Board Meeting

 January 23, 2025

# REPORT OF ACTION BY THE EXECUTIVE COMMITTEE

 The following actions have been taken by the Executive Committee since the last meeting of the Board. These actions are now reported to the Board as a whole.

*December 13, 2024, meeting of the Executive Committee*

Delegate Authority to the Comptroller to Purchase Specialized Equipment
Related to a University-Related Organization

(1) On July 19, 2024, the Board of Trustees Executive Committee established a University-Related Organization (URO) to operate and manage the Quantum Science Facilities, as described below, and made certain delegations of authority to the president of the University of Illinois System related to the formation of the URO. A planned Illinois Quantum and Microelectronics Park (the “Quantum Science Facilities”) has been announced for the Chicago area and will serve as a quantum computing proving ground. Pursuant to the Board of Trustees Executive Committee’s approval on July 19, 2024, the president of the University of Illinois System has taken actions to further form the URO and establish a limited liability corporation, the Illinois Quantum and Microelectronics Park, LLC (IQMP, LLC).

In support of the Quantum Science Facilities and in conjunction with its State of Illinois partners, the University seeks to enter into agreements with International Business Machines Corporation (IBM) to purchase certain components of a quantum computer system (IBM Quantum Computer). Under the agreements with IBM, the University will purchase certain components of the IBM Quantum Computer, while IBM will provide and retain ownership of certain other components. IBM will also provide certain services related to the IBM Quantum Computer pursuant to those agreements.

The IBM Quantum Computer initially will be located at the University of Chicago’s Hyde Park Labs, pursuant to lease and sublease agreements, which will be negotiated at a later time. The parties intend to move the IBM Quantum Computer to the Quantum Science Facilities in approximately three years. IQMP, LLC and the State of Illinois anticipate that the location of the IBM Quantum Computer in Illinois will attract interest in the Quantum Science Facilities and assist with drawing additional prospective tenants and contributors to the Quantum Science Facilities and Illinois quantum activities. Separately, IQMP, LLC will enter into an agreement with IBM to govern the establishment and operation of the National Quantum Algorithm Center (NQAC) in Illinois, which will serve as a hub for interdisciplinary collaboration on quantum initiatives and guarantee fifty new IBM jobs located in Illinois in support of quantum initiatives.

In order to effectuate this transaction, the State of Illinois will enter into a $25,000,000 grant agreement with the Board of Trustees of the University of Illinois. Pursuant to that agreement, the State of Illinois will provide the University with the requisite funds to purchase the IBM Quantum Computer components. Under the agreements with IBM, the University also will be responsible for certain costs related to preparing and maintaining the facility to house the IBM Quantum Computer, which will be supported by institutional funds. The University of Chicago intends to bear these costs for the duration of the time when the IBM Quantum Computer is located at Hyde Park Labs.

Accordingly, the chancellor, University of Illinois Urbana-Champaign, and vice president, University of Illinois System, recommends that the Board approve delegating to the comptroller the authority to enter into purchase and service agreements with IBM. The president of the University of Illinois System concurs.

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 Ms. Holmes, seconded by Mr. Cepeda, this recommendation was approved by the following vote: Aye, Mr. Cepeda, Mr. Edwards, Ms. Holmes; No, none.