summer appointment, on 100 percent time, at a monthly rate of \$8,333, August 1-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$75,000, effective August 16, 2012.

Tarini Bedi, Assistant Professor of Anthropology, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$80,000, beginning August 16, 2012.

Joaquin M. Chavez, Assistant Professor of History, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$79,000, beginning August 16, 2012.

Alexandra Filindra, Assistant Professor of Political Science, probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, beginning August 16, 2012.

Tatjana Gajic, Assistant Professor of Hispanic and Italian Studies, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$68,000, beginning August 16, 2012.

Isaac Martin Goldbring, Assistant Professor of Mathematics, Statistics, and Computer Science, summer appointment, on 100 percent time, at a monthly rate of \$10,000, June 16-August 15, 2012; and continuing as probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$90,000, effective August 16, 2012.

* **Ofer Malamud**, Associate Professor of Economics, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$135,000, beginning January 1, 2013.

Neil Mankad, Assistant Professor of Chemistry, summer appointment, on 100 percent time, at a monthly rate of \$9,111, July 1-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$82,000, effective August 16, 2012.

Adrienne L. Massanari, Assistant Professor of Communication, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, beginning August 16, 2012.

Robin Reames, Assistant Professor of English, summer appointment, on 100 percent time, at a monthly rate of \$7,556, July 1-July 15, 2012; continuing on 53 percent time, at a monthly rate of \$7,556; July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$68,000, effective August 16, 2012.

Yann F. Robert, Assistant Professor of French and Francophone Studies, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$70,000, beginning August 16, 2012.

Elizabeth Todd-Breland, Assistant Professor of History, summer appointment, on 100 percent time, at a monthly rate of \$8,333, July 16-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$75,000, effective August 16, 2012.

Zhenyu Ye, Assistant Professor of Physics, summer appointment, on 100 percent time, at a monthly rate of \$8,667, July 2-August 15, 2012; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$78,000, effective August 16, 2012.

College of Medicine at Chicago

Genie M. Bang, Assistant Professor of Ophthalmology and Visual Sciences, College of Medicine at Chicago, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 51 percent time, at an annual salary of \$84,150, beginning July 16, 2012; and Physician Surgeon in Ophthalmology and Visual Sciences, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 49 percent time, at an annual salary of \$80,850, beginning July 16, 2012, for a total salary of \$165,000.

Andrei Karginov, Assistant Professor of Pharmacology, College of Medicine at Chicago, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 100 percent time, at an annual salary of \$105,000, beginning July 1, 2012.

Melissa Lamar, Associate Professor of Psychiatry, College of Medicine at Chicago, Q probationary faculty, on a twelve-month service basis, on 51 percent time, at an annual salary of \$51,000, for three years beginning August 16, 2011; and Clinical Psychologist in Psychiatry, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 49 percent time, at an annual salary of \$49,000, beginning August 16, 2011, for a total salary of \$100,000.

Yuru Liu, Assistant Professor of Pharmacology, College of Medicine at Chicago, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 100 percent time, at an annual salary of \$85,000, beginning July 1, 2012.

Jeet Minocha, Assistant Professor of Radiology, College of Medicine at Chicago, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 51 percent time, at an annual salary of \$50,000, beginning July 23, 2012; Physician Surgeon in Radiology, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 11 percent time, at an annual salary of \$59,000, beginning July 23, 2012; and Physician Surgeon in Radiology, University of Illinois Hospital and Health Sciences System, Chicago, non-tenured, on a twelve-month service basis, on 38 percent time, at an annual salary of \$151,000, beginning July 23, 2012, for a total salary of \$260,000.

Ana Catherine Ricardo, Assistant Professor of Medicine, College of Medicine at Chicago, probationary faculty on tenure track year one, on a twelve-month service basis, on 51 percent time, at an annual salary of \$51,000, beginning August 16, 2012; and Research Scientist in Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 24 percent time, at an annual salary of \$24,000, beginning August 16, 2012. Dr. Ricardo will continue to serve as Physician Surgeon in Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 25

percent time, at an annual salary of \$25,000, effective August 16, 2012, for a total salary of \$100,000.

Guofei Zhou, Assistant Professor of Pediatrics, College of Medicine at Chicago, probationary faculty on tenure track year one, on a twelve-month service basis, on 51 percent time, at an annual salary of \$40,800, beginning February 16, 2012; and Research Scientist in Pediatrics, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 49 percent time, at an annual salary of \$39,200, beginning February 16, 2012, for a total salary of \$80,000.

College of Nursing

Pamela Martyn-Nemeth, Assistant Professor of Biobehavioral Health Science, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$78,000, beginning August 16, 2012.

Heather L. Sipsma, Assistant Professor of Women, Children, and Family Health Science, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$75,000, beginning August 16, 2012.

Emeriti Appointments

Arkalgud Ramaprasad, Professor Emeritus of Information and Decision Sciences, July 1, 2012

Richard M. Van Acker, Professor Emeritus of Special Education, May 16, 2012

Springfield

College of Business and Management

Mark Buxton, Assistant Professor of Accountancy, probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$118,000, beginning August 16, 2012.

Lisa Lichen Chen, Assistant Professor of Accountancy, summer appointment, on 33 percent time, at a monthly rate of \$4,387, May 16-August 15, 2012; and continuing as probationary faculty on an initial/partial term appointment, on an academic year basis, on 100 percent time, at an annual salary of \$119,800, effective June 16, 2012.

College of Liberal Arts and Sciences

Ronald Loui, Assistant Professor of Computer Science, probationary faculty on tenure track year three, on an academic service basis, on 100 percent time, at an annual salary of \$71,000, beginning August 16, 2012.

College of Public Affairs and Administration

Robert John Blankenberger, Assistant Professor of Public Administration, probationary faculty on tenure track year three, on an academic service basis, on 100 percent time, at an annual salary of \$57,000, beginning August 16, 2012.

Administrative/Professional Staff

Urbana-Champaign

* **Laurence Chalip**, Head of the Department of Recreation, Sport and Tourism, College of Applied Health Sciences, Urbana-Champaign, non-tenured, on an academic year service basis, with an administrative increment of \$5,000, beginning September 17, 2012. Dr. Chalip was appointed to serve as Interim Head under the same conditions and salary arrangement beginning August 16, 2012. He was appointed to the rank of Professor of Recreation, Sport and Tourism, College of Applied Health Sciences, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$140,000, effective August 16, 2012; and Brightbill-Sapora Professor of Recreation, Sport and Tourism, College of Applied Health Sciences, non-tenured, on an academic year service basis, with an increment of \$10,000, effective August 16, 2012, for a total salary of \$155,000.

David Cooper, Director of the Russian, East European and Eurasian Center, College of Liberal Arts and Sciences, Urbana-Champaign, non-tenured, on an academic year service basis, with an administrative increment of \$2,000, beginning September 17, 2012. Dr. Cooper will also receive an amount equal to one-eighteenth of his total academic year salary for one half month of service during each summer of his appointment as Director (\$4,122 during Summer 2013). He was appointed to serve as Interim Director under the same conditions and salary arrangement beginning August 16, 2012. Dr. Cooper will continue to hold the rank of Associate Professor of Slavic Languages and Literatures, School of Literatures, Cultures, and Linguistics, College of Liberal Arts and Sciences, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$72,192, effective August 16, 2012; and Associate Professor, Program in Medieval Studies, College of Liberal Arts and Sciences, non-tenured, on an academic

year service basis, on zero percent time, non-salaried, effective August 16, 2012, for a total salary of \$78,314.

Chicago

Teresa L. Córdova, Director, Great Cities Institute, College of Urban Planning and Public Affairs, Chicago, non-tenured, on an academic year service basis, with an administrative increment of \$12,272, beginning November 1, 2012. In addition, Dr. Córdova will receive an amount equal to two-ninths of her total academic year salary for two months of service during each summer of her appointment as Director (\$30,505 during Summer 2013). She was appointed to serve as Interim Director, Great Cities Institute, non-tenured, on an academic year service basis, with an administrative increment of \$6,136, beginning September 1, 2012. Dr. Córdova will continue to hold the rank of Professor of Urban Planning and Policy, College of Urban Planning and Public Affairs, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$125,000, effective September 1, 2012, for a total salary of \$167,777.

Nathan T. Harvey, Director of Physician Practice, Cancer Center, University of Illinois Hospital and Health Sciences System, Chicago, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$86,700, beginning September 17, 2012.

Ronald C. Hershow, Director, Division of Epidemiology and Biostatistics, School of Public Health, Chicago, non-tenured, on an academic year service basis, with an administrative increment of \$10,000, beginning September 17, 2012. In addition, Dr. Hershow will receive an amount equal to one-ninth of his faculty base salary plus administrative increment for one month of service during each summer of his appointment as Director (\$19,444 during Summer 2013). He was appointed to serve as Interim Director under the same conditions and salary arrangement beginning August 16, 2010. Dr. Hershow will continue to hold the rank of Associate Professor of Epidemiology, Division of Epidemiology and Biostatistics, School of Public Health, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$175,000, effective August 16, 2012; Clinical Associate Professor of Medicine, College of Medicine at Chicago, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2012; and Departmental Affiliate of Medicine, College of Medicine at Chicago, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2012, for a total salary of \$204,444.

Jesus Ramirez-Valles, Director, Division of Community Health Sciences, School of Public Health, Chicago, non-tenured, on an academic year service basis, with an

administrative increment of \$10,000, beginning September 15, 2012. In addition, Dr. Ramirez-Valles will receive an amount equal to one-ninth of his total academic year salary for one month of service during each summer of his appointment as Director (\$15,000 during Summer 2013). He will continue to hold the rank of Professor of Community Health Sciences, School of Public Health, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$125,000, effective August 16, 2012; and Professor of Psychology, College of Liberal Arts and Sciences, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2012, for a total salary of \$150,000.

Mary Jo Smith, Senior Human Resources Director, University of Illinois Hospital and Health Sciences System, Chicago, non-tenured, on a twelve-month service basis, at an annual salary of \$151,980, beginning September 17, 2012. Ms. Smith was appointed to serve as Visiting Senior Human Resources Director, non-tenured, on a twelve-month service basis, with an administrative increment of \$10,000, beginning July 16, 2012.

Springfield

Clarice Renee Ford, Associate Vice Chancellor for Student Affairs, Office of the Vice Chancellor for Student Affairs, Springfield, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$85,000, beginning September 17, 2012.

James C. Korte, Associate Vice Chancellor for Student Affairs/Dean of Students, Office of the Vice Chancellor for Student Affairs, Springfield, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$85,000, beginning September 17, 2012.

University Administration

Avijit Ghosh, Senior Advisor to the President, Office of the President, University of Illinois, non-tenured, on an academic year service basis, on 50 percent time, at an annual salary of \$148,861, beginning September 17, 2012. Dr. Ghosh was appointed to serve as Interim Senior Advisor to the President under the same conditions and salary arrangement beginning August 16, 2012. He will continue to hold the rank of Professor of Business Administration, College of Business, on indefinite tenure, on an academic year service basis, on 50 percent time, at an annual salary of \$145,230, effective August 16, 2012, for a total salary of \$294,091.

James C. Martinie, Senior Director of University Payables, Office of Business and Financial Services, University of Administration, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$120,000, beginning September 17, 2012. Mr. Martinie was appointed to serve as Interim Senior Director of University Payables under the same conditions and salary arrangement beginning July 16, 2012.

Jaewon Ryu, Associate Vice President for Professional Practice and Chief Medical Officer, Office of the Vice President for Health Affairs, University Administration, non-tenured, on a twelve-month service basis, on 45 percent time, at an annual salary of \$218,250, beginning November 5, 2012; Clinical Associate Professor in Emergency Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 45 percent time, at an annual salary of \$218,250, beginning November 5, 2012; and Physician Surgeon in Emergency Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 10 percent time, at an annual salary of \$48,500, beginning November 5, 2012, for a total salary of \$485,000.

Addendum

Faculty

Urbana

Ronald W. William Bailey, Head of the Department of African American Studies, College of Liberal Arts and Sciences, Urbana-Champaign, non-tenured, on an academic year service basis, with an administrative increment of \$4,400, beginning August 16, 2012. Dr. Bailey will receive an amount equal to one-ninth of his total academic year salary during each summer of his service as Head (\$14,711 during Summer 2013). He will also be appointed to the rank of Professor of African American Studies, College of Liberal Arts and Sciences, **summer appointment, on 100 percent time, at a monthly rate of \$14,222, July 16-August 15, 2012; and continuing as** non-tenured, on an academic year service basis, on 100 percent time, at an annual salary of \$128,000, beginning August 16, 2012, for a total salary of \$147,111.

Jessica R. Greenberg, Assistant Professor of Anthropology, probationary faculty on tenure track year three, on an academic year service basis, on 100 percent time, at an annual salary of \$66,000, beginning August 16, 2012.

Joshua M. Pollet, Associate Professor of Finance, **summer appointment, on 100 percent time, at a monthly rate of \$25,778, June 16-August 15, 2012; and continuing** on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$232,000, beginning August 16, 2012.

Chicago

Gerard Michel Awanou, Associate Professor of Mathematics, Statistics, and Computer Science, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of ~~\$88,000~~ **\$91,000**, beginning August 16, 2012.

Min Yang, Professor of Mathematics, Statistics, and Computer Science, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of ~~\$125,000~~ **\$130,000**, beginning August 16, 2012.

Mary Ann Anderson, **Associate** Professor Emerita of Biobehavioral Health Science, February 1, 2012

Administrative

University Administration

Airica Danita Steed, Chief Experience Officer, Office of the Vice President for Health Affairs, University Administration, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$200,000, beginning July 16, 2012; **and Adjunct Assistant Professor, Office of the Vice President for Health Affairs, University Administration, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, beginning July 16, 2012, for a total salary of \$200,000.**

On motion of Mr. McMillan, seconded by Dr. Koritz, these appointments were approved.

Appoint Members to the Board of Managers of IllinoisVENTURES, LLC

(2) At its meeting on April 13, 2000, the Board of Trustees of the University of Illinois (“Board of Trustees”) authorized the formation of IllinoisVENTURES, LLC (“VENTURES” or “Company”), as a University Related Organization to promote the development of new companies commercializing University technologies and to assist

companies in obtaining seed and venture capital funding, recruiting management talent, developing business plans, and acquiring other business services as needed. VENTURES is a limited liability company governed by an Amended and Restated Operating Agreement, revised March 15, 2012, (“Operating Agreement”). The Board of Managers of VENTURES are responsible for the management and control of the business, affairs, and properties of the Company. Under the terms of the Operating Agreement, the Board of Managers shall consist of such number of individuals and with such qualifications, and may include voting and non-voting Managers, as may be determined from time-to-time by resolution adopted by the Board of Trustees, as the “sole member” of VENTURES; provided that a majority of the voting Managers shall be business and industry leaders and shall not include any employee of (or person financially dependent upon) the University of Illinois, the State of Illinois, or any agency thereof, or any member of the immediate family of such person. Subject to these conditions, the Managers shall be appointed, and may be removed at any time, by resolution adopted by the Board of Trustees.

The Vice President for Research recommends that eleven managers of the Company be confirmed as voting members of the Board of Managers: one Board of Trustees representative (Edward L. McMillan); six business and industry leaders (James L. Foght, Warren Holtsberg, William P. Tai, Michael Tokarz, Brendan Fox, and Franklyn Prendergast); the Vice Chancellors for Research at the Chicago (Mitra Dutta)(ex officio) and Urbana-Champaign (Peter E. Schiffer)(ex officio) campuses; and the Directors of the

Office of Technology Management at the Chicago (Nancy A. Sullivan)(ex officio) and Urbana-Champaign (Lesley Millar)(ex officio) campuses. In addition, it is recommended that five managers of the Company be confirmed as non-voting members: the Vice President for Research (Lawrence B. Schook) (ex officio); the Vice President/Chief Financial Officer and Comptroller (Walter K. Knorr)(ex officio); the University Counsel (Thomas R. Bearrows)(ex officio); the Senior Associate Vice President for Business and Finance (Michael B. Bass)(ex officio); and the VENTURES CEO/Managing Director (John E. Banta)(ex officio).

The Board 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 concurs.

On motion of Mr. McMillan, seconded by Dr. Koritz, this recommendation was approved.

By consensus, the Board agreed that one roll call vote would be taken and considered the vote on agenda item nos. 03 through 13 as listed below.

(The record of the Board action appears at the end of each item.)

Award Construction Contracts for Mile Square Health Center, Chicago

(3) In January 2011, the Board approved the project and increased the budget in December 2011 and July 2012. The \$42.0 million project consists of the construction of a Mile Square Health Center in the Illinois Medical District which will provide health care to a far greater volume of patients in need of primary care. The project is currently a five-story building. Three shelled floors will be built-out as tenants are identified. Scope of work includes building out the tenant space on the first floor to provide an urgent care clinical area, a pharmacy, medical laboratory, administration space, and the entrance lobby. The second floor tenant improvements will be for a physician's family practice, including 43 exam rooms, a mental health room, and tele-health rooms. Exterior improvements include a permeable paver parking lot and landscaping. The project is pursuing U.S. Green Building Council LEED Silver Certification.

For the project to proceed, the Vice President, University of Illinois, and Chancellor, University of Illinois at Chicago with the concurrence of the appropriate administrative officers recommend that the following contracts be awarded. Competitive bidding procedures in accordance with the Illinois Procurement Code were followed; and the award is to the lowest responsible bidder on the basis of its base bid plus the acceptance of indicated alternates²:

² Description of Alternates: Alt. 1 – Removal of Contaminated Soil; Alt. 2 – Utility Connection; Alt. 3 – Parking and Landscaping; Alt. 4 – Redundant Electrical Service; Alt. 5 – Pharmacy Build-Out; Alt. 7 – Exam Room Area 01; Alt. 8 – Mental Health; Alt.

Division III – Heating Work

Quality Control Systems, Matteson, IL	Base Bid	\$3,617,000
	Alt. 1	0
	Alt. 2	2,011
	Alt. 3	0
	Alt. 4	0
	Alt. 5	13,000
	Alt. 7	11,000
	Alt. 8	26,000
	Alt. 9	0
	Alt. 10	12,200
	Alt. 11	0
	Alt. 12	6,600
	Alt. 13	16,800
	Alt. 14	24,000
	Alt. 15	<u>66,300</u>
TOTAL		\$3,794,911

Division V – Electrical Work

Public Electric, Wheeling, IL	Base Bid	\$3,295,000
	Alt. 1	95,000
	Alt. 2	420,000
	Alt. 3	104,500
	Alt. 4	167,500
	Alt. 5	61,000
	Alt. 7	41,000
	Alt. 8	25,000
	Alt. 9	7,000
	Alt. 10	21,000
	Alt. 11	23,500
	Alt. 12	7,500
	Alt. 13	22,500
	Alt. 14	60,000
	Alt. 15	<u>60,500</u>
TOTAL		\$4,411,000

9 – Procedure Area; Alt. 10 – Exam Room Area 02; Alt. 11 – Exam Room Area 03; Alt. 12 – Tele-Health; Alt. 13 – Staff Lounge; Alt. 14 – Women/Infant Children; Alt. 15 – Administration Space

The Board 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 the Board of Trustees policies and directives.

Funds for this project are available from a grant from the Health and Human Service Resources and Services Administration, the institutional funds operating budget of the Chicago campus, and restricted funds operating budgets under the direction of the Vice President for Health Affairs.

The President of the University concurs.

A schedule of the bids received has been filed with the Secretary of the Board for record.

(Construction will begin in October 2012 and is scheduled to be completed in December 2013.)

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Employ Architect/Engineer for College of Medicine
Learning Center Space Renovation, Chicago

(4) In March 2012, the Board approved the \$15.0 million College of Medicine Learning Center Space project. The project consists of the renovation of the College of Medicine Learning Center Space which will include: partial reconfiguration and renovation of the second, third, and fourth floors of the College of Medicine West Tower Building; updating the interior architecture and replacing finishes, furniture, and equipment; and improving lighting, audiovisual equipment, and acoustics to support learning functions. Outdated building infrastructure systems (Mechanical, Electrical, Plumbing, and Fire Protection serving the renovated area will also be upgraded or replaced having exceeded their expected lifespan.

The main objective of the project is to provide a twenty-first century contemporary learning space that provides efficient and reliable year-round comfort for the occupants.

In order for the project to proceed, it is necessary to employ an architect/engineer for the required professional services. The selection of the architect/engineer for this project was in accordance with the requirements and provisions of Public Act 87-673 (Architectural, Engineering and Land Surveying Qualifications-Based Selection Act).³

³ A selection committee consisting of: Clarence Bridges (Facilities Management); Grainne Cassidy-Stoltz (Office for Capital Programs); Waleed D'Keidek (Office for

Accordingly, the Vice President, University of Illinois, and Chancellor, University of Illinois at Chicago with the concurrence of the appropriate administrative officers recommends that Krueck & Sexton Architects of Chicago, be employed for the professional services required for this project. The firm's fees for this project will not exceed a fee of \$1,280,693 including reimbursable expenses.

The Board 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 the Board of Trustees policies and directives.

Funds for this project are available from the institutional funds operating budget of the Chicago campus.

The President of the University concurs.

Capital Programs); Kevin Duff (University Office for Capital Programs and Real Estate Services); John Hiltcher (Office for Capital Programs); Nicholas Kane (College of Medicine); Alberto Agustin Lopez-Scala (College of Medicine); Dave Taeyaerts (Campus Learning Environment); and Todd Van Neck (College of Medicine) interviewed and ranked as most qualified the following firms: Harley Ellis Devereaux, Chicago, IL; Krueck & Sexton Architects, Chicago, IL; Legat Architects, Chicago, IL; Lothan Van Hook DeStefano Architecture LLC, Chicago, IL; and Solomon Cordwell Buenz, Chicago, IL. The committee recommends Krueck & Sexton Architects, Chicago, IL, as best meeting the criteria for the project.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Approve Operating Budget for Fiscal Year 2013

(5) The Vice President/Chief Financial Officer and Comptroller recommends approval of the University's Fiscal Year (FY) 2013 operating budget, covering the allocation of estimated operating income from all sources. This recommendation follows the Board's adoption of a preliminary FY 2013 operating budget at the May 2012 meeting. The recommended \$4.4 billion operating budget, before recognition of the value of payments on behalf, represents a \$40.1 million (2.0 percent) increase in unrestricted funds, a \$115.6 million (5.1 percent) increase in restricted funds, and a \$155.6 million (3.7 percent) increase in all operating funds from FY 2012. The recommended \$5.4 billion operating budget, inclusive of the value of payments on behalf, represents a \$40.1 million (2.0 percent) increase in unrestricted funds, a \$115.6 million (5.1 percent) increase in restricted funds, a \$227.6 million (28.7 percent) increase in payments on behalf, and a \$383.3 million (7.6 percent) increase in all operating fund from FY 2012.

Consistent with Board of Trustees' directives on the configuration of the internal operating budget adopted by the Board at the March 13, and June 27, 2003, meetings, the Vice President for Academic Affairs and the Vice President/Chief Financial Officer and Comptroller prepared the budget based upon: (1) the policies and institutional priorities established by the Board of Trustees in consultation with senior academic leaders; (2) recommendations of the vice presidents/chancellors, after consultation with deans, directors, and other University officers on the methods and means of best executing the Board's policies and institutional priorities; and (3) recommendations from the President. The allocation of restricted funds is in accord with the terms and conditions of the restrictions, and the allocation of unrestricted funds follows the Board's policies and institutional priorities.

The attachment to this item is the *Budget Summary for Operations* for FY 2013 (the BSO, or "Orange Book"), and presents all University-level budget amounts by source of funds and object of expenditure.

The BSO executive summary is divided into two major sections. The section titled "University Revenue Budget FY 2013" defines the sources of University operating revenue for FY 2013, details the budget by those revenue sources, and analyzes the change in revenue from FY 2012 to FY 2013. The section titled "University Expense Budget FY 2013" defines and details the budget by expenditure category. Detailed campus budget schedules follow the executive summary and provide budget year and prior year revenue and expense information:

- Schedule A: Details campus-level revenue by fund source (e.g., State, institutional, gift/endowment, etc.) and expense by fund type and function (e.g., instruction, research, student aid, etc.).
- Schedule B: Provides budgeted expenditures by college-level organization in the following categories: State; Institutional; Self-Supporting; and Gifts, Grants and Contracts.
- Schedule C: Lists budgeted expenditures by college-level organization and function (for budget year only).
- Schedule D: Provides department-level detail of State and institutional fund budgeted expenditures and presents a more detailed breakdown of college-level restricted fund expenditures than is available in Schedule B.

Schedule A, Schedule B, and Schedule C are campus-level schedules (one of each per campus) whereas Schedule D is college-level and each campus has multiple Schedule Ds.

Three appendices follow the campus budget tables; the first provides critical dates in the budget process; the second provides the delegation of authority for specified budgetary transactions, and the required Board reporting of budgetary activities; and the third provides a glossary of terms.

The Board 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 concurs.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Approve Academic and Administrative Appointments for Contract Year 2012-2013

(6) On May 31, 2012, the Board of Trustees approved a Preliminary Operating Budget for Fiscal Year 2013. Recommendations for academic and administrative appointments beginning August 16, 2012, have been completed within the funds available to the University reflected in the proposed preliminary operating budget.

Accordingly, the President of the University recommends approval of the document entitled *Academic Personnel, 2012-2013*, and requests authorization, in accord with the needs of the University and the equitable interests involved, and within total budgeted income: (1) to accept resignations; (2) to make such additional appointments as are necessary and to approve the issuance of notices of nonreappointment, subject to the provisions of the University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and *Policy and Rules*; and (3) to make such other personnel adjustments as needed, such adjustments to be covered in periodic reports to the Board of Trustees (Secretary's Report).

The Board 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.

On motion of Mr. Montgomery, seconded by Mr. Estrada, these appointments were approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Approve Requests for New Operating and Capital Appropriations, Fiscal Year 2014

(7) Requests for incremental operating funds and for new capital appropriations for the University of Illinois for the fiscal year commencing July 1, 2013, are presented for action by the Board of Trustees. Following Board action, these requests will be submitted to the Illinois Board of Higher Education and State agencies for review. The accompanying tables summarize the major elements of each request, and the document, *Fiscal Year 2014 Budget Request for Operating and Capital Funds*, provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2014 Operating Budget Request is outlined in Table 1. The University seeks \$81.5 million in new funds, an increase of 4.9 percent above the current year's budget. The FY 2014 request focuses primarily upon needs for salary

competitiveness for faculty and staff. The FY 2014 request also continues prior efforts to secure facilities maintenance resources in the operating budget, as well as resources to meet critical operating cost increases. The request presents the most urgent funding needs confronting the University.

Table 2 identifies the ten projects in the FY 2014 Capital Budget Request in priority order. Together, these projects represent an investment of \$447.0 million, devoted to preserving and extending facilities already in place at the campuses and to critically important new initiatives. Remodeling and renovation projects comprise a large part of the total funds requested with the highest priority given to repair and renovation projects at the three campuses. The request clearly emphasizes the importance the University places on maintenance and upkeep of existing facilities, highlighting the need to adequately fund multiple aspects of the facility plant assets. Due to its unique characteristic, additional funding for the Healthy Returns-The Illinois Bill of Health proposals will continue to be pursued independently from this request.

The operating and capital requests summarized here reflect the University's highest priority budget needs, focusing on the University's mission of instruction, research, public service, and economic development. The priorities in both the operating and capital requests presented here are consistent with those in the preliminary requests presented to the Audit, Budget, Finance, and Facilities Committee in July 2012.

The University's operating and capital requests for FY 2014 have been prepared by the Vice President/Chief Financial Officer and Comptroller based upon advice from the University Policy Council.

The Vice President/Chief Financial Officer and Comptroller and the Vice President for Academic Affairs recommend approval.

The President of the University concurs.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Table 1
FY 2014 Operating Budget Request
(Dollars in Thousands)

I.	Strengthen Academic Quality	\$ 52,479.5
	<i>% of FY 2013 Base</i>	<i>3.1%</i>
	Competitive Compensation	
II.	Address Facility Operations Needs	\$ 25,033.4
	O & M New Areas, Facility Maintenance Support, Utility Maintenance Support	
III.	Meet Inflationary and Other Cost Increases	\$ 3,945.5
	Payroll Cost Increases, Library Price Increase	
	Total Request	\$ 81,458.4
	<i>% of FY 2013 Base</i>	<i>4.9%</i>
IV.	Healthy Returns—The Illinois Bill Of Health	\$15,000.0
V.	Medical Professional Liability Insurance	\$10,000.0
	<i>FY 2013 Base:</i>	\$1,679,507.4

Table 2
FY 2014 Capital Budget Request
(Dollars in Thousands)

Priority	Project	Urbana	Chicago	Springfield	Total
1	Repair and Renovation	\$ 33,600	\$ 24,000	\$ 2,400	\$ 60,000
2	Natural History Building	15,000			15,000
3	Pharmacy Renovation & Addition		86,000		86,000
4	Main/Undergrad Library Redevelopment	50,000		53,550	103,550
5	Hospital Modernization Phase I		43,000		43,000
6	Disability Research, Res. & Educ. Svc. Bldg.	52,400			52,400
7	Stevenson Hall Classroom Building Modernization		22,000		22,000
8	Burrill Hall Remodeling	25,000			25,000
9	Medical Sciences Building Modernization Ph. 1		25,000		25,000
10	Cultural Center Bulding	15,000			15,000
		\$ 191,000	\$ 200,000	\$ 55,950	\$ 446,950

Approve Project for Advanced Chemical Technology Building, Chicago

(8) This 144,600 gross square foot five-story, new state-of-the-art chemistry research facility with laboratories for chemistry, physics, and biology at the northwest corner of Halsted Street and Roosevelt Road will maximize operational efficiencies due to the connection between the proposed facility and the existing Science and Engineering South Building.

In February 2003, the Board approved the recommendation for the Capital Development Board to hire Loeb Schlossman & Hackl, Chicago, and in November 2004, the design was approved by the Board of Trustees.

The project proceeded through the development of bid documents and has been waiting to continue pending the release of funds from the State.

Accordingly, the Vice President, University of Illinois, and Chancellor, University of Illinois at Chicago with the concurrence of the appropriate administrative officers recommends that the Advanced Chemical Technology Building project be approved with a revised budget of \$104,000,000 of which \$64,000,000 is State appropriation funds and \$40,000,000 is institutional funds with anticipated reimbursement from the proceeds of a subsequent certificates of participation sale.

The Board 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.

Funds for this project are available from the institutional funds operating budget of the Chicago campus with anticipated reimbursement from the proceeds of a subsequent certificates of participation sale and from funds appropriated to the Capital Development Board.

The President of the University concurs.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Increase Project Budget for Exterior Repairs, Davenport Hall

(9) In March, 2011, the Board approved the \$5.0 million exterior repairs project of Davenport Hall which includes replacement of single pane windows (in addition to tuck-pointing and re-roofing). Subsequent to this approval and during the schematic design phase, additional windows with double panes have been identified that have advanced deterioration and require replacement. Including those windows would increase the project budget by \$1.0 million for a revised total project cost of \$6.0 million.

With the additional funds, a revised construction cost has been estimated at \$5.4 million (including contingencies and escalation).

Accordingly, the Vice President, University of Illinois, and Chancellor, University of Illinois at Urbana-Champaign with the concurrence of the appropriate administrative officers recommends that the Board approve the increase in budget for this project.

The Board 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.

Funds for this project are available from Academic Facilities Maintenance Fund Assessment Fund and institutional funds operating budget of the Urbana campus.

The President of the University concurs.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Approve Campus Master Plan Update, Springfield

(10) The current master plan for the Springfield campus was completed and approved by the Board of Trustees in 2000 and an update was approved in November 2008. The focus of this update is to provide new locations for the Public Safety Building and the Student Union based on recent studies.

Accordingly, the Vice President, University of Illinois, and Chancellor, University of Illinois at Springfield with the concurrence of the appropriate administrative officers recommends approval of the Springfield Campus Master Plan Update as a general guide for the long-term growth and development of the campus.

The Board 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 concurs.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Purchase Recommendation

(11) The president submitted, with his concurrence, a purchase recommended by the directors of purchases and the vice president/chief financial officer and comptroller.

The purchase was presented from institutional funds. The term designates funds received by the University under contracts with the United States government, private corporations, and other organizations; grants from foundations, corporations, and other donors; and University revolving funds authorized by law.

The total amount of this purchase was \$6,700,000.

A summary of the purchase with supporting information (including the quotations received), was sent to each member of the Board in advance of the meeting. A copy is being filed with the secretary of the Board for record.

On motion of Mr. Montgomery, seconded by Mr. Estrada, these were approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Montgomery, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn.

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Authorize Settlement

(12) The University Counsel recommends that the Board approve settlement of *Sass v. Yao, M.D., et al.*, in the amount of \$1,100,000. Plaintiff, 52-year-old Margaret Sass, alleges recurrent laryngeal nerve paralysis and damage to the left phrenic nerve due to improper performance of left and right modified radical neck dissections to treat her recurrent thyroid cancer.

The Board 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 Vice President/Chief Financial Officer and Comptroller concurs.

The President of the University recommends approval.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn. (Mr. Montgomery asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Authorize Payment of Judgment

(13) The University Counsel recommends that the Board approve payment of the judgment in *Watson v. Mess, M.D.*, in the total amount of \$360,063.91. After a three-day trial, the jury returned a verdict in that amount in favor of the Plaintiff, 49-year-old Lucille Watson. Ms. Watson had alleged an improper performance of, and treatment for, a total right knee replacement which resulted in severe and permanent injury to her leg.

The Board 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 Vice President/Chief Financial Officer and Comptroller concurs.

The President of the University recommends approval.

On motion of Mr. Montgomery, seconded by Mr. Estrada, this was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Mr. McMillan, Mr. Oliver, Ms. Strobel, Mr. Tienken; No, none; Absent, Governor Quinn. (Mr. Montgomery asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Mr. Pileski, Mr. Thomas)

Office of University Audits Annual Report for the Year Ended June 30, 2012

(14) The executive director of University audits presented this report as of June 30, 2012. A copy has been filed with the secretary of the Board.

This report was received for record.

Change Order Report

(15) On September 23, 2010, the Board of Trustees delegated the authority to the Comptroller to approve change orders to University contracts and purchase agreements. Change orders related to medical center operations that exceed 25 percent of the original Board approved contract or purchase agreement and change orders that are not related to the medical center operations that exceed five-percent of the original Board approved contract for construction or professional services or original Board approved purchase agreements for supplies or equipment will be reported to the Board at its next scheduled meeting.

The intent of this report is to provide the Board of Trustees a review of those changes germane to the respective projects which have occurred. A copy has been filed with the secretary of the Board.

This report was received for record.

Investment Report for the Quarter Ended June 30, 2012

(16) The comptroller presented this report as of June 30, 2012. A copy has been filed with the secretary of the Board.

This report was received for record.

Report Concerning Participation of Minority and Female Business Enterprises (MAFBE)
to the Board of Trustees of the University of Illinois

(17) This report responds to the Board of Trustees' request for periodic information on MAFBE expenditures. The report lists the number of MAFBE vendors in total and by category and expenditures by category for the period July 1, 2011, through June 30, 2012. A copy has been filed with the secretary of the Board.

This report was received for record.

Report on Patient Safety and Risk,
University of Illinois Hospital and Health Sciences System

(18) This report prepared in compliance with the Joint Commission on Accreditation of Healthcare Organizations was presented to the Board for record. A copy has been filed with the secretary of the Board.

SECRETARY'S REPORT

The secretary presented for record changes to academic appointments for contract year 2011-12, new hires, reappointed retirees, resignations, and notices of nonreappointment. A copy has been filed with the secretary of the Board.

At 11:19 a.m., Mr. Kennedy suggested that the Board take a short break.

Dashboard Report Presentation

At 11:28 a.m., the meeting resumed with all board members previously recorded as being present in attendance. Mr. Kennedy asked Vice President/Chancellor Wise to provide a dashboard report on the Urbana campus (materials on file with the secretary). Dr. Wise presented a series of charts depicting metrics in several areas: student access, enrollment, and outcomes; tuition and financial aid; faculty and scholarship; and financial indicators, and she compared these to data from peer institutions. She reviewed data regarding student admissions and enrollment, degrees granted in STEM (science, technology, engineering, and mathematics) fields and other disciplines, and doctoral programs. She also provided data concerning tuition and fees, the percentage of students receiving some type of aid, the amount of unmet need, and average debt among students. She reviewed metrics regarding faculty and discussed national academy memberships, faculty-to-student ratios, and salaries, and she provided data regarding research and development expenditures, federal research funding, and the number of patents, licensing revenues,

and new companies that started based on technology developed at Urbana. Dr. Wise also presented data concerning State support, instructional expenses, and advancement.

After the presentation, Dr. Wise introduced members of the 1867 Society, who provided a live enactment of the Alma Mater statue, which is currently off-site for repair and conservation. This was followed by a round of applause.

At 12:20 p.m., Mr. Kennedy suggested that the Board take a short break for lunch.

At 1:00 p.m., the meeting resumed, with all Board members recorded as present at the start of the meeting in attendance. The Varsity Men's Glee Club, conducted by Dr. Barrington Coleman, performed three selections: *Fratres in unum*, by Bernard Fitzgerald; *My Lord, what a Morning*, a traditional spiritual; and *Brothers, Sing On!*, by Edvard Grieg. This was followed by a round of applause. Mr. Kennedy asked the members of the Varsity Men's Glee Club to introduce themselves, and he thanked them for the performance.

PRESENTATION ON THE COLLEGE OF BUSINESS, URBANA

At 1:13 p.m., Mr. Kennedy invited Dr. Larry DeBrock, dean, College of Business, Urbana, to provide a presentation on the College of Business (materials on file with the secretary). Dean DeBrock provided information about the college, its alumni, and its current student population. He commented to college's high faculty to student ratio, which he said the college is hoping to improve. He discussed faculty and provided an

overview of undergraduate programs, and he described a required course for College of Business freshman that utilizes upper classmen as section leaders. He introduced one of the section leaders in attendance at the meeting. Dean DeBrock then discussed participation rates in study abroad programs and introduced a student in attendance who recently returned from a study-abroad trip to China. He also described success in case competitions and introduced a College of Business student who was the recently named a Lincoln Academy of Illinois Order of Lincoln student laureate..

Dean DeBrock then discussed graduate programs, rankings, and post-graduation employment. He referred to corporate partners of the College of Business, highlighted success in fundraising, provided examples of efficiencies at the college, and discussed its challenges and solutions. He concluded his presentation by reviewing the mission of the college.

Discussion followed, and Dean DeBrock responded to questions regarding the financial engineering program, as well as methods for maintaining relationships with corporate partners and for maintaining alumni records. Mr. McMillan commented that the College of Business is supportive of new businesses and incubator businesses, and the dean provided some information about this. He also responded to questions from Mr. Montgomery regarding the availability of online courses, and said that while some courses leading to a minor in business are available online, the final course in the series will be available online next summer. Mr. Kennedy thanked Dean DeBrock for the presentation.

REVENUE AND EXPENSES

Financial Indicators

At 1:36 p.m., Mr. Kennedy asked Vice President Knorr to provide a report on financial indicators for the University (materials on file with the secretary). Mr. Knorr presented a summary of the University's Fiscal Year 2012 finances, and indicated that delayed State payments are an ongoing problem. He presented a chart depicting the State appropriation and benefits, and explained there was an increase in the cost of payments on behalf. He then presented charts that showed appropriations and tuition from Fiscal Year 2003 through 2013, billings and collections of State appropriation revenue unrestricted funds through September 10, 2012, and the month-end general revenue fund receivable from Fiscal Year 2007 through 2013. He discussed the Fiscal Year 2010 State Capital budget, noting that funding for these projects has been released, and he provided a chart that showed billings and collections of tuition revenue. Next, Mr. Knorr presented a graph that showed the percentage of students who paid full tuition in 2011, and he compared tuition at the University to other schools in the Big Ten. He also presented revenue, expenses, and net income for fiscal year 2011 and 2012 for the hospital, medical service plan, and auxiliary activities. Next, he discussed sponsored projects revenue, and he provided charts regarding the University of Illinois and University of Illinois Foundation endowments. He also compared these to other institutions using the 2011 NACUBO

Commonfund Study of Endowments and provided some additional information regarding the endowment pool performance compared to the endowment pool benchmark.

Brief discussion followed, and Mr. Knorr provided additional information regarding tuition and the University's investment philosophy and associated management fees. Mr. Kennedy thanked Mr. Knorr for the presentation.

Administrative Review and Restructuring Update

At 2:00 p.m., Mr. Kennedy asked Dr. Avijit Ghosh, senior advisor to the president, to provide an update on the Administrative Review and Restructuring (ARR) initiative. Dr. Ghosh began his presentation (materials on file with the secretary) by providing a brief history of ARR and reviewing its guiding principles. He estimated that initiatives to increase efficiency have resulted in a recurring annual savings of \$50.0 million. He described a reduction in costs resulting from the use of strategic procurement services and information technology and highlighted the Unified Communications system, which he said will result in savings of \$3.0 million per year. Dr. Ghosh then discussed the use of shared service centers in areas such as information technology and human resources and described a University-wide emphasis on efficiency. He expressed appreciation for those at the University who have contributed to these savings, and thanked the Board for its continued support. Mr. Kennedy thanked Dr. Ghosh for the update, and Mr. Montgomery commented that these results are impressive.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

There was no business presented under this aegis.

REPORT FROM THE FACULTY

At 2:14 p.m., Mr. Kennedy asked Dr. Nicholas Burbules, chair of the University Senates Conference, to provide a report from the faculty (materials on file with the secretary). Dr. Burbules stated that the process of shared governance weathered threats during the previous year, and that a new year brings with it new opportunities and challenges. He referred to greater openness and communication with the Board and University administration and said this has resulted in increased trust and respect. He read a portion of a document recently written for the Urbana Senate that focuses on the importance of trust, respect, collegiality, and transparency in shared governance. He then provided an update on the organization of the University Senates Conference, which he said is now utilizing a subcommittee structure similar to that of the Board. He referred to the success of the recent Board retreat, and stated that it was a milestone in the evolution of shared governance. He briefly commented on discussions surrounding the idea of distinct campus identities versus one University, and said a feeling of security throughout the campuses leads to greater collaboration. He stated that he believes a strong foundation is

in place for increased support and connections across the campuses. He concluded his comments by stating that the University Senates Conference is committed to working together to help lead the three campuses to a brighter future.

ANNUAL REPORT URBANA SENATE

At 2:21 p.m., Mr. Kennedy asked Dr. Matthew Wheeler, chair of the Urbana Senate executive committee, to provide an annual report from the Urbana Senate. Dr. Wheeler began his presentation (materials on file with the secretary) by providing an overview of the academic Senate at Urbana, and he explained the ways in which the Senate and campus administration work together. He discussed the work of the Senate throughout the past year, and also referred to changes in campus leadership. He briefly commented on the work conducted by ad hoc committees, and referred to resolutions that were approved throughout the year. He reported that the Senate also approved six amendments to its procedures and the University *Statutes*, and also approved changes to 16 academic programs. He expressed gratitude to the Board for keeping the lines of communication open, and said that the Senate is committed to the well-being of the University. He stated that shared governance works well at all levels and should be fostered and protected. He commented that there is a feeling of optimism and hope throughout the campus.

Mr. Kennedy thanked Dr. Wheeler for his report and asked if it might be possible to receive an update on efforts to assist in handling regulatory burdens, which Dr. Wheeler had discussed at a previous meeting.

PUBLIC COMMENT SESSION

Before introducing the public comment session, Mr. Kennedy referred to the September 24, 2012, cover of *Forbes* magazine, which featured a photograph of alum Mr. Shahid Khan and was accompanied by the title “Face of the American Dream.”

Mr. Kennedy then announced a public comment session at 2:32 p.m. and explained that the *Procedures Governing Appearances before the Board of Trustees* allow for a maximum of six individuals to speak for five minutes each. He then introduced the only speaker, Dr. Harriet Murav, professor at the Urbana campus.

Dr. Murav stated that non-academic employees play a crucial role at the University. She referred to comments made last year asserting that faculty be used as a source of expertise, and indicated that employees serving in Civil Service roles or engaging in non-academic work are also very dedicated to the University and have ideas to improve efficiencies. She encouraged the Board to find opportunities to listen and learn from the expertise of non-academic employees throughout the University, and to also show respect for this group of dedicated employees.

ANNOUNCEMENTS

Mr. Kennedy announced that the upcoming meetings of the Board of Trustees are scheduled for November 8, 2012, and January 23 and 24, 2013.

MOTION TO ADJOURN

At 2:38 p.m., chair Kennedy requested a motion to adjourn the meeting. On motion of Mr. Montgomery, seconded by Mr. Oliver, the meeting adjourned. There were no “nay” votes.

SUSAN M. KIES
Secretary

CHRISTOPHER G. KENNEDY
Chair