

Board Meeting  
May 31, 2012

## REPORT OF ACTIONS 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.

### Approve Medical Tuition Rates, Academic Year 2013

(1) The current academic year 2012 tuition for Medicine is \$16,500 per semester for in-State students. An increase of \$500 per semester, or 3.0 percent, is requested for the upcoming academic year to \$17,000 per semester. This College of Medicine tuition action supersedes any tuition action previously undertaken for academic year 2013.

The proposed change was discussed at length by the University Healthcare System Committee on March 14, 2012. It was recommended by the Dean of the College of Medicine and the Vice President for Health Affairs. All members of the Committee endorsed this increase, and it was agreed that the Committee would request action by the Executive Committee as soon as practicable given the timing of decisions by individuals who had been accepted to the College of Medicine. At the Board of Trustees meeting on March 15, 2012, this change was discussed with the full Board during Trustee Timothy N. Koritz's report on the University Healthcare System Committee

meeting. All members of the Board concurred with the proposed change, and all endorsed the idea of seeking action by the Executive Committee rather than wait for the next Board meeting.

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.

This change has been reviewed and is recommended for approval by the Vice President/Chancellors, the Vice President of Health Affairs, the Vice President/Chief Financial Officer and Comptroller, and by the Vice President for Academic Affairs.

The President of the University concurs.

On motion of Mr. McMillan, seconded by Ms. Strobel, this recommendation was approved by members of the Executive Committee.

Accept Resignation of Michael J. Hogan and  
Approve Revised Employment Agreement

(2) On March 22, 2012, President Michael J. Hogan submitted his resignation as President effective July 1, 2012. Dr. Hogan's resignation was accepted by Board Chair Christopher G. Kennedy for consideration by the Executive Committee and Board.

Dr. Hogan serves as President pursuant to an Employment Agreement executed June 22, 2010, which included the right to return to a tenured faculty position

as Professor of History. In order to clarify the terms for Dr. Hogan's transition to the faculty, a Revised Employment Agreement was drafted and executed, subject to approval by the Executive Committee and/or Board of Trustees.

It is hereby resolved that the Executive Committee accepts Dr. Hogan's resignation as President, and further approves the Revised Employment Agreement.

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.

*[Execution Copy]*

### **REVISED EMPLOYMENT AGREEMENT**

This Revised Employment Agreement ("Revised Employment Agreement"), by and between The Board of Trustees of the University of Illinois ("Board" or "University") and Dr. Michael J. Hogan ("Hogan"), is being executed for the purpose of specifying the terms and conditions of Hogan's continued employment with the University.

WHEREAS, the parties executed an Employment Agreement on June 22, 2010 ("Initial Employment Agreement"), pursuant to which Hogan agreed to serve as President of the University through June 30, 2015;

WHEREAS, pursuant to Section 15 of the Initial Employment Agreement, Hogan possesses the right to return to the faculty as Professor of History, with tenure;

WHEREAS, during the past several months, the University has been dealing with various matters, which have distracted personnel and resources from the University's core missions;

WHEREAS, Hogan has advised the Board of his intention to resign as President effective July 1, 2012 in order to enable the Board to select University leadership; and

WHEREAS, the parties wish to allow for an orderly transition in leadership in the office of the President and to confirm the terms and conditions of Hogan's continued employment by the University;

NOW, THEREFORE, for consideration of mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree:

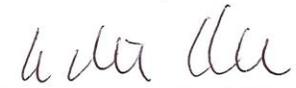
1. Hogan hereby resigns as President effective the close of business on July 1, 2012. He will then be entitled to a one-year sabbatical at the faculty salary as set forth in Section 15 of the Initial Employment Agreement, which has been determined to be \$285,100. Hogan will receive the average of any faculty salary program implemented in fall 2012. Hogan thereafter will be eligible for annual salary increases.
2. Beginning on July 1, 2013, Hogan will return to the University faculty as Distinguished Professor of History, on indefinite tenure, at a campus of his choosing. Hogan's benefits and research and clerical support will be as described in Section 15 of the Initial Employment Agreement. As provided therein, Hogan will devote his full time to research and scholarship in his field or related fields, and his teaching obligations will be appropriate to a full professor actively engaged in research and professional service. He also will be available as requested to assist with fundraising and alumni relations. Finally, Hogan will be entitled to reasonable, documented moving expenses.
3. Hogan's resignation as President in no way constitutes an admission that any basis exists for the Board of Trustees to terminate Hogan as President for any reason with or without cause.

4. Hogan acknowledges that no amount is payable to Hogan under the severance package or deferred compensation provisions of the Initial Employment Agreement upon his resignation effective July 1, 2012. In other words, Hogan agrees to forfeit any claim for the payment of one year's salary in the amount of \$651,000 as a severance payment under Section 16(f), and he forfeits any claim to deferred compensation in the amount of \$157,500 that he would have been entitled to receive under Section 13 and Appendix A had he remained as President through July 1, 2015. Hogan and University agree that University will pay Hogan, in full settlement and release of any claim he may have to severance or deferred compensation, upon execution by Hogan of a release agreement provided by University, (i) on July 12, 2012, the amount necessary to satisfy Hogan's current federal and state withholding requirement with respect to the gross payment described in clause (ii); and (ii) on July 1, 2015, the amount of \$67,500 less the amount described in clause (i). Hogan shall provide University with satisfactory proof of the withholding amount described in clause (i). Hogan also is releasing any claims related to employment as President beyond July 1, 2012.

5. When executed by both parties, this Revised Employment Agreement will constitute a binding agreement amending the Initial Employment Agreement to the extent the provisions hereof differ from the provisions of the Initial Employment Agreement, subject only to its subsequent approval by the Executive Committee and / or Board of Trustees. Except as so modified, the provisions of the Initial Employment Agreement shall remain in full force and effect, except that the provisions of Sections 8 - 13 shall cease to apply following Hogan's resignation as President effective July 1, 2012.

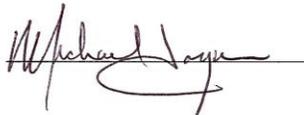
This Revised Employment Agreement, which may be executed in counterparts delivered via facsimile, pdf or other electronic means (which taken together shall constitute a single agreement), is made as of this 22<sup>nd</sup> day of March, 2012.

For The Board of Trustees  
of the University of Illinois



Comptroller

Michael J. Hogan



On motion of Mr. McMillan, seconded by Ms. Strobel, this recommendation was approved by members of the Executive Committee.

### Appoint President Designate

(3) Due to the resignation of President Michael J. Hogan to be effective at the close of business on July 1, 2012, the Executive Committee wishes to appoint a President Designate to serve until July 1, 2012, to permit an orderly transition of leadership and to recognize the significant time commitments that will be required during this time period.

The Executive Committee has considered various individuals who might provide this leadership for the University, and hereby appoints as President Designate Dr. Robert A. Easter. Dr. Easter has served the University in many roles, including Professor of Animal Sciences, College of Agricultural, Consumer and Environmental Sciences, Urbana; and Interim Vice President, University of Illinois and Chancellor, University of Illinois at Urbana-Champaign.

Dr. Easter's service as President Designate is effective immediately upon approval of this item. As President Designate, Dr. Easter will receive an annual compensation rate of \$250,000 on a twelve-month service basis.

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 of this appointment.

On motion of Mr. McMillan, seconded by Ms. Strobel, this recommendation was approved by members of the Executive Committee.

#### Appoint President

(4) Due to the resignation of President Michael J. Hogan, to be effective at the close of business on July 1, 2012, the Executive Committee has considered various individuals who might provide necessary continuity of leadership for the University after President Hogan's departure from the presidency. The Committee now wishes to appoint a President to serve a two-year term, or until a successor has been appointed and is able to assume the responsibilities of the position.

Accordingly, the Executive Committee hereby appoints as President, effective at the close of business on July 1, 2012, Dr. Robert A. Easter, Professor Emeritus of Animal Sciences; Dean Emeritus, College of Agricultural, Consumer and Environmental Sciences; and President Designate. Dr. Easter has served in many roles for the University of Illinois, and is uniquely qualified to serve in the role of President. His term of office will be from July 1, 2012, until June 30, 2014, or until a successor has been appointed and is able to assume the responsibilities of the position.

Dr. Easter shall receive an annual compensation rate of \$450,000 on a twelve-month service basis.

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 of this appointment.

On motion of Mr. McMillan, seconded by Ms. Strobel, this recommendation was approved by members of the Executive Committee.