

MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

April 1 and 17, 1941

**With Adjourned Session of
April 28, 1941**



A special meeting of the Board of Trustees of the University of Illinois was held at the Blackstone Hotel, in Chicago, at 12 o'clock noon on Tuesday, April 1, 1941, pursuant to the following call issued by the Secretary on March 27, 1941.

On the call of the President, Mr. James M. Cleary, a special meeting of the Board of Trustees of the University of Illinois will be held at the Blackstone Hotel, in Chicago, at twelve o'clock noon on Tuesday, April 1, 1941, to consider the biennial budget.

The following members were present: President Cleary, Mr. Adams, Mr. Davis, Mr. Fornof, Mrs. Grigsby, Mr. Jensen, Mr. Livingston.

President Willard was present; also Mr. A. J. Janata, Assistant to the President, Dean A. J. Harno, Provost, Professor Lloyd Morey, Comptroller, Judge Sveinbjorn Johnson, University Counsel, Professor C. R. Griffith, Director of the Bureau of Institutional Research, Dr. R. B. Allen, Executive Dean of the Chicago Colleges, Mr. C. S. Havens, Director of the Physical Plant Department, and Mr. H. E. Cunningham, Secretary.

RESOLUTION—DEAN DAVENPORT

Eugene Davenport, full of years and of honors, has passed away. He served the University of Illinois well as Dean of the College of Agriculture, Director of the Agricultural Experiment Station, and Professor of Thremmatology from January 1, 1895, to his retirement on September 1, 1922. From 1920 to 1922, Dr. Davenport served as Vice-President of the University. He was always a leader, and the highest type of Christian citizen. In his retirement he was active as an author of books and in writing for farm journals, and as a practical farmer. From his retirement he was recalled to active service to assist the President of the University of Illinois for a period of several months in the year 1929. He was granted the honorary degree of Doctor of Laws by the University of Illinois in 1931; other institutions conferring this degree on him were Michigan State College and the University of Kentucky. Iowa State College gave him the degree of Doctor of Science.

In noting Dean Davenport's death on March 31, 1941, the Board of Trustees makes record of its sense of loss and of its appreciation of the value of his services to agriculture, education, and society, and directs its Secretary to send a copy of this resolution to Dean Davenport's family.

On motion of Mr. Jensen, this resolution was adopted unanimously by a rising vote.

BIENNIAL BUDGET

President Cleary, President Willard, and Mr. Morey reported on a conference with the State Budgetary Commission in Springfield on March 31, 1941, at which time the Commission indicated that the budget of the University must be reduced to a point allowing a total increase of seven per cent over the appropriations for the current biennium.

President Cleary read the following letter from Mr. George B. McKibbin, Director of Finance:

March 27, 1941

*Dr. Arthur C. Willard, President,
University of Illinois,
Urbana, Illinois.*

DEAR DR. WILLARD:

Confirming my telephone conversation with you, this is to advise you that the Budgetary Commission, at its executive session last night, agreed that it would recommend that the operating budget of the University of Illinois be increased by 7%, from \$11,256,536.00 to \$12,044,493.00. No change was made in the request for permanent improvements, and it was agreed to recommend the requested amount of \$885,000.00.

The request contained in your letter of March 10, for \$946,000 for the Research and Educational Hospital in Chicago, was considered and the cost of the purchase of the land and the remodeling, totalling \$379,000.00, was recommended and the addition, at a cost of \$567,000.00, not recommended. This, of course, is all conditioned upon the hospital being transferred to the University of Illinois.

In the event that you or anyone else representing the University of Illinois desires to discuss this matter further with the Budgetary Commission, a limited amount of time, say one-half hour to an hour, should be arranged for at the

executive session of the Budgetary Commission to be held next Monday evening, March 31. This will probably be the final meeting of the Commission.

Very truly yours,

GEORGE B. MCKIBBIN

Director of Finance

Mr. Morey presented the explanation of the budget as submitted to the State Department of Finance, and commented on the general financial features. Provost Harno presented at length the breakdown of increases as included in the budget, and Professor Griffith, Dean Allen, and Director Havens also made statements.

During the discussion, President Cleary announced that he had just had a telephone conversation with Director McKibbin, in which the Director stated that the Budgetary Commission had approved an increase in the operating budget of the University of ten per cent instead of seven as proposed in his letter. The effect of this would be to make the item for operation from the general funds of the State \$12,382,189 instead of \$12,044,493 as previously proposed by the Commission or of \$13,370,176 as requested by the University.

On motion of Mr. Fornof, the Board voted unanimously to reaffirm the budget as adopted for presentation to the Department of Finance (Minutes, October 21, 1940, page 100) as representing the minimum needs of the University for the coming biennium, and the President of the Board was requested to inform the Budgetary Commission of this action.

On motion of Mr. Davis, the President of the Board was requested to ask a further hearing before the Budgetary Commission and to seek opportunity to discuss the budget with the Governor and the Director of Finance.

AGREEMENT WITH DEPARTMENT OF PUBLIC WELFARE

Judge Johnson presented a modification of the agreement with the Department of Public Welfare to provide for the transfer to the University of the operation of the Research Hospitals in Chicago.

President Willard recommended the approval of this agreement.

On motion of Mrs. Grigsby, the Board concurred in this recommendation and authorized its President and Secretary to execute the agreement.

TREASURER'S BOND

On motion of Mr. Davis, the University Counsel was requested to prepare a suitable form of bond, with the following sureties, Edward Eagle Brown, Harold V. Amberg, and Bentley G. McCloud, with responsibility in the amount of \$800,000, to constitute on execution the bond of Mr. Frank M. Gordon, Treasurer.

AGREEMENT WITH PRESBYTERIAN HOSPITAL

Judge Johnson presented a modification of the proposed agreement with Presbyterian Hospital, to provide for the continuation of Rush Medical College to give graduate work only.

Dean Allen expressed his approval of this provision.

On motion of Mr. Davis, this modification was authorized.

STATE LEGISLATION AUTHORIZING BOND ISSUES

Judge Johnson stated that the program of legislation to be requested of the General Assembly of Illinois, approved by the Board at two previous meetings, includes a bill or bills authorizing the Board of Trustees of the University to issue bonds for new buildings and for refinancing of existing obligations.

Pursuant to this authorization two bills were introduced in the House of Representatives today, and the hearing set for Wednesday, April 2, 1941.

For an Act to authorize the Board of Trustees of the University of Illinois to acquire by purchase or otherwise, construct, equip, complete, operate, control, and manage student social centers, student residence halls, and buildings, defining the duties of such Board with respect to operation and maintenance thereof, charge fees or rates for the use thereof, and providing for and authorizing the issue of bonds for the purpose of defraying the cost of construction, acquisition, or equipment of any such building or buildings, payable solely from the revenues derived from the operation thereof, and for the refunding of any such bonds.

For an Act to amend Section 6 of "An Act in relation to State finance," approved June 10, 1919, as amended, authorizing the University to retain in its treasury any funds derived from rentals, service charges, and laboratory and building service charges or other sources, assessed or obtained for or arising out of the operation of any building or buildings and pledged to discharge obligations created in order to acquire by purchase or otherwise, construct, equip, complete, or operate such building, or for the payment of revenue bonds issued under the previous act.

Since May 30, 1941, is the deadline for the calling of bonds issued for the construction of the second unit of the Medical and Dental Building, it is highly desirable that this legislation be passed and approved by that date to enable the University to refinance these bonds and save a year's difference in interest rates. Both bills have been approved by bond counsel.

This report was received for record.

DATE OF APRIL MEETING

The Board voted to hold the April meeting at the University, in Urbana, on Thursday, April 17, 1941.

The Board adjourned to meet, if necessary for further consideration of the budget, on call of the President.

H. E. CUNNINGHAM
Secretary

JAMES M. CLEARY
President