

The discussion held in executive session has not been approved for release to the public and has thus been deleted from these minutes.

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MEETING OF THE BOARD OF TRUSTEES  
OF THE  
UNIVERSITY OF ILLINOIS

November 13, 2014

This meeting of the Board of Trustees of the University of Illinois was held in the Michèle M. Thompson Rooms B and C, UIC Student Center West, 828 South Wolcott Avenue, Chicago campus, Chicago, Illinois, on Thursday, November 13, 2014, beginning at 8:05 a.m.<sup>1</sup>

Mr. Edward L. McMillan, acting as chair *pro tem*, called the meeting to order and asked the secretary to call the roll. The following members of the Board were present: Mr. Ricardo Estrada, Mr. Patrick J. Fitzgerald, Ms. Karen Hasara, Ms. Patricia Brown Holmes, Mr. Christopher G. Kennedy<sup>2</sup>, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. James D. Montgomery, Ms. Pamela B. Strobel. Governor Pat Quinn was in attendance<sup>3</sup>. Ms. Danielle M. Leibowitz, voting student trustee from the Chicago

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<sup>1</sup> At 8:04 a.m., Mr. McMillan, acting as chair *pro tem*, 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 Mr. Kennedy and Governor Quinn. There was one agenda item, which was approved. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the meeting adjourned at 8:05 a.m.

<sup>2</sup> Mr. Kennedy arrived at 8:11 a.m.

<sup>3</sup> Governor Quinn arrived at 9:30 a.m. and left the meeting at 10:28 a.m.

campus, was present. The following nonvoting student trustees were present: Mr. Lucas N. Frye, Urbana campus; Ms. Hannah Cave, Springfield campus. President Robert A. Easter was present.

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 of the Board and of the University. Ms. Marna K. Fuesting and Ms. C. Ellen Foran, both assistant secretaries, were also in attendance.

#### MOTION FOR EXECUTIVE SESSION

At 8:06 a.m., Mr. McMillan, serving as chair *pro tem*, stated: “A motion is now in order to hold an executive session to consider University employment or appointment-related matters; setting the price for the sale or lease of property owned by the University; and discussion of meetings lawfully closed under the open meetings act.”

On motion of Mr. Montgomery, seconded by Ms. Holmes, 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 adjourned at 10:08 a.m.

## REGULAR MEETING RESUMED

The meeting resumed at 10:16 a.m., with all Board members recorded as being present at the start of the meeting in attendance, as well as Mr. Kennedy. Governor Quinn was also present.

## COMMENTS FROM THE GOVERNOR

Governor Quinn thanked the trustees for their time and service and said that success at the University is important to the State, country, and world. He referred to his recent visit to the Urbana campus for the dedication of the Electrical and Computer Engineering Building and commented on the importance of sustainability. He discussed Monetary Access Program (MAP) funding and said he would like to see the amount doubled, and he expressed concern regarding the waiting list of students who qualify for it. Governor Quinn discussed investing in infrastructure and the need for additional scholarships, and he referred to the Chicago campus's potential designation as a Hispanic-Serving Institution. He also commented on the importance of early childhood education.

Governor Quinn thanked Mr. Kennedy for serving as chair of the Board through some difficult times, and he thanked President Easter for his leadership.

Governor Quinn also commended Dr. Paula Allen-Meares, chancellor, Chicago campus, and vice president, University of Illinois, for her work and mentioned work they had done together. His comments were followed by a round of applause and standing ovation.

Governor Quinn left the meeting at 10:28 a.m.

### COMMENTS FROM THE CHAIR

Mr. Kennedy wished Mr. Frye a happy birthday and congratulated Mr. Estrada on receiving the Social Impact Award from the Alumni Association of the School of Social Service Administration at the University of Chicago. This was followed by a round of applause.

### PERFORMANCE OF THE STATE SONG

Mr. Kennedy then introduced Ms. Morgan Pirtle, a freshman at Chicago majoring in jazz studies, to sing the State song, *Illinois*. She was accompanied on the piano by Mr. Supasit Supawong, a jazz pianist pursuing a second bachelor's degree in music performance at Chicago. The performance was followed by a round of applause.

### INTRODUCTION OF UNIVERSITY OFFICERS AND SENATE OBSERVERS

President Easter welcomed everyone to the meeting and introduced the vice presidents of the University in attendance: Dr. Phyllis M. Wise, chancellor, Urbana campus, and vice president, University of Illinois; Dr. Allen-Meares; Dr. Susan J. Koch, chancellor, Springfield campus, and vice president, University of Illinois; Mr. Walter K. Knorr, comptroller (and vice president/chief financial officer); Dr. Christophe Pierre, vice president for academic affairs; Dr. Lawrence B. Schook, vice president for research; and Dr. Jerry L. Bauman, interim vice president for health affairs. President Easter also introduced Mr. Thomas P. Hardy, executive director for University relations. President

Easter then introduced the senate observers and the representative of the academic professional staff: Dr. Gay Miller, professor, department of pathobiology, College of Veterinary Medicine, Urbana, representing the University Senates Conference; Dr. Kimberly Hu, undergraduate student, department of physiology, College of Liberal Arts and Sciences, Chicago, representing the Chicago Senate; Dr. Rosina Neginsky, associate professor, department of liberal integrative studies, College of Liberal Arts and Sciences, Springfield, representing the Springfield Senate; and Ms. Margaret Moser, director of administrative operations, Office of the Vice President for Health Affairs, representing the academic professional staff. President Easter also introduced Dr. Donald A. Chambers, professor, department of physiology and biophysics, Chicago, and chair of the University Senates Conference, and Dr. Catherine Vincent, associate professor, department of women, child, and family health science, Chicago, and chair of the Chicago Senate Executive Committee.

#### WELCOME FROM THE CHANCELLOR AT CHICAGO

Mr. Kennedy asked Dr. Allen-Meares to comment briefly on the Chicago campus and the work that is occurring there. Dr. Allen-Meares played a video highlighting work underway at the campus, including a cutting-edge treatment for depression; transformation in medical education; and student success. She said there is a lot to be proud of at the Chicago campus, which was followed by a round of applause.

## FINANCIAL REPORTS

At 10:45 a.m., Mr. Kennedy asked Mr. Knorr to provide a financial report (materials on file with the secretary). Mr. Knorr gave a Fiscal Year 2014 financial summary and discussed performance, improvements, and challenges. He presented credit ratings for universities in the Big Ten, along with their corresponding State credit rating. Mr. Knorr reported on State appropriation revenue collected through November 10, 2014, noting that \$62.0 million has been received, and showed the month-end general revenue fund receivable and percent of the State budget. He then discussed payments on behalf and mentioned the concern that these costs could become the University's responsibility in the future. Mr. Knorr then reported on tuition revenue and hospital and medical service plan revenue, expense, and income. He commented on hospital credit ratings, the Medicaid reimbursement rate, and impact of the Affordable Care Act, and he referred to the effect of increased patient volume on medical service plan revenue. Next, Mr. Knorr reported on the revenue, expense, and income of auxiliaries and departmental activities, and he showed a comparison of the utility budget to actual expenditures. He also discussed federal grants and contracts expenditures and commented briefly on funding in Fiscal Year 2014.

Next, Mr. Knorr presented University of Illinois Foundation distributions to the University and said some numbers are inflated due to funding for the Electrical and Computer Engineering Building at Urbana. He reported on the University and University of Illinois Foundation individual and combined total endowment and discussed the

University endowment pool investment performance. Mr. Knorr then presented administrative costs at each campus and University administration, and said that costs for University administration have decreased. He compared institutional support as a percentage of total expenditures at the University to other universities in the Big Ten. Mr. Knorr concluded his presentation by sharing a Fiscal Year 2015 outlook and commented on aspects of the State's fiscal situation and how this may impact the University.

Mr. Kennedy inquired about the impact on the University if the State income tax increase is not extended during the veto session. Mr. Knorr said this would result in a \$2.0 billion loss to the State and predicted that the University would receive a 10.6 percent reduction in its State appropriation.

#### Quarterly Report on Illinois' Economic and Fiscal Challenges

At 11:03 a.m., Dr. Richard F. Dye, professor, Institute of Government and Public Affairs (IGPA), provided a report on Illinois' economic and fiscal challenges. After describing recent and upcoming IGPA activities on fiscal topics, he provided an economic overview of Illinois. Dr. Dye compared unemployment in Illinois to unemployment in the United States and the Midwest and explained that while unemployment rates have decreased in Illinois, this is due in part to a decline in the labor force in the State. Dr. Dye then presented a fiscal overview and commented on the impact of the phasing out of the temporary State income tax increase and its impact on the State's finances. He then addressed other aspects of the Fiscal Year 2015 budget. Next, Dr. Dye presented the

IGPA's fiscal futures model and showed projections with and without the phasing out of the income tax increase and pension law changes. He discussed other aspects of Illinois' budget issues and commented on Illinois bond ratings, which he said impact the State's borrowing costs because of low ratings. Dr. Dye shared a warning issued by Standard and Poor's after changing the Illinois credit outlook to negative, and he concluded his presentation by providing a summary of economic and fiscal challenges facing the State.

## COMMITTEE REPORTS

### Report from Chair, Audit, Budget, Finance, and Facilities Committee

At 11:23 a.m., Mr. Kennedy asked Mr. McMillan, chair of the Audit, Budget, Finance, and Facilities Committee, to provide a report from that committee. Mr. McMillan serves on the committee with Dr. Koritz, Mr. McKeever, Mr. Montgomery, and Ms. Strobel. Mr. McMillan reported that the committee met Monday, November 3, 2014, at 1:00 p.m., and that committee members approved the minutes of the meeting that was held September 3, 2014. Mr. McMillan said that several presentations, including those related to Board items, were provided. He told the Board that Dr. Pierre provided a presentation on context for Fiscal Year 2016 tuition. He said Ms. Mary Case, professor and University librarian, Chicago; Dr. Michael W. Redding, executive associate chancellor of public and government affairs, Chicago; and Mr. Mark Donovan, vice chancellor for administrative services, Chicago, gave a presentation on a resolution in support of the University of Illinois at Chicago's response to the Barack Obama Foundation's "Request for Proposal." Mr.

McMillan stated that Mr. Robert Plankenhorn, director of capital financing, reported on the recommendation to delegate authority to the vice president/chief financial officer and comptroller to refund outstanding certificates of participation and outstanding auxiliary facilities system revenue bonds; Dr. Charles L. Tucker, vice provost for undergraduate education and innovation, Urbana, provided information regarding the recommendation to rename the Institute for Genomic Biology at Urbana as the Carl R. Woese Institute for Genomic Biology; Mr. Michael B. Bass, senior associate vice president and deputy comptroller, presented several capital items for consideration; Dr. Heather J. Haberaecker, executive assistant vice president, Office of Business and Finance, presented one purchase recommendation; and Mr. Bass reported on proposed changes to the derivatives use policy and proposed agreements with Prairieland Energy, Inc. In addition, Mr. McMillan said Ms. Julie A. Zemaitis, executive director of University audits, provided a summary of internal audit activity for the quarter ended September 30, 2014, and Mr. Knorr updated the committee on federal and State legislative and budget issues. Mr. McMillan stated that committee members reviewed the items within the purview of the committee on the Board's agenda, and he listed these items. He reported that the committee met in executive session to discuss minutes of meetings lawfully closed under the Open Meetings Act. Mr. McMillan reported that they also discussed internal control weaknesses in the executive session. He said the committee voted on one agenda item in open session, to disclose certain minutes of executive sessions pursuant to the Open Meetings Act, which was approved. He stated that the next meeting of this committee will be held January 5, 2015, at 1:00 p.m.

Report from Chair,  
Governance, Personnel, and Ethics Committee

Mr. Kennedy asked Ms. Strobel, chair of the Governance, Personnel, and Ethics Committee, to provide a report from that committee. Ms. Strobel serves on the committee with Ms. Cave, Mr. Fitzgerald, Ms. Hasara, and Mr. Montgomery. Ms. Strobel stated that the Governance, Personnel, and Ethics Committee met on October 30, 2014, via videoconference at the Urbana, Chicago, and Springfield campuses, and that the committee approved the minutes of the last meeting that was held on August 28, 2014. She reported that they reviewed the items within the purview of the committee on the Board's agenda, and she listed those items.

Ms. Strobel stated that Dr. Chambers provided a presentation from the faculty on shared governance in a time of transition and goals of the University Senates Conference for 2014-15, and that Dr. Schook gave a presentation and update on UI LABS. Ms. Strobel said the committee discussed the governing documents review process, and that the proposed changes have been formally presented to the University Senates Conference with the request that their recommendations be made before the February meeting of Governance, Personnel, and Ethics Committee. She indicated that President Easter will present these changes at the Board meeting scheduled for March 12, 2015. Ms. Strobel said the committee also discussed the presidential search, and that President Easter provided an update on the search for a chancellor at Chicago. Ms. Strobel told the Board that the committee reviewed and discussed the results of the trustee self-evaluation. She reported that the committee also met in executive session to

discuss the recommendation pertaining to the release of sequestered minutes from Governance, Personnel, and Ethics Committee meetings, and the committee voted in open session to approve the recommendation to disclose certain minutes pertaining to one matter discussed in executive session, pursuant to the Open Meetings Act. Ms. Strobel stated that the next meeting of the committee is scheduled for January 8, 2015, at 1:00 p.m.

Report from Chair,  
University Healthcare System Committee

Mr. Kennedy then asked Dr. Koritz, chair of the University Healthcare System Committee, to provide a report. Dr. Koritz stated that he serves on the committee with Mr. Estrada, Mr. Fitzgerald, Mr. Frye and Ms. Leibowitz. He then provided an update on the potential nursing strike, which he said was avoided with minimal disruption, and he commended Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, for his efforts to plan in the event a strike occurred. Dr. Koritz then provided an update on financial news and said that inpatient volume, Mile Square clinic visits, and cash on hand have increased. He commented on a decline in Medicaid reimbursement rates and said that the rates are decreasing faster than an increase in volume can compensate. Dr. Koritz also reported briefly on UI Health Plus, which he said is underway. He then referred to a presentation that was made by Dr. Wise on the proposed College of Medicine at Urbana and by Dr. Dmitri Azar, dean of the College of Medicine at Chicago, in response to this proposal, and he highlighted aspects of each presentation for the Board. Dr. Koritz stated that the committee expressed support for the agenda item

directing the president to explore medical education and research for the twenty-first century, and he stated that the president is expected to report back to the Board at its March 2015 meeting. He then reported that they reviewed the items within the purview of the committee on the Board's agenda, and he listed those items. Dr. Koritz said the next meeting of the committee is scheduled for January 5, 2015.

Discussion followed regarding the proposed College of Medicine at Urbana and the agenda item directing the president to explore medical education and research for the twenty-first century. Dr. Wise, Dr. Koritz, and Mr. McMillan referred to support from the Urbana Senate, faculty, and others. Dr. Koritz mentioned a letter of support from the dean of the College of Engineering at Urbana, which said that the establishment of an engineering-focused College of Medicine at Urbana would benefit the College of Engineering, as well. Mr. Montgomery inquired about UI Health Plus, and Dr. Koritz explained it is a managed care product developed in response to the State's emphasis on managed care for Medicaid patients. Dr. Bauman provided some additional details about this and said that the State mandated that at that least 50 percent of Medicaid patients be moved to managed care. Dr. Allen-Meares commented briefly on the proposal from the College of Medicine at Chicago that Dr. Koritz had referenced, and said that this alternative proposal was created in response to a request from President Easter.

Report from Chair,  
Academic and Student Affairs Committee

Mr. Kennedy asked Ms. Hasara, chair of the Academic and Student Affairs Committee, to provide a report from that committee. Ms. Hasara serves on the committee with Ms. Cave, Mr. Estrada, Mr. Frye, Ms. Holmes, and Ms. Leibowitz. Ms. Hasara reported that the Academic and Student Affairs Committee met November 12, 2014, and approved the minutes of the meeting of May 13, 2014. She stated that they reviewed the recommended items within the purview of the committee on the Board's agenda, and she listed those items. Ms. Hasara said Dr. Pierre provided a presentation on context for Fiscal Year 2016 tuition, and she discussed aspects of the presentation, including the concern that was expressed by some committee members regarding the decline in undergraduate yield. She told the Board that Mr. John Wilkins, University librarian at Urbana, gave a presentation on the report on Open Access, which was created by the Task Force for Open Access to Research Articles in response to legislation enacted in 2013. Ms. Hasara then discussed a presentation on the academic review process, which was made by Dr. Pierre; Dr. Ilesanmi Adesida, vice chancellor for academic affairs and provost at Urbana; Dr. Eric A. Gislason, interim vice chancellor for academic affairs and provost at Chicago; and Dr. Lynn Pardie, vice chancellor for academic affairs and provost at Springfield. Ms. Hasara reported that the presentation illustrated the information the unit review dashboards will provide and how this data will be used on each of campus. She said these reports present key data on enrollment, graduation rates, scholarly productivity, and costs for each academic department, and that the first full annual report should be

available in May 2015. Lastly, Ms. Hasara reported on a presentation made by Dr. Gislason on diversity at Chicago that highlighted numerous awards and distinctions the campus has earned in the area of diversity. She said Dr. Gislason demonstrated continuing success in hiring a diverse faculty and graduating a diverse student body at Chicago, and that he shared plans to improve progress toward diversity goals. Ms. Hasara said the next meeting of the committee will be held on January 14, 2015.

#### PUBLIC COMMENT

At 10:58 a.m., Mr. Kennedy announced a public comment session and explained that the *Procedures Governing Appearances Before the Board of Trustees* allows for a maximum of six individuals to speak for five minutes each. He then introduced the first speaker, Professor Mary Jo Ladu. Dr. Ladu made a statement on behalf of the Chicago Senate in support of a single, unified College of Medicine. She referred to a University Senates Conference resolution that emphasized working together to maximize collective potential, and she expressed concern regarding the establishment of a College of Medicine at Urbana, advocating to instead build upon the existing College of Medicine at Chicago. Dr. Ladu thanked the Board for the opportunity to share her statement.

Next, Mr. Kennedy called on the second commenter, Dr. Vincent. Dr. Vincent stated that she echoed Dr. Ladu's statement and declined to comment further.

Mr. Kennedy then invited the third commenter, Professor Rashid Bashir, to speak. Dr. Bashir stated that he is the head of bioengineering at Urbana and that he is commenting on behalf of the dean of the College of Engineering at Urbana. He discussed

the history of the College of Engineering at Urbana and commented on its faculty and alumni. Dr. Bashir then discussed health care and opportunities for its reinvention and said that the question of finding methods to provide high quality health care to more people at a lower cost may be answered by engineers. He then referred to creativity in leadership and the importance of being nimble, and he discussed the land-grant mission of the University. Dr. Bashir listed the benefits of an engineering-focused College of Medicine at Urbana and described the proposal as bold, and he emphasized that this is the time to establish this new college.

Next, Mr. Kennedy called on the last commenter, Mr. Cary Shepherd. Mr. Shepherd stated that he represents the Beyond Coal campaign, and he described the purpose of the group. He referred to some previous issues his group has brought before the Board and discussed the financial aspect of investing in coal. Mr. Shepherd provided examples of the coal market shrinking and said that the coal industry is being crowded out by alternative energy sources, indicating that it would be wise to invest elsewhere.

## AGENDA

At 12:04 p.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 13 inclusive. The recommendations were individually discussed but acted upon at one time.

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

#### Approve Minutes of Board of Trustees Meeting

(A1) The Secretary presents for approval the minutes of the Board of Trustees meeting of September 11, 2014.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, these minutes were approved.

#### Approve Resolution for Katherine R. "Kappy" Laing

(1) To: Katherine R. "Kappy" Laing

The Board of Trustees hereby expresses its appreciation for the contributions of Katherine R. "Kappy" Laing as Executive Director for Governmental Relations on the occasion of her retirement from the University. Kappy began her duties on July 1, 2010, providing innovative leadership and oversight of governmental relations for the University of Illinois.

During Kappy's tenure, she has represented the University of Illinois to all levels of the State and the federal government. Her experience as a lobbyist in the

Illinois General Assembly for the Chicago Public Schools gave her greatly needed insight into issues that affect the students, faculty, and staff of the University of Illinois.

She has advised University presidents and chancellors about plans and strategies to meet the University's objectives at the State and federal levels of government. She was of great help in navigating issues through the governmental channels, including negotiating for the operating budget of the University; securing research funding; and exploring new avenues for student aid assistance.

Kappy assisted the members of the Board of Trustees in her capacity as advisor and facilitated their understanding of both State and federal issues affecting higher education and specifically the University of Illinois, and she helped them communicate the University's goals to elected officials at all levels.

Kappy's knowledge and assistance were greatly appreciated in December 2013 when the City of Chicago successfully submitted an application for a grant from the Department of Defense to develop a research center for digital-manufacturing technology through UI Labs, a nonprofit, University-affiliated research technology center.

Kappy's tenure at the University has been characterized by steadfast dedication and admirable diplomacy. Further, her thoughtful approach to issues at hand and thorough problem-solving skills were deeply appreciated by the Board of Trustees and many others at the University.

The President and other administrative officers, faculty members, students, and staff join with the Board of Trustees in this statement of gratitude for Kappy's service and extend best wishes.

The Board of Trustees directs that this resolution be incorporated in the minutes of today's meeting to become a part of the official public record, and that a suitable copy be given you as a permanent reminder of the Board's respect and affection.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this resolution was approved.

Approve Resolution for Thomas J. Farrell

(2) To: Thomas J. Farrell

You assumed the role as president and CEO of the University of Illinois Foundation on January 1, 2013, and spearheaded a dramatic transformation of the University's development program. Highlighting that transformation is the Roadmap Strategic Plan, a comprehensive effort that has resulted in the investment of significant new development program resources. Through the Roadmap, fundraising efforts by the Foundation and campuses, led by several new and outstanding leaders who constitute the senior team, are better coordinated and aligned with academic and institutional leadership and goals.

Emphasizing a metric-based, data-driven, transparent, strategic and accountable approach to fundraising, you have improved processes involving budget and investments, fiscal year planning, and goal setting. Campus and UIF development structures, principal gifts fundraising, professional development, and the Foundation's investment office all were enhanced under your leadership, and the University and Foundation established a University Leadership Development Committee. Due to your

vision, major fundraising events in key geographic markets such as New York, California, Florida, and other states were brought to a greater number of constituents to demonstrate the importance of and gratitude for private support and engagement at the University of Illinois.

You swiftly shepherded fundraising success at the University of Illinois. The University and UIF registered a record \$259.5 million in outright cash gifts, pledge payments, annuities/life income gifts, and estate distributions in fiscal year 2014. That total was 10.5 percent more than the amount generated in FY 2013. You also oversaw continued success in new business fundraising and exponential growth of the combined University and Foundation's active endowment, which stood at \$2.3 billion as of June 30, 2014.

A native of New York, you brought nearly 25 years of successful higher education fundraising at several top tier universities to the University of Illinois and the Foundation. You began your career at the University of Rochester, your alma mater, in 1990 and have returned there to serve as the Senior Vice President and James D. Thompson Chief Advancement Officer.

For your dedicated stewardship and leadership of the University of Illinois Foundation and the University of Illinois Development Program, the University of Illinois Board of Trustees and its officers hereby expresses its gratitude, offers its congratulations to you on your new appointment, and wishes you well.

The Board of Trustees directs that this resolution be incorporated in the minutes of today's meeting to become a part of the official public record, and that a suitable copy be given you as a permanent reminder of the Board's respect and affection.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this resolution was approved.

Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

(3) Under the Open Meetings Act passed by the General Assembly, public bodies subject to the Act that conduct business under exceptions specified in the Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under such exception.

An item from October 1999 through July 2014 that has been heretofore unreleased is recommended for release at this time.

The University Counsel and the Secretary of the Board, having consulted with appropriate University officers, recommends that the following matter considered in executive session for the time period indicated above be made available to the public at this time.

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.

**Executive Session Minutes Released to Public****May 14, 2014, Board of Trustees Meeting****Discussion of Minutes Lawfully Closed Under the Open Meetings Act**

For this discussion, all of the trustees were present except Governor Quinn. Mr. Kennedy explained that Mr. Bearrows and Dr. Kies had reviewed all the minutes sequestered under the Open Meetings Act, and minutes related to medical malpractice were recommended for release.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

**Approve Incentive-Based Compensation for President**

(4) At its July 25, 2013, meeting, the Board of Trustees approved a resolution extending President Robert A. Easter's appointment and authorizing the Executive Committee to evaluate President Easter's performance of stated goals during Fiscal Year 2013 and recommend incentive-based compensation to be awarded in September 2013 and November 2014.

The Board of Trustees has conducted an evaluation of his performance based on goals for the president established for 2013-14, and recommends payment of \$180,000 as a one-time incentive-based compensation payment (not included in his base salary) to be paid to President Easter within 30 days.

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 Chair of the Board recommends approval.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

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

### **Appointments to the Faculty**

(5) 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*

**Daniel C. Miller**, Assistant Professor of Natural Resources and Environmental Sciences, summer appointment, on 100 percent time, at a monthly rate of \$8,333, June 1-August 15, 2015; 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, 2015.

*College of Liberal Arts and Sciences*

**Julian M. Catchen**, Assistant Professor of Animal Biology, School of Integrative Biology, probationary faculty on initial/partial term appointment, on an academic year service basis, on 100 percent time, at an annual salary of \$75,000, beginning January 1, 2015; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, effective August 16, 2015.

**Ying Diao**, Assistant Professor of Chemical and Biomolecular Engineering, School of Chemical Sciences, probationary faculty on initial/partial term appointment, on an academic year service basis, on 100 percent time, at an annual salary of \$94,000, beginning January 1, 2015; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, effective August 16, 2015.

**Woong Yong Park**, Assistant Professor of Economics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$128,000, beginning August 29, 2014.

**Erik Procko**, Assistant Professor of Biochemistry, School of Molecular and Cellular Biology, 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 November 1, 2014; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, effective August 16, 2015.

**Diwakar Shukla**, Assistant Professor of Chemical and Biomolecular Engineering, School of Chemical Sciences, probationary faculty on initial/partial term appointment, on an academic year service basis, on 100 percent time, at an annual salary of \$94,000, beginning January 1, 2015; and continuing as probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, effective August 16, 2015.

*College of Media*

**\*Zhengyu Yao**, Associate Professor of Digital Media, The Charles H. Sandage Department of Advertising, on indefinite tenure, on an academic year service basis, on 51 percent time, at an annual salary of \$43,350, beginning January 16, 2015; Associate Professor of Digital Media, Department of Journalism, on indefinite tenure, on an academic year service basis, on 49 percent time, at an annual salary of \$41,650, beginning January 16, 2015; and Associate Professor of Digital Media, Institute of

Communications Research, non-tenured, on an academic year service basis, on zero percent time, non-salaried, beginning January 16, 2015, for a total salary of \$85,000.

### *University Library*

**Susanne Belovari**, Assistant Professor, University Library, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 100 percent time, at an annual salary of \$65,000, beginning November 10, 2014; and continuing as probationary faculty on tenure track year one, on a twelve-month service basis, on 100 percent time, effective August 16, 2015. Dr. Belovari was also appointed as Archivist for Faculty Papers, University Library, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, beginning November 10, 2014, for a total salary of \$65,000.

**Katharine Ann Pionke**, Assistant Professor, University Library, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 100 percent time, at an annual salary of \$60,000, beginning November 1, 2014; and continuing as probationary faculty on tenure track year one, on a twelve-month service basis, on 100 percent time, effective August 16, 2015. Ms. Pionke was also appointed as Applied Health Sciences Librarian, University Library, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, beginning November 1, 2014, for a total salary of \$60,000.

### *College of Veterinary Medicine*

**Annette Marie McCoy**, Assistant Professor of Equine Surgery, Department of Veterinary Clinical Medicine, probationary faculty on initial/partial term appointment, on a twelve-month service basis, on 100 percent time, at an annual salary of \$115,000, beginning January 16, 2015; and continuing as probationary faculty on tenure track year one, on a twelve-month service basis, on 100 percent time, effective August 16, 2015.

### *Emeriti Appointments*

**Armand Joseph Beaudoin, Jr.**, Professor Emeritus of Mechanical Science and Engineering, May 31, 2014

**Rose Mary Cordova-Wentling**, Professor Emerita of Education Policy, Organization and Leadership, June 1, 2014

**Paul F. Diehl**, Henning Larsen Professor Emeritus of Political Science, June 30, 2014

**Carole Palmer**, Professor Emerita, Graduate School of Library and Information Science, September 1, 2014

**Kenneth S. Suslick**, Marvin T. Schmidt Professor Emeritus of Chemistry, September 1, 2014

**John H. Weaver**, Professor Emeritus of Materials Science and Engineering, July 1, 2014

**Herbert E. Whiteley**, Dean Emeritus, College of Veterinary Medicine, January 6, 2014.

Dr. Whiteley continues to serve the University as Professor of Pathobiology, College of Veterinary Medicine, Urbana-Champaign, on indefinite tenure; and Professor of Pathology, College of Medicine at Chicago, non-tenured.

*Out-Of-Cycle Sabbatical*

**Diana S. Grigsby**, Associate Professor of Kinesiology and Community Health, College of Applied Health Sciences, sabbatical leave of absence, Academic year 2014-15, at one-half pay. Professor Grigsby will research the three pillars of health (diet, physical activity, and sleep), among youth and racial/ethnic minority populations in the context of influence on chronic disease risk locally, nationally, and internationally.

Chicago

*College of Applied Health Sciences*

**Spyridon Kitsiou**, Assistant Professor of Biomedical and Health Information Sciences, 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 September 1, 2014.

*College of Architecture, Design, and the Arts*

**Omur Harmansah**, Associate Professor of Art History, Q probationary faculty, on an academic year service basis, on 100 percent time, at an annual salary of \$74,000, for three years beginning August 16, 2014.

**Rachelle Tsachor**, Assistant Professor, School of Theatre and Music, 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, 2014.

*College of Dentistry*

**Darien Jerome Weatherspoon**, Assistant Professor of Pediatric Dentistry, probationary faculty on tenure track year one, on a twelve-month service basis, on 100 percent time, at an annual salary of \$110,000, beginning August 18, 2014.

*College of Engineering*

**Max Berniker**, Assistant Professor of Mechanical and Industrial Engineering, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$95,000, beginning August 16, 2014.

*College of Liberal Arts and Sciences*

**David Benjamin Antieau**, Assistant Professor of Mathematics, Statistics, and Computer Science, probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$92,000, beginning August 16, 2014.

**Jennifer Lauren Cabrelli Amaro**, 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 \$72,000, beginning August 16, 2014.

**Benjamin Feigenberg**, Assistant Professor of Economics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$108,000, beginning August 16, 2014.

**Erik A. Hembre**, Assistant Professor of Economics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$108,000, beginning August 16, 2014.

**\*Lynn M. Hudson**, Associate Professor of History, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$105,000, beginning January 1, 2015.

**Yanki Lekili**, Assistant Professor of Mathematics, Statistics, and Computer Science, probationary faculty on tenure track year three, on an academic year service basis, on 100 percent time, at an annual salary of \$85,000, beginning August 25, 2014.

**Syed Junaid Ahmed Quadri**, 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 \$74,500, beginning August 16, 2014.

**Charles W. Small**, Assistant Professor of Philosophy, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$77,000, beginning August 16, 2014.

**Andrew H. Suk**, Assistant Professor of Mathematics, Statistics, and Computer Science, probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$83,000, beginning August 16, 2014.

*College of Medicine at Chicago*

**\*Costica Aloman**, Associate Professor of Medicine, College of Medicine at Chicago, on indefinite tenure, on a twelve-month service basis, on 40 percent time, at an annual salary of \$102,040, beginning October 16, 2014. Dr. Aloman will continue to serve as

Physician Surgeon in Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 60 percent time, at an annual salary of \$153,060, effective October 16, 2014; and Associate Professor of Surgery, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, effective October 16, 2014, for a total salary of \$255,100.

**Seema Awatramani**, Assistant Professor of Emergency Medicine, 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 \$94,624, beginning April 16, 2014; and continuing as probationary faculty on tenure track year one, on a twelve-month service basis, on 100 percent time, effective August 16, 2014. Dr. Awatramani was also appointed as Physician Surgeon of Physician Administration, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 49 percent time, at an annual salary of \$90,914, beginning April 16, 2014; and Center Affiliate, Center of Global Health, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, beginning August 16, 2014, for a total salary of \$185,538.

**Yuval Eisenberg**, Assistant Professor of Medicine, 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 \$72,063, beginning August 1, 2014; and continuing as probationary faculty on tenure track year one, on a twelve-month service basis, on 51 percent time, effective August 16, 2014; and Physician Surgeon in Medicine, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 49 percent time, at an annual salary of \$69,237, beginning August 1, 2014, for a total salary of \$141,300.

**\*Robert A. Winn**, Professor of Medicine, College of Medicine at Chicago, on indefinite tenure, on a twelve-month service basis, on 35 percent time, at an annual salary of \$136,500, beginning November 16, 2014. Dr. Winn will continue to serve as Associate Vice President for Community Based Practice, Office of the Vice President for Health Affairs, University Administration, non-tenured, on a twelve-month service basis, on 10 percent time, at an annual salary of \$89,000, effective August 16, 2014; and Interim Director, Cancer Center, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 30 percent time, at an annual salary of \$117,000 and an administrative increment of \$45,000, effective August 16, 2014 for a total salary of \$387,500.

**\*Wen-Shu Wu**, Associate Professor of Medicine, College of Medicine at Chicago, on indefinite tenure, on a twelve-month service basis, on 67 percent time, at an annual salary of \$100,000, beginning October 1, 2014. Dr. Wu will continue to serve as Center Affiliate, Cancer Center, College of Medicine at Chicago, non-tenured, on a twelve-month service basis, on 33 percent time, at an annual salary of \$50,000, effective August 16, 2014, for a total salary of \$150,000.

### *College of Medicine at Peoria*

**Krishna Kumar Veeravalli**, Assistant Professor of Cancer Biology and Pharmacology, College of Medicine at Peoria, probationary faculty on tenure track year one, on a twelve-

month service basis, on 100 percent time, at an annual salary of \$105,000, beginning August 16, 2014.

### *College of Pharmacy*

**Edith Nutescu**, Associate Professor of Pharmacy Practice, Q probationary faculty, on a twelve-month service basis, on 90 percent time, at an annual salary of \$142,991, for three years beginning August 16, 2014; Associate Professor of Pharmacy Systems, Outcomes and Policy, Q probationary faculty, on a twelve-month service basis, on 10 percent time, at an annual salary of \$15,888, for three years beginning August 16, 2014; and Residency Director in Pharmacy Practice, non-tenured, on a twelve-month service basis, with an administrative increment of \$1,000, beginning August 16, 2014. Dr. Nutescu will continue to serve as Co-Director, Center for Pharmacoepidemiology and Pharmacoeconomic Research, non-tenured, on a twelve-month service basis, with an administrative increment of \$10,000, effective August 16, 2014; and Clinical Pharmacist in Pharmacy Practice, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, effective August 16, 2014, for a total salary of \$169,879.

### *Emeriti Appointments*

**Sharon M. Collins**, Associate Professor Emerita of Sociology, August 16, 2014

**Cedric O. Herring**, Professor Emeritus of Sociology, May 16, 2014

**Lawrence H. Keeley**, Professor Emeritus of Anthropology, June 30, 2014

## Springfield

### *College of Public Affairs and Administration*

**Sibel Oktay Karagul**, Assistant Professor of Political Science, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$56,000, beginning August 16, 2014.

**Shipeng Sun**, Assistant Professor of Environmental Studies, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$50,500, beginning August 16, 2014.

## Administrative/Professional Appointments

### Urbana-Champaign

**M. Tamer Basar**, Director of the Center for Advanced Study, Office of the Vice Chancellor for Research, Urbana-Champaign, non-tenured, on a twelve-month service basis, with an administrative increment of \$25,000, beginning November 14, 2014. In addition, he will receive an amount equal to one-ninth of his combined faculty base plus endowed chair salary for one month of faculty service during each summer of his appointment as Director (\$30,098 during Summer 2015). Dr. Basar was appointed to serve as Interim Director under the same conditions and salary arrangement beginning August 16, 2014. He will continue to hold the rank of Professor of Electrical Engineering, College of Engineering, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$253,380, effective August 16, 2014; Center for Advanced Study Professor, Office of the Vice Chancellor for Research, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014; Swanlund Endowed Chair, Department of Electrical and Computer Engineering, College of Engineering, non-tenured, on an academic year service basis, on zero percent time, with an annual increment of \$17,500, effective August 16, 2014; Professor, Information Trust Institute, College of Engineering, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014; Professor, Coordinated Science Laboratory, College of Engineering, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014; and Departmental Affiliate in Mechanical Science and Engineering, College of Engineering, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014, for a total salary of \$325,978.

**\*Reitumetse Obakeng Mabokela**, Vice Provost for International Affairs and Global Strategies, Office of the Provost and Vice Chancellor for Academic Affairs, Urbana-Champaign, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$205,000 and an administrative increment of \$25,000, beginning January 16, 2015. Dr. Mabokela will also be appointed to the rank of Professor of Education Policy, Organization and Leadership, College of Education, on indefinite tenure, on an academic year service basis, on zero percent time, non-salaried, beginning January 16, 2015, for a total salary of \$230,000.

### Chicago

**Dale Edward Beatty**, Chief Nursing Officer, University of Illinois Hospital and Health Sciences System, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$320,000, beginning November 17, 2014. Mr. Beatty was appointed to serve as Visiting Chief Nursing Officer under the same conditions and salary arrangement beginning August 4, 2014. He was also appointed as Adjunct Instructor in Health Sciences System, College of Nursing, non-tenured, on a twelve-month service

basis, on zero percent time, non-salaried, beginning August 4, 2014, for a total salary of \$320,000.

**Nancy K. Harvey-Kodish**, Director, Quality Performance and Improvement, 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 \$140,000, beginning November 17, 2014. Ms. Harvey-Kodish was appointed to serve as Interim Director, Quality Performance and Improvement, non-tenured, on a twelve-month service basis, with an administrative salary of \$28,400, beginning May 16, 2014.

**Elizabeth Leslie Middleton**, Executive Director, Donor Relations, Office of Development, Chicago, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$110,000, beginning November 17, 2014. Ms. Middleton was appointed to serve as Visiting Executive Director under the same conditions and salary arrangement beginning October 13, 2014.

**David Miller**, Chief Ambulatory Officer, Ambulatory Administration, 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 \$225,000, beginning November 17, 2014. Mr. Miller was appointed to serve as Interim Chief Ambulatory Officer, non-tenured, on a twelve-month service basis, with an administrative salary of \$15,000, beginning April 16, 2014.

**Leanne Carol O'Connell**, Associate Director, Infection Control, 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 \$117,000, beginning November 17, 2014. Ms. O'Connell was appointed to serve as Visiting Associate Director under the same conditions and salary arrangement beginning June 9, 2014.

\***Jane Rhodes**, Head of the Department of African American Studies, College of Liberal Arts and Sciences, Chicago, non-tenured, on an academic year service basis, with an administrative increment of \$12,000, beginning January 1, 2015; and Professor of African American Studies, College of Liberal Arts and Sciences, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$150,000, beginning January 1, 2015, for a total salary of \$162,000.

**Kathleen Joan Walrath**, Associate Director of Nursing, Clinical Practice and Professional Development, 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 \$170,000, beginning November 17, 2014. Ms. Walrath was appointed to serve as an Interim Associate Director, non-tenured, on a twelve-month service basis, with an administrative salary of \$34,830, beginning May 16, 2014. She will continue to serve as Adjunct Clinical Instructor, Biobehavioral Health Science, College of Nursing, non-tenured, on a twelve-month service basis, on zero percent time, non-salaried, effective August 16, 2014, for a total salary of \$170,000.

**Yufu Zhang**, Director, Clinical Decision Support, Office of the CHIO, 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 \$150,000, beginning November 17, 2014. Mr. Zhang was appointed to serve as Visiting Director under the same conditions and salary arrangement beginning August 18, 2014.

## University Administration

**Shelly L. Benson**, Director of Government Costing, Office of Business and Financial Services, University Administration, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$120,000, beginning November 17, 2014. Ms. Benson was appointed to serve as Interim Director of Costing under the same conditions and salary arrangement beginning September 1, 2014.

## Addendum

### *Faculty Biosketches*

#### Urbana

**Maria Ma Librada C. Chu**, Assistant Professor of Agricultural and Biological Engineering, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$76,000, beginning August 16, 2014.

**Partha Sarathi Dey**, Assistant Professor of Mathematics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$85,000, beginning August ~~16~~ **18**, 2014.

**James Pascaleff**, Assistant Professor of Mathematics, probationary faculty on tenure track year one, on an academic year service basis, on 100 percent time, at an annual salary of \$87,000, beginning August ~~16~~ **18**, 2014.

**Felisa Vergara Reynolds**, Assistant Professor of French, School of Literatures, Cultures and Linguistics, probationary faculty on tenure track year two, on an academic year service basis, on 100 percent time, at an annual salary of \$69,000, beginning August ~~16~~ **18**, 2014.

**Alecia Swasy**, ~~Associate~~ Professor of Journalism, Q probationary faculty, on an academic year service basis, on 100 percent time, at an annual salary of \$100,000, for four years beginning August 16, 2014.

**Eva Monica Uddin**, Associate Professor of Psychology, ~~probationary faculty on tenure track year one~~ **on indefinite tenure**, on an academic year service basis, on 100 percent time, at an annual salary of \$90,000, beginning August 16, 2014.

*Administrative Biosketches*

Urbana

**Neal J. Cohen**, Director of the Interdisciplinary Health Sciences Initiative, Office of the Vice Chancellor for Research, Urbana-Champaign, non-tenured, on twelve-month service basis, with an administrative increment of \$30,000, beginning August 16, 2014. Dr. Cohen will receive summer salary for one and a half months of faculty service during each summer of his appointment as Director (\$36,800 during Summer 2015). He will continue to hold the rank of Professor of Psychology, College of Liberal Arts and Sciences, on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$194,021, effective August 16, 2014; Professor, Beckman, Institute for Advanced Science and Technology, Office of the Vice Chancellor for Research, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014; ~~and~~ Director, Center for Nutrition, Learning, and Memory, Beckman Institute for Advanced Science and Technology, Office of the Vice Chancellor for Research, non-tenured, on an academic year service basis, ~~on zero percent time,~~ with an annual increment of \$26,780, effective August 16, 2014; **and Director, Center for Lifelong Improvement of Minds and Brains, non-tenured, on an academic year service basis, with an annual increment of \$15,000, effective August 16, 2014**, for a total salary of ~~\$287,601~~ **\$302,601**.

**Jacqueline C. Hitchon**, Head of the Department of Advertising, College of Media, Urbana-Champaign, non-tenured, July 25-August 15, 2014, \$9,275. Dr. Hitchon will continue to serve as Head, non-tenured, on an academic year service basis, with an annual administrative increment of \$12,000, effective August 16, 2014. She will receive an amount equal to two-ninths of her faculty base salary for two months of administrative service during Summer 2015, \$26,667. Beginning Summer 2016, she will receive an amount equal to one-ninth of her faculty base salary for two months of administrative service on 50 percent time, during each summer of her appointment as Head. Dr. Hitchon was appointed to serve as Interim Head, July 16-24, 2014, \$4,058. ~~She will be~~ **was** appointed to the rank of Professor of Advertising, College of Media, **on summer appointment, at a monthly rate of \$13,333, July 16-August 15, 2014; and will continue** on indefinite tenure, on an academic year service basis, on 100 percent time, at an annual salary of \$120,000, effective August 16, 2014; ~~and~~. **In addition, she was appointed as** Professor, Institute of Communications Research, College of Media, non-tenured, on an academic year service basis, on zero percent time, non-salaried, effective ~~August~~ **July** 16, 2014, for a total annual salary of \$132,000.

**Peter Leslie Mortensen**, Director, School of Architecture, College of Fine and Applied Arts, Urbana-Champaign, non-tenured, on an academic year service basis, on 100 percent time, at an annual salary of \$112,500, plus an administrative increment of \$22,500, beginning August 16, 2014, on a term appointment through August 15, 2017. In addition, Dr. Mortensen will receive an amount equal to two-ninths of his base salary for

two months of service during each summer of his appointment as Director (\$25,000 for Summer ~~2014~~ 2015). He will continue to hold the rank of Associate Professor of English, College of Liberal Arts and Sciences, on indefinite tenure, on an academic year service basis, on zero percent time, non-salaried, effective August 16, 2014, for a total salary of \$160,000.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, these appointments were approved. Ms. Leibowitz voted aye for all appointments except those marked with an asterisk.

(The following student trustees, casting an advisory vote, voted aye for all appointments except those marked with an asterisk: Ms. Cave, Mr. Frye.)

#### Appoint Interim Vice Chancellor for Student Affairs, Springfield

(6) The Chancellor, University of Illinois at Springfield, and Vice President, University of Illinois recommends the appointment of Clarice Renee Ford, presently Associate Vice Chancellor for Student Services, as Interim Vice Chancellor for Student Affairs, non-tenured, on a twelve-month service basis, on 100 percent time, at an annual salary of \$140,000, beginning November 14, 2014. Dr. Ford was appointed to serve as Interim Vice Chancellor for Student Affairs-Designate, under the same conditions and salary arrangement, effective October 13, 2014.

Dr. Ford will continue to hold the position of Associate Vice Chancellor for Student Services, on a twelve-month service basis, on zero percent time, non-salaried, effective October 13, 2014.

Dr. Ford succeeds Timothy L. Barnett who resigned August 5, 2014.

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 for Academic Affairs concurs.

The President of the University recommends approval.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this appointment was approved.

#### Award Honorary Degree, Chicago

(7) The Senate at the Chicago campus has nominated the following person for conferral of honorary degree at Commencement exercises in May 2015. The Chancellor, University of Illinois at Chicago, and Vice President, University of Illinois recommends approval of this nomination.

**Maria Hinojosa, Executive Director of Latino USA and Anchor of the Emmy Award winning talk show Maria Hinojosa: One-on-One from WGBH/La Plaza -- the honorary degree of Doctor of Humane Letters**

Maria Hinojosa has been instrumental in telling America's untold stories from traditionally overlooked or marginalized communities for more than 25 years. In 1992, Ms. Hinojosa helped launch Latino USA, one of the earliest public radio programs devoted to the Latino community. She has been the host of the show for its entire run, and since 2000 has also been executive producer.

In 2010, Ms. Hinojosa founded the *Futuro Media Group* with the mission to produce multi-platform, community-based journalism that respects and celebrates the cultural richness of the American experience providing a

critical voice to the social and civic justice issues facing the diverse new American demographic.

In 2011, she became the first Latina to anchor a *Frontline* report. She has to date reported on hundreds of important stories, from the immigrant work camps in New Orleans after Hurricane Katrina, to stories of poverty in Alabama. As a reporter for National Public Radio, Ms. Hinojosa was among the first to report on youth violence in urban communities on a national scale. During her eight years as CNN's urban affairs correspondent, she often took viewers into neighborhoods that had rarely been seen by the wider television viewing audience.

Ms. Hinojosa has won top honors in American journalism including four Emmys, the 2012 John Chancellor Award for Excellence in Journalism, the Robert F. Kennedy Award for Reporting on the Disadvantaged, the Studs Terkel Community Media Award, and the Edward R. Murrow Award from the Overseas Press Club for best documentary for her groundbreaking "Child Brides: Stolen Lives." In 2009, Hinojosa was honored with an AWRP Gracie Award for Individual Achievement as Best TV correspondent. In 2012 she was named among the top 25 Latinos in Contemporary American Culture by the Huffington Post, and gave the prestigious Ware Lecture.

Maria Hinojosa's exemplary work aligns with the Chicago campus' mission in countless ways. She provides an immensely important service highlighting the many problems plaguing immigrants and our economically challenged communities. As an urban journalist she parallels our own community engagement via our College of Urban Planning and Public Affairs and the Jane Addams College of Social Work to name two.

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 for Academic Affairs concurs with this recommendation.

The President of the University recommends approval.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this degree was authorized as recommended.

Establish the Master of Engineering in Mechanical Engineering, College of Engineering and the Graduate College, Urbana

(8) The Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois with the advice of the Urbana-Champaign Senate recommends approval of a proposal from the College of Engineering and the Graduate College to establish the Master of Engineering (MENG) in Mechanical Engineering.

The Department of Mechanical Science and Engineering is continually refocusing its research and teaching in areas of critical societal need. To address the needs of students, industrial partners, and the greater societal issues relevant to engineering practice, the MENG in Mechanical Engineering program has been designed to offer students an accelerated, industry-oriented graduate degree. The curriculum allows students to focus their coursework in areas that are most relevant to their professional career interests. Students who graduate from the program will have recognizable expertise, and these credentials will make it more likely that they will find opportunities to utilize their skills to address pressing societal and industry needs. The proposed program will be self-supporting.

Mechanical Science and Engineering, the College of Engineering, and the University of Illinois are uniquely qualified to offer a leading program in this area. The department is currently home to numerous labs and research centers focusing on

theoretical and experimental investigations of phenomena related to energy systems, materials behavior, combustion, micro- and nano-mechanical systems, controls and dynamics, thermodynamics, biomechanics, and much more. State-of-the-art facilities and a significant number of faculty members with expertise in these areas, matched only by a few peer institutions, have broad appeal for prospective students and industrial partners.

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 for Academic Affairs concurs with this recommendation. The University Senates Conference has indicated that no further Senate jurisdiction is involved.

The President of the University recommends approval. This action is subject to further review and approval by the Illinois Board of Higher Education.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

Direct President to Explore Medical Education and Research  
for the Twenty-First Century

(9) The health care enterprise of the University of Illinois is of great importance to the University and to the State of Illinois. The Academic Health Center (AHC), comprised of the hospital, clinics, and the health science colleges at the

University's Chicago campus working together with regional campuses in Urbana, Peoria, and Rockford, provides multiple benefits to the people of Illinois, including patient care, teaching, and research activities.

The Board of Trustees anticipates a proposal from the Urbana-Champaign campus to develop an engineering focused program leveraging the strengths and breadth of its highly ranked College of Engineering to establish a separately accredited College of Medicine. This college will provide an intensive educational and research experience based on the intersection of engineering, technology, big data, and medicine. The anticipated proposal includes a partnership with Carle Health System and would be complementary to programs offered at the other regional medical colleges and Chicago within the University of Illinois. Consistent with this proposal are ongoing negotiations concerning a draft Memorandum of Understanding between the Carle Foundation and the University of Illinois on behalf of its Urbana campus that would constitute a non-binding, good faith commitment to this proposed project.

The Board of Trustees anticipates an alternative proposal by the Chicago campus regarding an expansion of the current medical school curriculum and establishment of an Illinois Translational Bioengineering Institute.

Please note all program proposals must follow the approval and advisory process dictated by the *Statutes* of the University of Illinois.

The Board of Trustees therefore directs the President of the University to investigate the following:

- Current Situation
  - Please provide an overview of the current academic medical center and how it functions. Additionally, please identify ways in which the current operations are less than optimal in serving the interests of
    - The State;
    - The entire University;
    - The Urbana College of Medicine;
    - Other Urbana colleges;
    - The Urbana campus as a whole;
    - The Chicago College of Medicine;
    - Other Chicago colleges;
    - The Chicago campus as a whole;
    - The Peoria campus; and,
    - The Rockford campus.
  
- Challenges
  - Please summarize the challenges into a coherent list of overarching challenges.
  
- Options
  - Please provide options for meeting these challenges. Additionally, please provide examples of other universities' responses to such challenges.
  
- Recommendation
  - Please provide a recommendation as to how we should proceed.
  
- Impact
  - Please provide a summary of how the recommended organization might impact each of the entities identified in the Current Situation section.
  
- Budget
  - Please provide a budget.
  
- Risk Mitigation
  - Please identify risks and how they may be mitigated.
  
- Make a recommendation regarding the restructuring, if any, of the current College of Medicine regional system that would be made necessary by the creation of an independent medical school at the Urbana

campus and associated costs including impacts on patient care, research, and medical education;

- Submit his own advice, along with the advice of the UIC Senate, the UIC Chancellor/Vice President, and the University Senates Conference regarding the proposed establishment of a cross-campus Illinois Translational Bioengineering Institute;
- Submit his own advice, along with the advice of, the Urbana Senate, the Urbana Chancellor/Vice President, and the University Senates Conference regarding the proposed establishment of a new College of Medicine on the Urbana campus; and,
- Report back and provide requested information for decision-making process to the Board of Trustees at the March 2015 meeting, or before, when information becomes available.

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. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

#### Amend the University of Illinois Hospital Medical Staff Bylaws

(10) The Interim Vice President for Health Affairs and the Medical Staff of the University of Illinois Hospital recommend revisions to the Medical Staff Bylaws. Under the Bylaws, the Medical Staff must review both its Bylaws and the Rules and Regulations to determine whether any changes or amendments need to be made in order to maintain compliance with accreditation standards, federal and State laws and current medical staff

policy and practices. The Medical Staff Committee on Medical Staff Bylaws is also responsible for reviewing any other proposals for amendments of the Bylaws.

The amendments described below and included in the attached documents (materials on file with the secretary) were recommended by the Bylaws Committee to the Medical Staff Executive Committee and to the members of the Medical Staff. In accordance with the Bylaws, the amendments were submitted to and voted on by the Medical Staff members at the Annual Meeting of the Medical Staff on October 23, 2014. The amendments were approved by the Medical Staff and forwarded to the Office of the Vice President for Health Affairs for presentation to The Board of Trustees. Amendments made become effective only when approved by The Board of Trustees.

Both the edited version of the Bylaws as well as the final document are submitted for consideration. The substantive changes are summarized below, including the specific Articles and Sections to be amended and the reasons for the proposed changes.

- **General Qualifications--Article IV, Section 1(A) (Page 6)**. This Section has been amended to:
  - Require, effective as of January 1, 2016, certification in Basic Life Support (BLS) in order to qualify for and remain as a member of the Medical Staff.
- **Standing and Special Committee Voting--Article VII, Section 2 (Page 39)**. This Section has been amended to:
  - Expressly permit standing and special committee meetings to be held either in person or electronically, at the discretion of the committee chair, and committee members to vote by e-mail or other electronic means.
- **Officers of the Medical Staff and Duties--Article XI, Sections 2 and 3 (Page 43)**. These Sections have been amended to:

- Add as an Officer of the Medical Staff the position of Immediate Past President, who shall be a member of the Medical Staff Executive Committee; serve as an advisor to the President; and perform those functions delegated by the Medical Staff Executive Committee.
- **Election of Officers--Article XI, Section 4 (Pages 43-44).** This Section has been amended to:
  - Change the requirement that a candidate for office receive a majority of the votes cast in order to be elected. Instead, the candidate receiving the highest number of votes for office shall be elected.
- **Vacancies of Officers--Article XI, Section 6 (Page 44).** This Section has been amended to:
  - Establish a process to fill a vacancy in an office if a position becomes vacant prior to the expiration of the officer's term and prior to the next scheduled annual meeting election.
  - If there is a vacancy in the office of the President, the Vice President shall fill the vacancy. If there is a vacancy in the office of the Vice President, then the Secretary/Treasurer shall fill the vacancy.
  - If there is a vacancy in the office of the Secretary/Treasurer, then an election shall be conducted to fill the vacancy. The election may be held at a meeting or by e-mail or electronic means. The Medical Staff Executive Committee may, at its discretion, appoint an individual to fill the office until such an election can be held.
  - Election shall be by the affirmative vote of either: (i) voting Medical Staff members present at a meeting or (ii) the Medical Staff eligible to vote who submit votes by e-mail or electronically, in the manner designated in the notice or electronic ballot, provided that a quorum of at least 10 percent of the Medical Staff members eligible to vote submit votes. The candidate receiving the highest number of votes for the office shall be elected.
- **Compensation of Officers--Article XI, Section 7 (Page 45).** This Section has been amended to:
  - Provide for compensation of Medical Staff Officers and the Immediate Past President for their time spent in discharge of duties of office.

- The compensation amounts will be determined by the Medical Staff Executive Committee on a biannual basis and submitted to the Medical Staff at its next regularly scheduled meeting.
- **Executive Committee of the Medical Staff Duties--Article VII, Section 1(A)(5) (Page 35); Amendments to Rules and Regulations - Article XII, Section B, C (Pages 45-46).** These provisions have been amended to:
  - Clarify, consistent with Joint Commission standards, that the Medical Staff Executive Committee may provisionally adopt an urgent amendment to the Medical Staff Rules and Regulations without prior notification to the Medical Staff, in cases of a documented need for an urgent amendment necessary to comply with law or regulation. The Medical Staff must be given the opportunity to review and comment on the provisional amendment, subject to the conflict management process in the Bylaws.
- **Amendments to Bylaws--Article XIII (Page 46).** This Article has been amended to:
  - Change the quorum for purposes of voting by e-mail or other electronic means on amendments to the Bylaws to 10 percent (from 25 percent) of the Medical Staff eligible to vote. This percentage is consistent with the percentage of votes received at meetings and during a previous electronic vote.
  - Approval of amendments by electronic vote would still require the vote of 2/3 of the eligible Medical Staff who submit electronic votes, provided that 10 percent of the voting Medical Staff submit votes electronically.
  - Add the requirement that proposed amendments and a report from the Committee on Medical Staff Bylaws be submitted to the Medical Staff Executive Committee. This requirement is already in the Rules and Regulations.
  - Add a requirement that the Medical Staff first notify the Committee on Medical Staff Bylaws (in addition to the Medical Staff Executive Committee, which is currently required) of proposed amendments before proposing such amendments directly to The Board of Trustees.

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. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

#### Rename the Institute for Genomic Biology, Urbana

(11) The Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois with the advice of the Urbana-Champaign Senate recommends approval of a proposal from the Vice Chancellor for Research to rename the Institute for Genomic Biology (IGB) building and program as the Carl R. Woese Institute for Genomic Biology.

The mission of the IGB is to advance life science research at the University of Illinois at Urbana-Champaign and to stimulate economic development in the State of Illinois. The IGB's exemplary achievements are built on a legacy of talented thinkers and visionaries, none more instrumental or inspiring than Carl R. Woese, a founding member of the IGB, and one of the world's most important evolutionary biologists of the twentieth century. An American microbiologist and award-winning Illinois faculty member, Dr. Woese's contributions to science were profound. He won numerous international and national awards, including the Crafoord Prize, National Medal of

Science, and van Leeuwenhoek Medal. Dr. Woese developed a deep attachment to the IGB and its mission. In an effort to elevate the IGB's visibility to an international level and to memorialize Dr. Woese, the Carl R. Woese Institute for Genomic Biology (The Woese Institute) as a name will help achieve these goals.

Significant positive effects on advancement efforts for the Institute with this new name are anticipated. For example, the building and/or some components within IGB, such as the Core facilities & Microscopy Suite or Interdisciplinary Science Instructional Facility, could be named in honor of generous donors.

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 for Academic Affairs concurs with this recommendation. The University Senates Conference has indicated that no further Senate jurisdiction is involved.

The President of the University recommends approval. This action is subject to further review and approval by the Illinois Board of Higher Education.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

## Amend Derivatives Use Policy

(12) The Derivatives Use Policy (“Policy”) was originally approved by the Board of Trustees at its July 2010 meeting. The Policy provided a University-wide framework for the use of derivative financial products to hedge certain financial risks. The policy is designed to ensure that derivatives are used appropriately and do not expose the University to undue risks. All forms of speculation are forbidden. The Policy prescribes:

1. The types of derivatives instruments which may be used;
2. The specific purposes for using derivative products;
3. Counterparty risk exposure, and
4. Documentation and regular reporting requirements.

The Vice President/Chief Financial Officer and Comptroller, after internal review, recommends that the Policy be amended to: (i) include modest terminology corrections, (ii) require ratings on counterparties from either Standard & Poor’s or Moody’s, (iii) include a definition of acceptable collateral, (iv) grant authority to the Vice President/Chief Financial Officer and Comptroller to make exceptions to counterparty qualifications, and (v) increase documentation requirements.

The Board actions 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. Fitzgerald, seconded by Mr. Montgomery, this recommendation was approved.

Resolution in Support of the University of Illinois at Chicago's Response to the Barack Obama Foundation's "Request for Proposal"

(13) WHEREAS, the University of Illinois' campus at Chicago (UIC) is one of only four institutions in the United States invited to submit a proposal to the Barack Obama Foundation ("Foundation") to host the Barack Obama Presidential Library, Museum, Foundation offices, and an academic institute (collectively, "Presidential Library") by December 11, 2014;

WHEREAS, UIC's proposal includes three potential sites, two locations on campus and a third location in the North Lawndale neighborhood;

WHEREAS, the North Lawndale site would provide great potential for economic development and revitalization in the area and is supported by members of the community and civic leaders;

WHEREAS, formal notification regarding the City's commitment to grant the necessary land rights to build the Presidential Library on the North Lawndale site is expected prior to UIC's submission of its proposal;

WHEREAS, UIC and North Lawndale were selected as finalists because of, among other things, the strong community partnership between UIC and North

Lawndale, the core public purpose and mission of UIC, and UIC's extensive engagement in the community;

WHEREAS, UIC's core values, including (1) improving access to education and serving first generation college students, (2) providing health care to underserved populations and reducing health disparities, (3) supporting the educational needs of veterans, (4) presenting options for undocumented students, (5) conducting world-class research, and (6) supporting members of underrepresented communities, align with President Obama's expected legacies;

WHEREAS, having the Presidential Library located at UIC or North Lawndale would enhance the global distinction of the University, create an important role for UIC in preserving American history, promote educational exchange and engaged research on a global level, and serve as a point of pride for our students, faculty, and alumni;

WHEREAS, the Presidential Library will be constructed with funds raised by the Barack Obama Foundation, operated with Federal funds and an endowment provided by the Foundation, and administered by the Office of Presidential Libraries at the National Archives and Records Administration;

WHEREAS, the purpose of the Presidential Library will be to preserve and make available to the public the papers, records, and other historical materials that document the lives of the president, his family, associates, and administration;

WHEREAS, UIC will require the support of the Board of Trustees of the University of Illinois to make a campus site available to the Federal Government;

## THEREFORE, BE IT RESOLVED:

1. THAT the Board of Trustees of the University of Illinois hereby endorses UIC's submission of a proposal to the Barack Obama Foundation Request for Proposal. Such endorsement is made with the following understandings: (1) the commitment to provide land on the UIC campus will be consistent with the Campus Master Plan; (2) UIC will continue to develop the proposal, including an academic program, which will follow all necessary procedures for approval; (3) UIC will continue to engage the UIC community for input and support; (4) UIC will obtain the necessary legal approval to make the campus land available if it is selected; and (5) UIC will provide periodic progress reports to the Board of Trustees. UIC, if selected, will seek additional approval(s) of the Board of Trustees before entering into final negotiations and agreements with the Barack Obama Foundation.

On motion of Mr. Fitzgerald, seconded by Mr. Montgomery, this resolution was approved.

By consensus, the Board agreed that one roll call vote would be taken and considered the vote on agenda item nos. 14 through 23 inclusive as listed below. The recommendations were individually discussed but acted upon at one time.

Delegate Authority to the Vice President/CFO and Comptroller  
to Refund Outstanding Certificates of Participation

(14) The Board has issued several series of Certificates of Participation (all currently outstanding Certificates of Participation being referred to as the "Outstanding Certificates") at varying interest rate levels. In the present interest rate environment, several of these issues can be refunded, in whole or in part, and produce debt service savings. Such issues include, but are not limited to, the Series 2005 (Taxable), 2006A,

and 2007A certificates. In aggregate, the refunding shall provide a minimum net present value savings in excess of 3 percent of the principal amount of the Series 2005 (Taxable), 2006A, and 2007A certificates being refunded.

The Board also issued the Series 2009A certificates which funded a portion of the National Petascale Computing Facility (the “NPCF”). The Series 2009A were issued as tax-exempt certificates. In 2009, the percentage of Private Business Use (the “PBU”) in the NPCF was within the safe harbor (up to 10 percent) permitted by the Internal Revenue Service (the “IRS”) for tax-exempt certificates. The percentage of PBU in the NPCF has been growing and in the future likely will exceed the IRS safe harbor. Taxable certificates can be used to finance facilities with PBU. Therefore, it is recommended that the Board refund the portion of the tax-exempt Series 2009A certificates that funded the NPCF with taxable certificates. Since taxable interest rates are generally higher than tax-exempt interest rates, these taxable certificates may not produce a debt service savings. This should be mitigated by the near historic low levels of interest rates.

By this action, the Board is authorizing the issuance of one or more series of Certificates of Participation (the “Certificates”). The principal amount of the Certificates to be issued to accomplish the refunding and the level of savings to be derived therefrom will depend upon market conditions at the time of sale.

The decision as to the timing and size of the refunding issue (or issues) will rest with the Vice President/CFO and Comptroller (the “Comptroller”) and will be based upon the trade-off between available refunding savings versus the reasonable expectation

of additional refunding savings arising from further market improvement. In no event will the aggregate principal amount of the refunding issue (or issues) exceed \$150,000,000 nor will the final maturity of such issue (or issues) exceed 30 years from the respective dates of issue thereof.

The intention is to issue the Certificates this December to realize and optimize refunding savings. In any event, this authorization will be effective for one year from the date hereof and may be renewed at a subsequent meeting of the Board.

The Certificates will be sold via a negotiated sale. The Certificates will be issued as fixed-rate certificates. The Certificates will be fully registered, and the obligation to make the installment payments will be included annually in each operating budget of the Board. The Board's obligation to make installment payments does not constitute a debt of the Board or the State of Illinois within the meaning of any constitutional or statutory limitation. The Board will agree to apply to the payment of the installment payments legally available non-appropriated funds on an annual basis, e.g., indirect cost recoveries.

Accordingly, in order to proceed with the preparation, sale and issuance of the Certificates, the Comptroller recommends that the Board approve the following actions:

1. Authorization of the sale and issuance of up to \$150,000,000 of the Certificates.
2. Approval of the form of the Preliminary Official Statement in substantially the form of the Preliminary Official Statement used in the most recent fixed rate issue sold by the Board and approval of the final Official Statement in substantially the form of the final Official

Statement used in the most recent fixed rate issue sold by the Board, each updated to include current disclosure information respecting the University and its financial condition and the terms of the Certificates.

3. Approval of the form of the Certificate Purchase Agreement, in substantially the form of the Bond Purchase Agreement entered into by the Board on February 5, 2014, to be used in connection with a sale of a series of the Certificates; the Certificates of each series (i) shall be sold to the purchasers thereof at a price, exclusive of net original issue discount or premium, not less than 98 percent of the par amount thereof, (ii) shall have a true interest cost of the Certificates of any series not to exceed 5.75 percent, and (iii) shall have coupon interest rates not to exceed 6.00 percent.
4. Delegate to the Comptroller the authority to determine the particular Outstanding Certificates to be refunded with proceeds of the Certificates.
5. Delegate to the Comptroller the authority to determine the principal amount, final terms and terms of the sale of the Certificates within the limits expressed in this Board action and to ratify, approve and confirm any and all changes in the forms of the documents authorized below necessary or appropriate in connection herewith.
6. Approval of the form of the Resolution in the form before this meeting, to be used in connection with the initial sale of the Certificates authorized hereby. Additional series of Certificates issued pursuant to the authorization contained herein shall be issued under additional resolutions substantially similar to the Resolution.
7. Approval of the form of the Amended and Restated Acquisition Agreements, the Installment Purchase Contracts, the Indentures of Trust and the Supplemental Indenture of Trusts in substantially the form of the Amended and Restated Acquisition Agreement, the Installment Purchase Contract, the Indentures of Trust and the Supplemental Indenture of Trust entered into by the Board on June 1, 2009.
8. Approval of the form of the Escrow Agreement, in substantially the form of the Escrow Agreement entered into by the Board on May 15, 2013, for the deposit of proceeds of any series of the Certificates and such other funds of the Board as shall be deemed necessary by the

Comptroller to provide for the refunding of the Outstanding Certificates.

9. Approval of the form of the Continuing Disclosure Agreement, in substantially the form of the Continuing Disclosure Agreement entered into by the Board on February 19, 2014, with respect to the Certificates to be executed and delivered in connection with the sale of each series of the Certificates.
10. Ratification and confirmation of all actions taken or to be taken by the officers and members of the Board in connection with the sale and delivery of the Certificates to the initial purchaser.
11. Authorize the Comptroller and other authorized officers of the Board to do and perform such other acts and things and to make, execute, and deliver all such other instruments and documents on behalf of the Board as may be by them deemed necessary or appropriate in connection with the provisions of the Resolution, the Amended and Restated Acquisition Agreements, the Installment Purchase Contracts, the Indentures of Trust, the Supplemental Indenture of Trusts, the Official Statement, the Certificate Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Agreement, including a Tax Exemption Certificate and Agreement in form satisfactory to Bond Counsel, University Counsel and the Board's Special Issuer's Counsel, and ratify, approve and confirm all acts and things whether heretofore or hereafter done or performed by any of the officers of the Board which are in conformity with the intents and purposes of these resolutions.
12. Retain RBC Capital Markets LLC as senior manager and Seibert Brandford Shank & Co., L.L.C. as co-senior manager to provide investment banking services, each to the extent required. Additional co-managers and selling group members may be added to assist in the marketing of the Certificates.
13. Retain Katten Muchin Rosenman LLP to serve as bond counsel.
14. Retain Acacia Financial Group, Inc. to serve as financial advisor.
15. Retain Freeborn & Peters LLP to serve as special issuer's counsel.
16. Retain The Bank of New York Mellon Trust Company, N.A. to serve as bond registrar, trustee and escrow agent.

17. Retain Grant Thornton LLP to serve as verification agent, to the extent required.
18. Delegate to the Comptroller the authority to negotiate for credit enhancement, as needed and deemed economically beneficial following consultation with the financial advisor.
19. Take actions to pursue and obtain a credit rating or ratings on the Certificates.

Certain legal matters incidental to the authorization and issuance of the Certificates, the forms of the Preliminary and final Official Statements, the Resolution, the Certificate Purchase Agreement, the Amended and Restated Acquisition Agreements, the Installment Purchase Contracts, the Indentures of Trust, the Supplemental Indenture of Trusts, the Escrow Agreement and the Continuing Disclosure Agreement will be approved by Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, and Freeborn & Peters LLP, Chicago, Illinois, Special Issuer's Counsel.

University Counsel concurs with the above recommended financing team, prescribed documentation and delegation of authority.

The Comptroller shall report to the Board upon completion of the transaction.

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.

Funding will be available from the proceeds of the Certificates.

The President of the University concurs.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Delegate Authority to the Vice President/CFO and Comptroller to Refund Outstanding  
Auxiliary Facilities System Revenue Bonds

(15) Since 1985, the Board has issued several series of Auxiliary Facilities System Revenue Bonds at varying interest rate levels. In the present interest rate environment, several of these issues can be refunded, in whole or in part, and produce a debt service savings. Such issues include, but are not limited to, the Series 2005A Bonds (all currently outstanding Auxiliary Facilities System Revenue Bonds being referred to as the “Outstanding Bonds”). By this action, the Board is authorizing the issuance of one or more series of Auxiliary Facilities System Refunding Revenue Bonds (the “Bonds”) to capture the refunding savings that are available. The principal amount of the Bonds to be issued to accomplish the refunding and the level of savings to be derived therefrom will depend upon market conditions at the time of sale. The principal amount of the Bonds issued could range from \$24,000,000 up to \$121,000,000 and the present value savings could range from \$2,000,000 up to \$9,600,000.

The decision as to the timing and size of the refunding issue (or issues) will rest with the Vice President/CFO and Comptroller (the “Comptroller”) and will be based upon the trade-off between available refunding savings versus the reasonable expectation of additional refunding savings arising from further market improvement. In no event will the aggregate principal amount of the refunding issue (or issues) exceed \$125,000,000 nor will the final maturity of such issue (or issues) exceed 30 years from the respective dates of issue thereof. The refunding issue (or issues) hereby authorized may be issued in combination with Auxiliary Facilities System Revenue Bonds for new projects, approved by the Board or to be approved at a subsequent meeting of the Board, if such combination is in the best financial interest of the Board, as determined by the Comptroller.

The intention is to issue the Bonds in the first or second calendar quarters of 2015 to realize and optimize a refunding savings benefit for the Auxiliary Facilities System of the University (the “System”). In any event, this authorization will be effective for one year from the date hereof and may be renewed at a subsequent meeting of the Board.

The Bonds will be sold via (i) a public competitive bidding process to the bidder or syndicate submitting the offer to purchase one or more series of the Bonds determined by the Comptroller to be in the best financial interest of the Board or (ii) a negotiated sale to the underwriter or underwriters appointed as described below, all as determined by the Comptroller at the time of sale of each issue. Depending on market

conditions, certain issues of Bonds authorized hereby may be sold competitively, while others may be sold on a negotiated basis.

Following a prior Request for Proposal (the “RFP”) selection process, seventeen firms were approved to serve as senior managing underwriter for University debt offerings. Any one or a combination of these firms will be selected by the Comptroller to serve as senior manager or co-manager on a negotiated sale of these refunding issues. Other co-managing underwriters, previously approved by the same RFP process for such a role, will be assigned to the Bond financing on an issue-by-issue basis.

The Bonds will be issued as fixed-rate bonds. The Bonds will be fully registered and will be special, limited obligations of the Board, payable only from and secured by the net revenues of the System, student tuition and fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and the Bond and Interest Sinking Fund Account.

Accordingly, in order to proceed with the preparation, sale and issuance of the Bonds, the Comptroller recommends that the Board approve the following actions:

1. Authorization of the sale and issuance of up to \$125,000,000 of the Bonds.
2. Approval of the forms of (i) the Official Notice of Sale and Bid Form (the “Notice of Sale”) in substantially the form of the Official Notice of Sale and Bid Form used in the most recent issue competitively sold by the Board and (ii) the Preliminary Official Statement in substantially the form of the Preliminary Official Statement used in the most recent fixed rate issue sold by the Board and approval of the final Official Statement in substantially the form of the final Official Statement used in the most recent fixed rate issue sold by the Board,

each updated to include current disclosure information respecting the University and its financial condition and the terms of the Bonds.

3. Approval of the form of the Bond Purchase Agreement, in substantially the form of the Bond Purchase Agreement entered into by the Board on February 5, 2014, to be used in connection with a negotiated sale of a series of the Bonds. Whether sold competitively or on a negotiated basis, the Bonds of each series (i) shall be sold to the purchasers thereof at a price, exclusive of net original issue discount or premium, not less than 98 percent of the par amount thereof, (ii) shall have a true interest cost of the Bonds of any series not to exceed 5.75 percent, (iii) shall have coupon interest rates not to exceed 6.00 percent and (iv) shall provide a minimum net present value savings of 3 percent of the principal amount of the Outstanding Bonds being refunded. Any agreement entered into with the purchasers of Bonds sold competitively shall have terms and conditions no less favorable to the Board than those contained in the form of Bond Purchase Agreement.
4. Delegate to the Comptroller the authority to (i) determine the particular Outstanding Bonds to be refunded with proceeds of the Bonds, (ii) determine the method of sale of any series, competitive or negotiated, (iii) for a competitive sale, direct the publication of the Notice of Sale in such locations as shall be determined by the Comptroller to provide a competitive sale of Bonds on terms most favorable to the Board and (iv) for a negotiated sale, approve the firm(s) from the pool qualified under the RFP to serve as senior managing underwriter and appoint co-managers and selling group members from the pool qualified under the RFP to assist in the marketing of the Bonds.
5. Delegate to the Comptroller the authority to determine the principal amount, final terms and terms of the sale of the Bonds within the limits expressed in this Board action and to ratify, approve and confirm any and all changes in the forms of the documents authorized herein necessary or appropriate in connection herewith.
6. Approval of the Twenty-First Supplemental System Revenue Bond Resolution in the form before this meeting to be used in connection with the initial sale of the Bonds authorized hereby. Additional series of Bonds issued pursuant to the authorization contained herein shall be issued under Supplemental System Revenue Bond Resolutions

substantially similar to the Twenty-First Supplemental System Revenue Bond Resolution.

7. Approval of the Escrow Agreement, in substantially the same form as the Escrow Agreement entered into by the Board on May 15, 2013, for the deposit of proceeds of any series of the Bonds and such other funds of the Board as shall be deemed necessary by the Comptroller to provide for the refunding of the Outstanding Bonds.
8. Approval of the form of Continuing Disclosure Agreement, in substantially the same form as the Continuing Disclosure Agreement entered into by the Board on February 19, 2014, with respect to the Bonds to be executed and delivered in connection with the sale of each series of the Bonds.
9. Ratification and confirmation of all actions taken or to be taken by the officers and members of the Board in connection with the sale and delivery of the Bonds to the initial purchaser.
10. Authorize the Comptroller and other authorized officers of the Board to do and perform such other acts and things and to make, execute, and deliver all such other instruments and documents on behalf of the Board as may be by them deemed necessary or appropriate in connection with the provisions of the Notice of Sale, the Official Statement, the Twenty-First Supplemental System Revenue Bond Resolution, the Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Agreement, including a Tax Exemption Certificate and Agreement in form satisfactory to Bond Counsel, University Counsel and the Board's Special Issuer's Counsel, and ratify, approve and confirm all acts and things whether heretofore or hereafter done or performed by any of the officers of the Board which are in conformity with the intents and purposes of these resolutions.
11. Retain Chapman and Cutler LLP to serve as bond counsel.
12. Retain Public Financial Management, Inc. to serve as financial advisor.
13. Retain Freeborn & Peters LLP to serve as special issuer's counsel.
14. Retain The Bank of New York Mellon Trust Company, N.A. to serve as bond registrar, trustee and escrow agent.

15. Retain Grant Thornton LLP to serve as verification agent, to the extent required.
16. Delegate to the Comptroller the authority to negotiate for credit enhancement, as needed and deemed economically beneficial following consultation with the financial advisor.
17. Take actions to pursue and obtain a credit rating or ratings on the Bonds.

Certain legal matters incidental to the authorization and issuance of the Bonds, the forms of the Preliminary and final Official Statements, the Twenty-First Supplemental System Revenue Bond Resolution, the Bond Purchase Agreement, Notice of Sale, Escrow Agreement and the Continuing Disclosure Agreement will be approved by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and Freeborn & Peters LLP, Chicago, Illinois, Special Issuer's Counsel.

University Counsel concurs with the above recommended financing team, prescribed documentation and delegation of authority.

The Comptroller shall report to the Board upon completion of the transaction.

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.

Funding will be available from the proceeds of the Bonds.

The President of the University concurs.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Increase Project Budget and Award Contract for Addition and Renovation,  
Chemistry Annex Building, Urbana

(16) In May 2012, the Board of Trustees approved the Addition and Renovation of the Chemistry Annex building. In March 2014, the Board approved an increase to the project budget. An additional \$900,000 is now required for award of contracts.

Accordingly, the Chancellor, University of Illinois at Urbana-Champaign, and the Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that the Board approve the increase in project budget for this project to \$25,760,790, an increase of \$900,000.

Bids for the second phase of the construction work have been solicited, and for the project to proceed, the Chancellor, University of Illinois at Urbana-Champaign, and the Vice President, University of Illinois, with the concurrence of the appropriate administrative officers recommends that the following contract<sup>4</sup> be awarded.

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<sup>4</sup>Contracts for other divisions were awarded that are within the delegated approval levels: Division 2--Plumbing Work, Davis-Houk Mechanical, Inc., Urbana, IL, \$1,549,700; Division 3--Heating A/C Temp Control Work, Davis-Houk Mechanical, Inc., Urbana, IL,

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 alternates<sup>5</sup>:

Division 1 - General

Core Construction Services of Illinois Inc., Morton, IL	Base Bid	\$9,882,000
	Alt. 1	(86,000)
	Alt. 3	(73,000)
	Alt. 4	(59,000)
	Alt. 5	(36,000)
	Alt. 6	(89,000)
	Alt. 8	<u>(93,000)</u>
TOTAL		\$9,446,000

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, institutional funds operating budget of the Urbana-Champaign campus, and gift funds.

The President of the University concurs.

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\$1,972,000; Division 4--Ventilation Work, Reliable Plumbing & Heating Co., Champaign, IL, \$1,683,910; Division 5--Electrical Work, Glesco Electric, Inc., Urbana, IL, \$2,066,809.

<sup>5</sup>Description of Alternates: Alt. 1--Omit corridor over existing connecting roof; Alt. 3--Substitute all rubber flooring with VCT; Alt. 4--Substitute kynar faced panels for all copper panels; Alt. 5--Substitute stainless steel toilet partitions; Alt. 6--Substitute skim coating of CMU walls in lieu of all Trespa paneling over CMU walls; and Alt. 8--Deduct alternate for substituting fire rated glass sidelight and door for standard HM rated door.

Construction is scheduled to be completed in July 2016.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

#### Award Contracts for Renovation and Addition, State Farm Center, Urbana

(17) In May 2013, the Board of Trustees approved the State Farm Center-Renovation and Addition project. In July 2014, the Board of Trustees approved a \$4.5 million budget increase. This \$169.5 million, 431,340 gross square foot renovation and addition project will enhance amenities to improve the experience for attendees and participants during events at the State Farm Center.

Bids for package 1 and package 2 were solicited and have been awarded. Bids for package 3, construction work have been solicited. In order for the project to proceed, the Chancellor, University of Illinois at Urbana-Champaign, and the Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that the following contracts be awarded. Competitive bidding procedures in accordance with the Illinois Procurement Code were followed; and the

awards are to the lowest responsible bidder for each division on the basis of its base bid plus the acceptance of indicated alternates<sup>6</sup>.

Division 1 – General Work

Poettker Construction Company, Breese, IL	Base Bid	\$9,023,000
	Alt. 1	0
	Alt. 4	0
	Alt .6	<u>118,000</u>
TOTAL		\$9,141,000

Division 5 – Electrical Work

Oberlander Electric Co., East Peoria, IL	Base Bid	\$5,200,000
	Alt. 1	1,460,000
	Alt. 4	135,000
	Alt. 6	<u>0</u>
TOTAL		\$6,795,000

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 institutional funds operating budget of the Urbana-Champaign campus with reimbursement from the proceeds of a sale of auxiliary facilities system revenue bonds, gift funds, and auxiliary facility system repair and replacement reserve budget.

The President of the University concurs.

Construction is scheduled to be completed in November 2016.

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<sup>6</sup>Description of Alternates: Alt. 1--Furnish new center-hung scoreboard; Alt. 4--Furnish the west lobby video wall options; and Alt. 6--Remove the gutter liner membrane.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Increase Project Budget and Award Contract, Gas Boiler Replacement,  
Abbott Power Plant, Urbana

(18) In May 2012, the Board approved the Abbott Power Plant Gas Boiler Replacement project. In January 2014, a budget increase was approved for a revised budget of \$8.8 million. An increase of \$1.35 million is now required for award of contracts.

Accordingly, the Chancellor, University of Illinois at Urbana-Champaign, and the Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that the Board approve the increase in project budget for this project to \$10.15 million, an increase of \$1.35 million.

Bids for the construction work have been solicited, and for the project to proceed, the Chancellor, University of Illinois at Urbana-Champaign, and the Vice President, University of Illinois with the concurrence of the appropriate administrative

officers recommends that the following contract<sup>7</sup> 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:

Division 3 – Heating Work

Barton Malow Company, Chicago, IL	Base Bid	<u>\$3,588,000</u>
TOTAL		\$3,588,000

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 institutional funds operating budget of the Urbana-Champaign campus.

The President of the University concurs.

Construction is scheduled to be complete in September 2015.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

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<sup>7</sup>Contracts for other divisions were awarded that are within the delegated approval levels: Division 1, General Work, Felmley-Dickerson, Bloomington, IL, \$992,900; Division 5, Electrical Work, Glesco Electric, Urbana, IL, \$560,500.

Employ Construction Manager for Renovation, Everitt Laboratory, Urbana

(19) In March 2014, the Board approved the Everitt Laboratory Renovation project with a budget of \$50.0 million.

In order for the project to proceed, it is necessary to employ a construction manager for the Design Development, Construction Documents, Bidding, and Construction phases of the project. The selection of the construction manager for this project was in accordance with the requirements and provisions of the Illinois Procurement Code.<sup>8</sup>

Accordingly, the Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that Harold O'Shea Builders of Springfield, Illinois, be employed for the construction management services required for the project for a fixed fee of \$1,734,781 and staff cost on an hourly basis with the total not to exceed \$834,240 plus reimbursable expenses estimated to be \$201,145.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The*

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<sup>8</sup>A selection committee consisting of Jennifer Ehrnthaller (Bioengineering Department), Mike Insana (Bioengineering Department), Adam Kimball (Facilities and Services), Greg Larson (College of Engineering), Chris Rogan (University Office of Capital Programs and Real Estate Services), Jim Sims (Facilities and Services), and Elizabeth Stegmaier (Facilities and Services) interviewed the following firms: Gilbane Building Company, Chicago, IL; Harold O'Shea Builders, Springfield, IL; Mortenson Construction, Elk Grove Village, IL; and Turner Construction Company, Chicago, IL. The committee recommends Harold O'Shea Builders, Springfield, IL, as best meeting the criteria for the project.

*General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

Funds for the project are available from institutional funds operating budget of the Urbana-Champaign campus and gift/endowment funds.

The President of the University concurs.

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

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Approve Lease for Costing, Grants and Contracts, and Sponsored Programs, Urbana

(20) The Vice President/Chief Financial Officer and Comptroller of the University with the concurrence of the appropriate administrative officers recommend approval, subject to satisfactory resolution of final contract terms, that the Comptroller be authorized to execute a lease agreement for 25,029 square feet of office and class room space (21,667 square feet of occupied area and 3,584 square feet of common area) on the first and second floors of 1901 South First Street, Champaign (“Building”).

The Building is located in the University of Illinois Research Park at the Urbana campus. The lease term will be for five years commencing June 1, 2015, through May 31, 2020. The lease will also include the option to lease adjacent space in the

Building on the second floor consisting of 5,285 square feet of occupied area and 1,161 square feet of common area. The landlord is CRP Property, LLC.

The leased space would accommodate the University of Illinois offices of Grants and Contracts, Government Costing, and Sponsored Programs. The proposed lease space is more than 10,000 square feet and required a Request for Information (RFI) pursuant to the Illinois Procurement Code.

The term of the proposed lease is five years, with an option to renew for an additional five-year period. Annual base rental costs would start at \$17.00 per square foot and will increase annually by \$.25 per square foot. The annual first year base cost is \$425,493. The lease rental rate is full service and includes rubbish removal, common area maintenance, property taxes, and insurance costs. The lease will include an option to lease the adjacent space consisting of 6,446 square feet (5,285 square feet of useable area plus 1,161 square feet of common area) when the space becomes available in August 2015. The University will be responsible for its own janitorial, electrical, telephone, and internet costs.

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 Dr. Koritz, seconded by Ms. Holmes, this recommendation was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr.

Kennedy, Dr. Koritz, Ms. Leibowitz, Mr. McMillan, Mr. Montgomery, Ms. Strobel; No, none; Absent, Governor Quinn. (Mr. Fitzgerald asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

#### Approve Agreements with Prairieland Energy, Inc.

(21) The University procures energy commodity and related energy services from market sources through Prairieland Energy, Inc. (Prairieland), a University-Related Organization. Prairieland was authorized by the Board of Trustees of the University of Illinois (the Board) in September 1996 to provide low-cost energy for the benefit of the University and others. It provides an efficient vehicle for flexible, nimble, and real-time participation in wholesale energy markets, resulting in cost savings and other benefits to the University.

A comprehensive review of energy-related governance has been completed in response to findings by the Energy Task Force (2009); open internal audit findings (2007, 2011); and internal administrative reviews. This review concluded that a basic restructuring of energy-related governance was required. This restructuring includes a new Memorandum of Understanding (MOU) between the Board and Prairieland, which better defines the roles and responsibilities of each party. In conjunction with the MOU, the existing operating agreements between the Board and Prairieland were consolidated and revised to form the Energy Commodity Procurement Services Agreement (PSA). The

PSA specifies the terms and conditions related to the purchase and sale of energy commodities between the parties.

The Prairieland Board of Directors approved the MOU and PSA at their meetings on April 22, 2014, and October 20, 2014, respectively. Accordingly, the Vice President/Chief Financial Officer and Comptroller recommends approval of the proposed MOU and PSA.

The Board actions recommended in this item comply 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 Dr. Koritz, seconded by Ms. Holmes, this recommendation was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Ms. Leibowitz, Mr. McMillan, Mr. Montgomery, Ms. Strobel; No, none; Absent, Governor Quinn. (Mr. Fitzgerald asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Increase Project Budget, First Floor Renovation and Fire Protection Modernization,  
Library of the Health Sciences, Chicago

(22) In February 2013, the University approved the First Floor Renovation and Fire Protection Modernization, Library of the Health Sciences project, with a budget of

\$4,967,600. Subsequent to this approval, numerous life safety, accessibility, and infrastructure items were identified that were not part of the original scope, but are essential to the successful completion of the project. Additional scope includes: replacing of existing entry doors to meet current accessibility code; providing mass notification system throughout building to meet current University requirements; providing main building data ground, required by current electrical code; and providing pre-action sprinkler system at locations required to preserve sensitive collections. The additional project cost has been estimated at \$304,280.

Accordingly, the Chancellor, University of Illinois at Chicago, and the Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that the Board approve the increase in project budget for this project to \$5,271,880, an increase of \$304,280.

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.

The President of the University concurs.

On motion of Dr. Koritz, seconded by Ms. Holmes, this recommendation was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Ms. Leibowitz, Mr. McMillan, Mr. Montgomery, Ms. Strobel; No,

none; Absent, Governor Quinn. (Mr. Fitzgerald asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

Purchase Recommendations

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

This was presented in one category--purchases 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:

<b>From Institutional Funds</b>	
Purchases .....	\$21,000,000

Information about this 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 Dr. Koritz, seconded by Ms. Holmes, this recommendation was approved by the following vote: Aye, Mr. Estrada, Ms. Hasara, Ms. Holmes, Mr. Kennedy, Dr. Koritz, Ms. Leibowitz, Mr. McMillan, Mr. Montgomery, Ms. Strobel; No,

none; Absent, Governor Quinn. (Mr. Fitzgerald asked to be recorded as not voting on this item.)

(The student advisory vote was: Aye, Ms. Cave, Mr. Frye.)

### President's Report on Actions of the Senates

(24) The president presented the following report:

Establish an Undergraduate Minor in Computational Science and Engineering,  
College of Engineering, Urbana

The Urbana-Champaign Senate has approved a proposal from the College of Engineering to establish an undergraduate minor in Computational Science and Engineering (CSE).

The Computational Science and Engineering minor is designed to provide undergraduate students with a solid base in problem-solving using computation as a major tool for modeling complicated problems in science and engineering. The CSE minor is aimed at helping students develop competencies in computational methods required to conduct computer experiments. The CSE minor comprises 18 total hours with 9 hours in topics relevant to scientific computing and 9 hours of application coursework. Students may opt to complete an undergraduate research project that provides the opportunity to work with a faculty member using their acquired computational skills in solving real problems.

Revise the Criteria for University Honors, Chicago

The Chicago Senate with the advice of the Vice Provost for Undergraduate Affairs, Vice Provost for Academic and Enrollment Services, and the Committee of Associate and Assistant Deans has approved a proposal to revise the criteria for university honors recognition at graduation. Currently, the University Honors system recognizes three traditional levels of distinction for scholastic excellence according to the following ranges of cumulative grade point averages where A equals 4.00: Summa cum laude (3.90 and above); Magna cum laude (3.75 to 3.89); and Cum laude (3.50 to 3.74). In order to be eligible, students must also have earned 60 hours of UIC coursework with 42 hours earned before entering the final semester.

The revised criteria will retain the current levels of distinction and the corresponding ranges of grade point averages. However, the criteria will be revised to make the awarding of University Honors based solely on coursework earned at UIC, not the cumulative grade point average which reflects all college coursework earned at any institution. Further, the minimum hours of earned UIC coursework will be changed to be in alignment with the University's Enrollment Residence Requirement which states that students must: complete the first 90 or last 30 semester hours at UIC, with the exception of the College of Business Administration which requires students to complete the last 30 semester hours, and must complete at least one-half of the semester hours required in their major area of study at UIC.

Under the revised criteria, a student who satisfies the Enrollment Residence Requirement and whose UIC grade point average falls within the ranges for distinction

will be awarded University Honors. These changes are being made in order to meet the goals initially envisioned for University Honors of creating a more universally understood system that celebrates student achievement, and because current criteria adversely impacts transfer students who have been successful at UIC. By making the UIC grade point average the sole determinant for University Honors, the importance of the UIC academic experience is emphasized and University Honors is then based on the grade point average which appears on the official University transcript.

Establish the Concentration in Health Care Informatics in the Bachelor of Science in Management Information Systems, College of Business and Management, Springfield

The Springfield Senate with the recommendation of the College of Business and Management has approved the establishment of a concentration in Health Care Informatics in the Bachelor of Science in Management Information Systems.

The creation of the Health Care Informatics concentration in the Management Information Systems major will allow students an opportunity to pursue specialty coursework and apply technical and business principles to the emerging highly technical field of health care delivery services. The 18 hour concentration, which will be offered in both blended and online formats, will meet the employment demands of regional, State, and national employers in health care delivery systems including but not limited to clinics, hospitals, and insurance companies.

A copy has been filed with the secretary of the Board.

This report was received for record.

Annual Financial Report, University Office of Risk Management,  
Year Ended June 30, 2014

(25) The comptroller presented this report for Fiscal Year 2014. A copy has been filed with the secretary of the Board.

This report was received for record.

Fiscal Year 2015 Budget to Actual September 30, 2014 Report (Revenue and Expense)

(26) On September 14, 2014, the Board of Trustees approved the Fiscal Year 2015 Budget Summary for Operations (BSO). Appendix B of the BSO required that budget to actual quarterly reporting, for both Revenue and Expense, be reported at regular intervals. A copy has been filed with the secretary of the Board.

This report was received for record.

Change Orders Report to the Board of Trustees

(27) 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 5 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.

Comptroller's Report of Endowment Investment Transactions Under Audit, Budget, Finance, and Facilities Committee Guidelines, July 1, 2013 through June 30, 2014

(28) The goal of the University of Illinois investment staff is to maintain the endowment pool asset allocation as set forth in the endowment pool investment policy adopted by the Board of Trustees. The endowment pool portfolio is rebalanced at least quarterly with exchanges between managers and new cash inflows allocated in the fashion that maximizes policy compliance and minimizes transaction costs. The transactions listed in this report were undertaken to maintain asset allocations within allowable ranges defined by the endowment investment policy. A copy has been filed with the secretary of the Board.

This report was received for record.

Dashboards – Urbana, Chicago, Springfield, Hospital

(29) The chancellors at Urbana, Chicago, and Springfield submitted the dashboard reports for the Urbana, Chicago, and Springfield campuses. The associate vice president for hospital operations submitted the University of Illinois Hospital dashboard. Copies have been filed with the secretary of the Board.

These reports were received for record.

Minority and Female Business Enterprise (MAFBE) Report

(30) This report responds to the Board of Trustees' request for periodic information on MAFBE expenditures. The report lists expenditures by MAFBE vendors for the period of July 1, 2014, through September 30, 2014. A copy has been filed with the secretary of the Board.

This report was received for record.

Report of the University of Illinois, Open Access to Research Articles Task Force

(31) On November 14, 2013, the University of Illinois Board of Trustees appointed a task force to address the requirements and questions formulated in Illinois Public Act 098-0295. A report and proposed policy regarding open access to research articles is on file with the secretary.

This report was received for record.

Secretary's Report

(32) The secretary presented for record changes to academic appointments for contract year 2014-15, new hires, resignations, notices of nonreappointment, and retirees re-hired. A copy has been filed with the secretary of the Board.

University of Illinois Alumni Association Report

(33) An update from the University of Illinois Alumni Association has been filed with the secretary of the Board.

This report was received for record.

University of Illinois Foundation Report

(34) An update from the University of Illinois Foundation has been filed with the secretary of the Board.

This report was received for record.

MOTION FOR EXECUTIVE SESSION

At 12:10 p.m., Mr. Kennedy stated: “A motion is now in order to hold an executive session to consider University employment or appointment-related matters and pending, probable, or imminent litigation against, affecting, or on behalf of the University.”

On motion of Ms. Strobel, seconded by Ms. Leibowitz, 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 adjourned at 4:20 p.m.

REGULAR MEETING RESUMED

The meeting resumed at 4:22 p.m. All Board members recorded as being present at the start of the meeting in attendance, with the exception of Ms. Hasara, Ms. Cave and Mr. Montgomery, who left the meeting at 4:10 p.m.

NEW BUSINESS

There was no business presented under this aegis.

OLD BUSINESS

There was no business presented under this aegis.

ANNOUNCEMENTS

Mr. Kennedy announced that the Board is scheduled to meet on January 15, 2015, in Chicago; on March 12, 2015, in Urbana; and on May 7, 2015, in Springfield.

## MOTION TO ADJOURN

At 4:23 p.m., Chair Kennedy requested a motion to adjourn the meeting. On motion of Mr. McMillan, seconded by Ms. Leibowitz, the meeting adjourned. There were no “nay” votes.

SUSAN M. KIES  
*Secretary*

CHRISTOPHER G. KENNEDY  
*Chair*