

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS
AS A COMMITTEE OF THE WHOLE

February 18, 1976



A meeting of The Board of Trustees of the University of Illinois as a Committee of the Whole was held in Chicago Room C, Chicago Illini Union, Medical Center campus, Chicago, Illinois, on Wednesday, February 18, 1976, beginning at 8:40 a.m.

President Earl L. Neal called the meeting to order. The following members of the Board were present: Mr. William D. Forsyth, Jr., Mr. Ralph C. Hahn, Mr. George W. Howard III, Mr. Robert J. Lenz, Mr. Park Livingston, Mr. Earl Langdon Neal, Mrs. Jane Hayes Rader, Mrs. Nina T. Shepherd, Mr. Arthur R. Velasquez. Governor Daniel Walker was absent. The following nonvoting student trustees were present: Mr. Robert K. Conlon, Medical Center campus; Mr. Stuart D. Summers, Urbana-Champaign campus; Mr. Steven Szegho, Chicago Circle campus.

Also present were President John E. Corbally; Dr. Eldon L. Johnson, Vice President for Academic Affairs; Chancellor Joseph S. Begando, Medical Center campus; Chancellor J. W. Peltason, Urbana-Champaign campus; Chancellor Donald H. Riddle, Chicago Circle campus; Mr. George H. Bargh, Executive Assistant to the President; Mr. J. Frederick Green, University Director for Capital Programs; and the officers of the Board, Dr. Ronald W. Brady, Comptroller (also Vice President for Administration for the University); Mr. James J. Costello, University Counsel; Mr. R. R. Manchester, Treasurer; and Dr. Earl W. Porter, Secretary.

President Neal explained that the meeting had been called to meet a need expressed by a number of Trustees: to consider the programmatic needs as related to the general mission of the Chicago Circle campus. He

indicated that it would be of special interest to the Trustees to receive from Chancellor Riddle an overall review of this subject, in the light of his first few weeks of service at Chicago Circle. Chancellor Riddle presented the following summary of his impressions of areas of consensus at the campus as follows:

The extended day concept is critical to the development of the campus, and there is a high degree of staff consensus that it is the single most important programmatic element. There is also considerable agreement that graduate programs in business must be developed, as must graduate programs in education, where Latin American and Polish bilingual/bicultural programs must be given emphasis.

There is the possibility of a merger of the College of Architecture and Art and the College of Urban Sciences, with the aim of strengthening both. The campus should be a center for research and thinking on urban problems, and this combined unit would aid this development.

While the Board of Trustees' stance is plain as to a law school for the campus, the matter should not be allowed to rest.

The future of graduate work, generally, at Chicago Circle must be given serious attention. Since a large proportion of graduate students at this campus are persons with full-time jobs, many of whom do not come direct from completion of their baccalaureate degrees, new approaches to graduate work must be considered. In order to fulfill the legitimate desire of good academic departments and faculty to offer graduate work, cooperative programs with the Urbana campus and new interdisciplinary programs should be studied.

As for facilities, the library is the primary need. It is not now adequate to support the campus mission. In addition to increased funding, new leadership must now be sought. Here, again, more effective cooperative arrangements with the Urbana campus are indicated.

At present, the campus lacks a center of focus for students and staff. Possibly, this could be provided in present facilities.

Some needs exist for athletic facilities. (Existing facilities are shared with the surrounding community.) Outdoor fields are now needed; later, another indoor facility will be required.

Finally, there is a need for a form of housing for graduate students and young staff who must work late in buildings on projects which cannot be taken home. Some form of "hostel" might be considered.

The general aim of most of these suggestions is to make the campus a full-time facility, geared to the life of the city, but providing its own unique contribution.

In the course of general discussion, it was pointed out that these are continuing items of concern at Chicago Circle and have been for some time; that some of the Trustees would be interested in more intensive review of certain topics; and it was emphasized that there is interest in the Trustees being kept up to date on their status. Accordingly, it was agreed that, at the next meeting of the General Policy Committee, selected topics from those included in Chancellor Riddle's summary would be examined in some depth. In all likelihood, there will be other meetings devoted to the same objective.

There being no further business, the meeting was adjourned.

EARL W. PORTER
Secretary

EARL L. NEAL
President

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

February 18, 1976



The February meeting of The Board of Trustees of the University of Illinois was held in Chicago Room C, Chicago Illini Union, Medical Center campus, Chicago, Illinois, on Wednesday, February 18, 1976, beginning at 9:45 a.m.

President Earl L. Neal called the meeting to order and asked the Secretary to call the roll. The following members of the Board were present: Mr. William D. Forsyth, Jr., Mr. Ralph C. Hahn, Mr. George W. Howard III, Mr. Robert J. Lenz, Mr. Park Livingston, Mr. Earl Langdon Neal, Mrs. Jane Hayes Rader, Mrs. Nina T. Shepherd, Mr. Arthur R. Velasquez. Governor Daniel Walker was absent. The following nonvoting student trustees were present: Mr. Robert K. Conlon, Medical Center campus; Mr. Stuart D. Summers, Urbana-Champaign campus; Mr. Steven Szegho, Chicago Circle campus.

Also present were President John E. Corbally; Dr. Eldon L. Johnson, Vice President for Academic Affairs; Chancellor Joseph S. Begando, Medical Center campus; Chancellor J. W. Peltason, Urbana-Champaign campus; Chancellor Donald H. Riddle, Chicago Circle campus; Mr. George H. Bargh, Executive Assistant to the President; Mr. J. Frederick Green, University Director for Capital Programs; and the officers of the Board, Dr. Ronald W. Brady, Comptroller (also Vice President for Administration for the University); Mr. James J. Costello, University Counsel; Mr. R. R. Manchester, Treasurer; and Dr. Earl W. Porter, Secretary.

MINUTES APPROVED

The Secretary presented for approval the press proofs of the minutes of the Board of Trustees meetings of July 15 and 16, 1975, copies of which had previously been sent to the Board.

On motion of Mr. Livingston, these minutes were approved as printed on pages 337 to 372 inclusive.

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

President's Report

President Corbally presented a report on selected topics of current interest, copies of which were distributed at the meeting, and a copy was filed with the Secretary of the Board.

MEETINGS OF BOARD COMMITTEES

Mr. Neal announced the following schedule of meetings of committees of the Board in March: Tuesday, March 16, General Policy Committee at 2:00 p.m., Student Welfare and Activities Committee following thereafter; Wednesday morning, March 17, Buildings and Grounds Committee, followed by Affirmative Action/Equal Opportunity Committee.

COMMUNICATIONS

Chicago Circle Chapter, American Federation of Teachers

At the request of the President of the Board, the Secretary presented a communication from the Chicago Circle Local 1627 of the American Federation of Teachers, requesting an opportunity to appear before the Board. Mr. Neal announced that the request would be referred to the General Policy Committee, and Mr. Lenz, Chairman of the Committee, stated that an appearance would be scheduled for the March 16 committee meeting.

Champaign County Board

The Secretary presented a letter and resolution in which the County Board expressed its opposition to the proposed Master Plan for the expansion of Willard Airport and urged the Board of Trustees to consider thoroughly the impact upon the local community before implementing the plan.

OLD AND NEW BUSINESS

In response to a question from Mr. Howard concerning the status of negotiation of a contract (with the Macke Co.) for the operation of the Levis Faculty Center at Urbana, Chancellor Peltason reported that the language was being perfected, and it was anticipated that the contract would be signed shortly. Copies will be sent to those trustees who wish to have them.

REGULAR AGENDA

The Board considered the following reports and recommendations from the President of the University.

Award of Certified Public Accountant Certificates

(1) The Committee on Accountancy recommends that the certificate of Certified Public Accountant be awarded to 687 candidates who passed the standard written examination in November 1975 in Illinois and who have fulfilled all other legal requirements under Sections 1, 2, and 3 of the Illinois Accountancy Act of 1943 as amended. The names of the candidates are filed with the Secretary.

The Committee on Accountancy also recommends that the certificate of Certified Public Accountant be awarded, under Section 5 of the Illinois Accountancy Act of 1943, as amended, to five candidates who have presented evidence that they are holders of valid and unrevoked Certified Public Accountant certificates obtained by passing a standard written examination in another state or territory of the United States and who qualify in all other respects under this provision of the law. The names of the candidates are filed with the Secretary.

The Committee on Accountancy, pursuant to Rule 16(d) of the Regulations, also recommends that the certificate of Certified Public Accountant be awarded to ten candidates who wish to transfer the examination credit earned by passing the standard written examination in another state and who have fulfilled all other legal requirements under Sections 1, 2, and 3 of the Illinois Accountancy Act of 1943 as amended. The names of the candidates are filed with the Secretary.

I concur.

On motion of Mr. Forsyth, these certificates were awarded.

Interim Vice Chancellor for Health Services, Medical Center

(2) The Chancellor at the Medical Center has recommended the appointment of Dr. Donald J. Caseley, presently Vice Chancellor at the Medical Center campus, as Interim Vice Chancellor for Health Services, beginning March 1, 1976, on a twelve-month service basis, at an annual salary rate of \$52,550.

Dr. Caseley will succeed Dr. H. Martin Engle who has resigned effective March 1, 1976. Dr. Caseley will serve as Interim Vice Chancellor for Health Services in addition to his present appointment, but only for the period required to identify a successor to Dr. Engle.

The nomination is made with the advice of the Executive Committee of the University of Illinois Hospital. The Vice President for Academic Affairs concurs.

I recommend approval.

On motion of Mr. Livingston, this appointment was approved.

Appointments to the Faculty

(3) The following new appointments to the faculty of the rank of Assistant Professor and above, and to certain administrative positions, have been approved since the previous meeting of the Board of Trustees.

Positions in the University are classified in the following categories and are designated in the budget by the symbols indicated.

A — Indefinite tenure

N — Term appointment not eligible to be appointed for an indefinite term and not credited toward probationary period

Q — Initial term appointment for a Professor or Associate Professor

T — Terminal appointment accompanied with or preceded by notice of nonreappointment

W — One-year appointment subject to special written agreement

Y — Twelve months' service basis

1-7 — Indicates the number of years of service which will be credited at the end of the contract period toward completion of the probationary period relating to tenure

Figures following a symbol indicate percentage of time if the appointment is on a part-time basis (e.g., N75 means one year on three-fourths time).

Chicago Circle

1. ALFRED V. ROBINSON, Assistant Professor of Accounting, beginning September 1, 1976 (1), at an annual salary of \$16,500.

Medical Center

2. JOHN C. ANDERSON, Assistant Professor of Fixed Partial Prosthodontics, College of Dentistry, on 25 percent time, beginning February 1, 1976 (NY25), at an annual salary of \$4,850.
3. CHAIYAPON COUROPMITREE, Clinical Assistant Professor of Medicine, Abraham Lincoln School of Medicine, on 63 percent time, beginning January 1, 1976, (NY63), at an annual salary of \$19,000.
4. JOHN W. DIETRICH, Assistant Professor of Pharmacology in Basic Science, Peoria School of Medicine, beginning March 1, 1976 (1Y), at an annual salary of \$18,000.
5. CLARENCE H. FOSSIER, Clinical Assistant Professor of Orthopaedic Surgery, Abraham Lincoln School of Medicine, on 20 percent time, beginning December 1, 1975 (NY20), at an annual salary of \$3,500.
6. GEULA GIBORI, Assistant Professor of Physiology, School of Basic Medical Sciences, beginning February 15, 1976 (1Y), at an annual salary of \$16,000.
7. MARVIN JACOBSON, Assistant Professor of Oral Diagnosis, College of Dentistry, on 20 percent time, beginning February 1, 1976 (NY20), at an annual salary of \$2,800.
8. MARTIN F. MOZES, Assistant Professor of Surgery, Abraham Lincoln School of Medicine, beginning February 1, 1976 (1Y), at an annual salary of \$40,000.
9. KANCHAN P. PATEL, Assistant Professor of Anesthesiology, Abraham Lincoln School of Medicine, beginning January 1, 1976 (1Y), at an annual salary of \$35,000.
10. COLETTE M. RASMUSSEN, Associate Professor of Epidemiology, School of Public Health, on 10 percent time, beginning February 1, 1976 (QY10), at an annual salary of \$2,800.
11. WILLIAM E. THORNTON, Assistant Professor of Psychiatry, Abraham Lincoln School of Medicine, beginning February 1, 1976 (1Y), at an annual salary of \$38,000.
12. HAROLD G. VERHAGE, Assistant Professor of Anatomy, Department of Obstetrics and Gynecology, Abraham Lincoln School of Medicine, and Assistant Professor of Anatomy, School of Basic Medical Sciences, beginning June 1, 1976 (1Y,N), at an annual salary of \$21,000.

Urbana-Champaign

13. RANDALL S. OTT, Assistant Professor of Veterinary Clinical Medicine, beginning January 21, 1976 (1Y), at an annual salary of \$19,900.

On motion of Mr. Lenz, these appointments were confirmed.

Appointments to the Center for Advanced Study, Urbana

- (4) Upon the recommendation of the Director of the Center for Advanced Study and with the concurrence of the Dean of the Graduate College, the Chancellor at

Urbana has recommended the following appointments of Associates in the Center for Advanced Study for the academic year 1976-77 and for the program of research or study as indicated in each case. The Vice President for Academic Affairs concurs.

I recommend approval.

BOWEN, BARBARA C., Professor of French, for one semester, to continue work on a book analyzing the attitudes of sixteenth-century France toward the use of language.

BURKHOLDER, DONALD L., Professor of Mathematics, for the academic year, to continue studies in probabilistic theory and its applications to classical areas of mathematics.

COLES, MICHAEL G. H., Associate Professor of Psychology, for one semester, for research on the psychological significance of various aspects of physiological activity in human beings.

CONRAD, H. EDWARD, Professor of Biochemistry and Associate Head of the Department, for the academic year, to study the structure of certain chemical compounds that provide anticoagulant and other important biological activities.

DOW, JOHN D., Professor of Physics, for the academic year, to study the effects of radiation on solids and solid surfaces.

GORECKI, JAN, Professor of Sociology and in the Russian and East European Studies Center, for one semester, to complete a book-length manuscript describing a new theory of criminal justice.

JONAS, JIRI, Professor of Chemistry, for the academic year, for research on the dynamic behavior of fluids and disordered materials under extreme conditions of pressure and temperature.

PACHMUSS, TEMIRA A., Professor of Russian in the Department of Slavic Languages and Literatures, for one semester, to study the significance and impact of Russian émigré writers on literature and culture.

PERKINS, ANN L., Professor of Art History in the Department of Art and Design, for the academic year, to complete a study and publication of the origins and styles of the collection of Greek vases in the Krannert Art Museum.

ROSENTHAL, HASKELL P., Professor of Mathematics, for one semester, for research on the structure of Banach spaces.

SCHOEDEL, WILLIAM R., Professor of Classics and of Religious Studies and Chairman of the Religious Studies Program, for one semester, to prepare a commentary on the letters of an early Christian scholar, Ignatius of Antioch.

WHITTEN, NORMAN E., JR., Professor of Anthropology and Director of Research in the Center for Latin American and Caribbean Studies, for one semester, to complete a study of practical and theoretical aspects of contemporary cultural adaptation.

WOLFOWITZ, JACOB, Professor of Mathematics, for one semester, for research in the areas of mathematical statistics and information theory.

ZONN, PAUL, Associate Professor of Music, for one semester, to study woodwind multiphonics and other extended techniques and to compose several works demonstrating the integration of these techniques with conventional musical expression.

On motion of Mr. Summers, these appointments were approved.

Undergraduate Instructional Awards for Summer of 1976, Urbana

(5) It is proposed that the program of Undergraduate Instructional Awards—to encourage faculty interest in improvement in the quality of undergraduate instruction—be continued at the Urbana-Champaign campus for the summer of 1976. The awards provide salary for two months (two-ninths of the academic year salary) plus incidental expenses as required.

Twenty-one applications have been submitted this year. A campuswide com-

mittee, nominated by the college deans, evaluated the proposals and recommended support for those believed to promise the greatest potential benefit to undergraduate instruction.

The Vice Chancellor for Academic Affairs has recommended the following awards for the summer of 1976:

	<i>Salary</i>	<i>Expenses</i>	<i>Total</i>
MICHAEL C. ROMANOS, ¹ Visiting Assistant Professor of Urban and Regional Planning.....	\$3 156	\$1 100	\$5 956
Graduate Assistant	1 700		
JERE L. FORSYTHE, Assistant Professor of Music.....	2 977	550	5 527
Graduate Assistant	2 000		
WOLFGANG F. E. PREISER, ² Visiting Research Associate Professor of Architecture.....	3 970	530	4 500
BLAIR B. KLING (one month only), Associate Professor of History.....	2 167	100	4 257
STEPHEN P. COHEN (one month only), Associate Professor of Political Science.....	1 990		
LOUIS R. PONDY, Professor of Business Administration..	6 278	2 606	10 484
Graduate Assistant	1 600		
JOSEPH R. JENKINS, Associate Professor of Special Education.....	4 900	-0-	4 900
RHODA M. BECHER, Assistant Professor of Early Childhood Education.....	3 000	345	4 330
Graduate Assistant	985		
J. RICHARD DENNIS, Assistant Professor of Secondary Education	4 020	200	4 220
WALTER H. OLSON, Assistant Professor of Electrical Engineering	3 348	-0-	4 166
Graduate Assistant	818		
GEORGE W. TAUXE, Assistant Professor of Civil Engineering	3 400	150	3 550
AMBROSE W. BURGER, Professor of Agronomy.....	-0-	5 138	5 138

The Vice Chancellor has further recommended that half of the funds for these awards and associated expenses be supplied from the budgets of the units submitting the proposals, the other half from campus reserves.

The Chancellor at Urbana-Champaign concurs in these recommendations as does the Vice President for Academic Affairs.

I recommend approval.

On motion of Mr. Howard, these recommendations were approved.

Honorary Degrees, Urbana

(6) The Senate at the Urbana-Champaign campus has recommended that honorary degrees be conferred on the following persons at the Commencement Exercises on May 16, 1976.

KARL W. DEUTSCH, political scientist, Stanfield Professor of International Peace at Harvard University — the degree of Doctor of Laws.

DAVID DODDS HENRY, educator and administrator, President Emeritus of the University of Illinois — the degree of Doctor of Laws.

YAKOV MALKIEL, linguist, Professor of Linguistics of the University of California, Berkeley — the degree of Doctor of Letters.

DRAGAN PLAMENAC, musicology scholar, Professor of Music Emeritus, University of Illinois — the degree of Doctor of Music.

The Chancellor concurs in the recommendations.

I recommend approval.

¹ Will be a permanent faculty member next year.

² Will remain on the faculty next year.

On motion of Mr. Livingston, these degrees were authorized as recommended.

Establishment of School of Social Sciences, Urbana

(7) The Urbana-Champaign Senate has recommended the establishment of a School of Social Sciences in the College of Liberal Arts and Sciences, effective August 1976.

The proposed school will consist initially of the Departments of Anthropology, Geography, Political Science, and Sociology; the Social Science Quantitative Laboratory; and the Centers for Asian Studies and Latin American and Caribbean Studies. Other units may be added as the need arises. The faculty of the school will consist of all persons holding regular academic appointments with the rank of instructor or lecturer and above in the school's constituent units.

The establishment of a School of Social Sciences will permit superior coordination of the work of the individual units, the conduct of effective long-range educational planning, and the allocation of resources accordingly at the closest possible level to the units most directly affected. Taken together, the social science units (in organization and increasingly in new program directions) form a fairly homogeneous academic system. Effective systemwide administration can lead to better utilization of existing resources and expanded acquisition of new ones, stimulate improvement in the overall quality of the various programs in the individual units, and encourage and develop programs of interdisciplinary teaching and research both within the school and in the larger University community.

No new State resources are required for the implementation of the proposed school, which will be financed by reallocation of existing resources within the College of Liberal Arts and Sciences.

In common with similar units, the school will be administered by a director, and a recommendation for such an appointment will be submitted later.

The Dean of the College of Liberal Arts and Sciences, the Chancellor, and the Vice President for Academic Affairs concur in this recommendation. The University Senates Conference has indicated that no further Senate jurisdiction is involved.

I recommend approval, subject to further action by the Illinois Board of Higher Education.

On motion of Mr. Summers, this recommendation was approved.

Rate Increases for Residence Halls, Medical Center

(8) The Chancellor at the Medical Center campus has recommended rate increases for University residence halls of that campus, effective with the fall quarter 1976, as follows:

1. Room Portion of the Contract

<i>Unit</i>	<i>1975-76 Rate</i>	<i>Proposed 1976-77</i>	<i>Amount of Increase</i>	<i>Percent of Increase</i>
Student Residence Hall.	\$686	\$748	\$62	9.0
Women's Residence Hall.	725	790	65	9.0

These rates are for the most typical accommodations — one person occupying a double study-bedroom for the standard academic year. The difference between SRH and WRH rates reflects the fact WRH is a newer, air-conditioned building with special features. Rates for a single room, a special academic schedule, etc., would be proportionate.

2. Board Portion of the Contract

	<i>1975-76 Rate</i>	<i>Proposed 1976-77</i>	<i>Amount of Increase</i>	<i>Percent of Increase</i>
10-meal contract	\$529	\$580	\$51	9.64

These rates are for the standard contract of ten meals per week during the academic year (any two meals per day, Monday-Friday). The same rates apply to students in both residence halls.

3. Combined Room and Board Contract

<i>Unit</i>	<i>1975-76 Rate</i>	<i>Proposed 1976-77</i>	<i>Amount of Increase</i>	<i>Percent of Increase</i>
Student Residence Hall.....	\$1 215	\$1 328	\$113	9.3
Women's Residence Hall.....	1 254	1 370	116	9.3

I recommend approval.

On motion of Mr. Livingston, these recommendations were approved.

Rate Increases for University-Operated Housing Facilities, Urbana

(9) The Chancellor at the Urbana-Champaign campus has recommended rental rate increases for University-operated housing as follows:

1. Undergraduate housing:

- a. In residence halls (9,083 spaces), beginning August 1976, academic-year room and board rates will be increased by the following amounts: single accommodations, \$140; double accommodations, \$124; and triple accommodations, \$116.
- b. In four cooperative houses (78 spaces), beginning August 1976, academic-year rate increases are: Alpha and Gamma Houses, \$56; Delta House, \$60; and French House, \$120.

2. In graduate residence halls (986 spaces), beginning August 1976, academic-year room rates will be increased as follows: Sherman Hall, single accommodations, \$54, double accommodations, \$50; Daniels Hall, single accommodations, \$56, double accommodations, \$48; optional board contracts, \$76.

3. In student-staff apartments (201 units), beginning August 1976 on new leases and September 1, 1976, on continuing leases, monthly rental rates will be increased as follows:

- Sleeping room — \$6 students, \$7 staff;
- Zero bedroom — \$7 students, \$8 staff;
- One-bedroom — \$8 students, \$9 staff; and
- Two-bedroom — \$9 students, \$10 staff.

4. In family housing (784 units), beginning August 1976 on new leases and September 1, 1976, on continuing leases, monthly rental rates will be increased as follows: Orchard Area (furnished), one-bedroom — \$8, two-bedroom — \$9; Orchard South (unfurnished), two-bedroom — \$7.

5. In faculty housing (65 units), a rate increase of 7 percent applicable only to new tenants will be effective in August 1976 (increased charges will range from \$10 to \$18 per month per dwelling).

Alternatives to present services for undergraduate residence halls and proposed rental rate increases for all student housing units were developed by the Housing Division and reviewed with the Student Housing Advisory Committee.¹ The increases recommended are required because of rising costs of salaries and wages, food, supplies, utilities, and other services. (Present rates, implemented August 1975, and those proposed for next year were shown on a schedule filed with the Secretary.)

¹ The Student Housing Advisory Committee consists of representatives of Undergraduate Residence Halls, Graduate Residence Halls, Married Student Apartments, Undergraduate Student Association, Graduate Student Association, Interfraternity Council, Panhellenic Council, Independent Housing Association, and private certified housing. In addition, representatives of the Family Housing Council, the Residence Halls Council of Presidents, and the Graduate Residence Hall Steering Committee were consulted.

Moreover, representatives of some of the above groups appeared before the Committee on Student Welfare and Activities on Tuesday, February 17, to provide their views on the recommendations.

The rates currently in effect on the Urbana-Champaign campus compare favorably with those charged by other Big Ten universities; they are slightly below the midpoint of the range. Available information as to increases planned at the other Big Ten campuses for next year indicates that Urbana-Champaign rates should continue to approximate the midpoint of the range.

I concur in these recommendations and recommend their approval.

On motion of Mr. Livingston, these recommendations were approved.

Additional Hospital Affiliation for the School of Basic Medical Sciences at Urbana-Champaign

(10) On July 23, 1969, the Board of Trustees authorized the College of Medicine to institute organizational and administrative arrangements through which an expanded program in medical education would be developed and conducted. The plan was endorsed by the Board of Higher Education on November 4, 1969. The Board also authorized the Dean (now Executive Dean) of the College of Medicine to proceed with affiliation negotiations with hospitals and health agencies. At present some twenty-three affiliation agreements have been made.

To expand further the use of existing clinical facilities, the Dean of the School of Basic Medical Sciences at Urbana-Champaign and the Executive Dean of the College of Medicine have recommended the execution of an affiliation agreement¹ with the Fairbury Hospital in Fairbury, Illinois. The agreement will provide additional support for the medical education program of the school at Urbana-Champaign.

The Chancellor at the Medical Center and the Vice President for Academic Affairs concur in the recommendation.

I recommend approval.

On motion of Mr. Forsyth, this recommendation was approved.

Agreement for Scholarly Exchange with Boleslaw Bierut University, Wroclaw, Poland, Chicago Circle

(11) For some months negotiations have been carried out between administrators of the Chicago Circle campus and Boleslaw Bierut University of Wroclaw, Poland, in an attempt to develop a program of scholarly exchange between the two institutions. The terms of an agreement have now been developed, and the Chancellor at Chicago Circle campus has recommended approval of the agreement, effective February 18, 1976.

Initially involving an exchange of teaching staff members in the humanities and arts,² similar cooperation is also envisaged in natural and physical sciences. The program would involve the exchange each year of three to six junior staff members or graduate students for a nine-month period and one or two persons of senior or professorial rank for periods not exceeding three months each. Junior staff members assigned to the Chicago Circle campus by Boleslaw Bierut University will be paid \$367 per month plus a housing allowance of \$150 per month; analogous rates for senior staff members are \$1,300 and \$400 per month, respectively. Funds are available for this purpose from the operating budget of the Chicago Circle campus. Funding will be provided by the Polish university for Chicago Circle staff in Poland. It is expected that four junior staff members from each institution will be exchanged the first year, resulting in a net expenditure of \$5,400.

Under the proposed agreement, travel expenses for participants are to be as-

¹ A copy of the affiliation agreement has been filed with the Secretary of the Board of Trustees for record.

² Topics in American and Polish literatures, English and Polish languages, theory of literature, theatrical studies, and joint research in the problems of language and culture of the Polish and Polish-descended population in America.

sumed by the assigning institution. Funds to cover this cost for Chicago Circle staff members travelling to Poland will come either from a grant from the United States Department of State or from the operating budget of the Chicago Circle campus.

The agreement is scheduled to continue until June 30, 1981, but may be terminated by either party by giving notice during January or July of any year. A copy of the proposed agreement has been filed with the Secretary of the Board.

The Vice President for Academic Affairs and the Vice President for Administration concur in this recommendation.

I recommend approval.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Forsyth, this recommendation was approved by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker.

Employment of Architect/Engineer for Remodeling the Main Kitchen, Student Residence Hall Building, Medical Center

(12) The President of the University, with the concurrence of appropriate administrative officers, recommends the employment of John Victor Frega Associates, Ltd., Chicago, for professional services required for remodeling the main kitchen in the Student Residence Hall at the Medical Center campus. The fee will be determined on the basis of the actual time-card record of salary and wages, plus 150 percent, plus reimbursable expenses, with the maximum not to exceed \$15,000. Reimbursable expenses are included in the maximum fee.

The main kitchen in the Student Residence Hall now provides food for students, staff, and visitors. The remodeling will improve kitchen traffic flow and work areas and includes the installation of equipment to meet the increasing demand for high volume food production.

Funds in the amount of \$15,000 are available in the Dentistry-Medicine-Pharmacy Revenue Bond Renewals and Renovation Account.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Forsyth, this recommendation was approved by the following vote: Aye, Mr. Forsyth, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker. Mr. Hahn asked to be recorded as not voting.

Purchases

(13) The President submitted, with his concurrence, a list of purchases recommended by the Directors of Purchases and the Vice President for Administration.

The purchases were recommended from institutional funds, a term designating 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 these purchases was \$296,801.14. A complete list of the purchases, with supporting information, including the quotations received was sent to each member of the Board in advance of the meeting, and a copy is being filed with the Secretary of the Board for record.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Forsyth, the purchases recommended were authorized by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker.

Contracts with Control Data Corporation, Relating to Computer-based Education, Urbana

(14) On February 18, 1970, the Trustees authorized agreements with Control Data Corporation (CDC) of Minneapolis to support a program of research and development at the Computer-based Education Research Laboratory (CERL) at the Urbana-Champaign campus. The agreements were to be in effect for five years and were renegotiable after five years.

On December 17, 1975, a status report was made to the Board on the renegotiations as follows:

It is anticipated that the University and CDC would continue to engage and collaborate in the development of computer-based education systems. The new agreements would facilitate further cooperation between the parties to perfect and improve such systems, thereby advancing the frontiers of knowledge in this area.

It is contemplated that the University would acquire a CDC computer for its current use and would acquire title to it at the end of seven years. Control Data Corporation would acquire certain exclusive and non-exclusive rights to develop, enhance, and sell a commercially marketable product in the field of computer-based education.

Concurrently, certain existing licensing agreements between CDC and University Patents, Inc., as agent of the University of Illinois Foundation, are being renegotiated. Although changes will be made in the course of preparing recommendations to the Board of Trustees, the substantive terms now under discussion are as follows:

1. In consideration of the use and ultimate transfer of title of the CDC computer equipment as specified in an equipment agreement, the University, for a period of seven years (subject to cancellation by either party), would agree to:
 - a. Grant or provide certain licenses to CDC in relation to the PLATO system and computer-based education programs, including new developments and improvements made during the life of the agreement;
 - b. Provide technical and consulting assistance to CDC;
 - c. Perform specific research and development projects in cooperation with CDC, as determined by a joint University and CDC committee, and grant CDC exclusive rights to inventions thereunder.
2. Royalty payments under the various patent license agreements would be combined in a single payment based on the number of terminals on a system at the rate of one percent on the first 20,000 terminals, one and one-half percent on the next 20,000 terminals, and two percent thereafter.
3. A separate software license agreement would provide for separate royalty payments on a different basis.
4. The University and CDC would cooperate in the development of courseware agreements.

This renegotiation has been and continues to be complex, involving prior agreements between the University, the University of Illinois Foundation, Univer-

sity Patents, Inc. (UPI), CDC, and others licensed by UPI; prior and prospective inventors; prior agreements between inventors and the University; prior contracts with other sponsors such as the National Science Foundation; and provision for future developments in an untried area of development in a unique partnership between industry and the University.

It is now critical that contracts be formalized since production and marketing by CDC are under severe pressure, and the existing contract with CDC must be replaced and new activities begun. Both the University and CDC have been proceeding in good faith for some time to reach agreement on contractual terms consistent with the conceptual understandings previously reached.

The foregoing is provided as an explanation of why minor changes can be anticipated up to the moment of signing and why there may continue to be new problems during the life of this agreement that will require future Board of Trustees actions and a great deal of cooperative, good faith negotiations. However, these agreements will represent a major, far-reaching change in educational technology and mark the beginning of new delivery processes and systems which could affect virtually millions of persons. Some risk of future entanglements appears justified in light of the potential benefits.

The following conceptual framework outlines the essence of the final agreements now negotiated (which are similar to the "progress report"), but it is relevant for the Board to understand that certain provisions of the contract documents may be under interpretation and resolution for some time. Technology in this field changes so rapidly that even definitions become obsolete before interpreted.

The arrangements now include seven documents embodying the following substantive terms.

1. Research and Development Agreement (R and D Agreement)

- a. CDC will provide computer equipment to the University as specified in the equipment agreement (Item VI). The equipment agreement lists specific equipment which is to be supplied by CDC and used for computer-based education research and development (defined in the R and D agreement). Title to the equipment accrues to the University over seven years with right to prior purchase with appropriate credit. Provision is made for termination of the agreement upon six months notice by either party.
- b. The University agrees to grant certain licenses to CDC, provide technical and consulting assistance, and perform specific research and development functions specified by an Advisory Committee. The University, as a part of this contract, guarantees specific minimum man-hours of consultation, development work, and technical services. It also agrees to furnish preferential treatment to CDC with regard to licenses on potential patents growing out of the research efforts so as to guarantee CDC (1) nonexclusive, nonadditional royalty licenses or (2) the right to bargain in good faith for exclusive royalty-bearing licenses on developments under specific projects approved by the Advisory Committee, and (3) the right to access and use of technology and know-how about computer-based education at the University's Computer-based Education Research Laboratory, within the other commitments of the University and not extending to other University computer-based education technology and know-how.
- c. A joint Advisory Committee is to be established with equal representation by the University and CDC to identify technical research projects of special relevance to CDC's marketing programs for computer-based education and to facilitate the cooperative efforts on special projects. A University representative maintains a veto over all technical research projects.

2. Software License Agreement

- a. This agreement supersedes the 1970 Software Agreement and results in a

University-CDC agreement instead of the previous CDC-UPI-Foundation arrangement. UPI and the Foundation have relinquished any claim to rights in software.

- b. The University undertakes to make improvements to the software through December 31, 1982. The software is licensed to CDC on a royalty basis until December 31, 1985, and on a royalty-free basis thereafter.
 - c. Royalty payments are to be made to the University at the rate of 10 percent of the CDC charge for the use of the software, with minimum and maximum payments per system per month (\$100 minimum, \$200 maximum). A system is based upon each multiple of 1,000 communications outlets or fewer. Software may also be sold by CDC for thirty times the maximum monthly royalty.
3. **Patent License Agreement**
- a. CDC is granted nonexclusive licenses under specified patents to manufacture, sell, have made, lease, or use hardware invented or developed at the University's CERL in the PLATO program, including future development and improvements. (See R and D agreement.)
 - b. The royalty base for the various patent agreements is combined in a single payment based on the number of terminals sold or leased by CDC, or used in a CDC system, at the rate of one percent on the net selling price of the first 20,000 terminals, one and one-half percent on the next 20,000 terminals, and two percent thereafter. This is essentially a "systems license" for PLATO or equivalent systems. Non-PLATO systems' uses of patented and licensed features are paid by royalty on a feature basis, usually 3 percent, except in the case of the Plasma Display Matrix, where the rate is 5 percent. (The prior arrangement called for 40,000 royalty-free terminals, and UPI participated with the Foundation at the rate of 50/50 from terminal 40,001 to terminal 120,000. UPI has agreed to return to a 40/60 split on the basis of the new arrangement.)
4. **Plasma Display License Agreement**
- a. University Patents, Inc., grants to CDC a nonexclusive, unrestricted license for the Plasma Display patent.
 - b. The royalty basis is 5 percent of net selling price of the Plasma Display Units.
5. **Courseware Agreement**
- a. The University agrees to exercise reasonable efforts to produce courseware for use in Computer-based Education Systems. For existing courseware the University can only provide to CDC whatever rights exist. For prospective courseware, methods of access control will be established to provide CDC the right of first refusal on new courseware.
 - b. Royalty payments are to be computed at the average rate of two and three-quarters cents (\$.0275) per customer/student contact hour with each item of courseware.
6. **Agreement for Control Data Equipment, Products, and Related Services**
- Computer equipment is to be provided to the University as specified to use, with the option to acquire title by the University on a quarterly credit basis over a seven-year period. (See R and D agreement, Item 1 above.)
7. **Agreement for Use of Trade and Service Marks**
- A nonexclusive trade and service marks agreement is to be executed between CDC and the University covering the use of the names of PLATO and TUTOR by CDC.

A major change proposed as a part of this Board action is to supersede any and all prior Board actions with regard to authorized payments to software authors

and hardware inventors from royalties on software and from a list of patents,¹ for the purposes of these agreements with CDC *only*.

Since the fundamental concept for the royalty base is a systems patent (for CDC only), systems which will utilize a number of other University-developed patents, it is proposed that 25 percent of the revenue paid to the University from software, and 25 percent of the net revenue to the Foundation, become the combined "Inventor/Author of Software" share. The distribution of this pool is to be agreed upon by each individual inventor or author before contracts are signed. Further, because of these unique arrangements with CDC, all faculty and staff who are to work on the new project will be required to sign a statement acknowledging the prior rights given CDC by these contracts and waiving the usual provisions of the *General Rules Concerning University Organization and Procedure* concerning inventions or developments within this project. However, the administrative officers contemplate there may be recommended for approval future supplemental agreements with prospective inventors of *major* and *significant* features authorizing additional payments from the University's or the Foundation's share of the income.

It is emphasized that this action is significant and complex. It adjusts and alters many rules and procedures. It can also mean millions of dollars of revenue to the University and the inventors and promote a major change in education.

With the concurrence of the appropriate administrative officers, I recommend that the Comptroller and the Secretary be authorized, after final review by the President of the University, to execute such agreements with CDC as are necessary or appropriate to implement the foregoing.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Livingston, authority was given as recommended by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker.

Agreement for Gas Service for Heating Plant, Chicago Circle

(15) The utilities plant at the Chicago Circle campus, which provides high temperature hot water for heating the campus buildings, is equipped to utilize fuel oil and natural gas as sources of energy.

Due to the unavailability of gas under the existing gas contract, fuel oil has been the only available fuel. Gas was formerly available on an interruptable basis from Peoples Gas Light & Coke Company, in accordance with service classification V-5 as filed with the Illinois Commerce Commission.

The Peoples Gas Light & Coke Company has now notified the University of the possibility of gas being made available (possibly from March through November 1976) through a rider to the present V-5 service classification at 13.30 cents per therm.

Use of gas at this rate, as compared to fuel oil at its current price level of 29.2 cents per gallon, will provide significant reductions in base operating costs.

The Director of the Physical Plant and the Vice President for Administration have recommended that the appropriate administrative officers be authorized to execute a rider to the gas service contract with the Peoples Gas Light & Coke Company for the purchase of natural gas during the off-peak service period.

I concur.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

¹ This list has been filed with the Secretary of the Board for record.

On motion of Mr. Forsyth, authorization was given as recommended by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker.

Report of Purchases Approved by the Vice President for Administration

(16) The Vice President for Administration also submitted a report of purchases approved by him on recommendation of the Directors of Purchases in amounts of \$7,500 to \$10,000 and a report of bids taken in behalf of the Capital Development Board. A copy of this report is filed with the Secretary.

This report was received for record.

The Comptroller's Monthly Report of Contracts Executed

(17) The Comptroller's monthly report of contracts executed was presented.

Medical Center

New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
State of Illinois—Department of Mental Health 436-13	Enzyme induction, an approach of treatment in inborn errors of metabolism associated with mental retardation	\$ 16 100
<i>Total</i>		<hr/> \$ 16 100

New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Barton-Aschman Associates, Inc.	Conduct a materials handling survey	\$ 9 700
<i>Total</i>		<hr/> \$ 9 700

Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Reliable Sheet Metal Works, Inc.	Cost-plus contract—sheet metal work: Installation of new air filters in Buildings 909 and 920	\$ 12 109
Tal Rauhoff, Inc.	Cost-plus contract—general work: Roof repairs, Building 911	8 623
<i>Total</i>		<hr/> \$ 20 732

Urbana-Champaign

New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
Agency for International Development AID/ta-G-1266	Conduct a soybean production, protection, and utilization conference for countries of Asia and Oceania	\$ 33 100
Associated Universities, Inc. 368624-S	Model development error analysis and technology assessment	47 000
Colorado State University (sub-contract under PHS Grant 7 R01 ES 01472-01)	Interaction of toxic metal species with biomolecules	21 950
National Aeronautics and Space Administration NSG-2119	Pilot interaction with automated airborne decision-making systems	35 417
Northeastern Illinois Planning Commission	Provide technical service in relation to water pollution control in accordance with the Unified Regional Planning Program for an eight-county northeastern Illinois—northwestern Indiana area	65 000
The O. M. Scott and Sons Company	Research on fertilizer performance of fruit trees	6 660

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
State of Illinois—Board of Vocational Education and Rehabilitation RDC-B6-184	Development and field testing of curriculum modules for teaching occupational survival skills	\$ 60 000
City of Urbana	Conduct a feasibility study of the Kerr-Cunningham site and identify additional housing sites within the corporate limits of Urbana	5 000
United States Army: DAAG29-76-G-0116	Reaction of calcium silicates with carbon dioxide	69 845
DAAG46-76-G-0023	Develop relationship between process variables and quality of machine-cast ferrous parts made from semi-solid slurries	99 970
DAHC19-76-G-0009	Organization engineering and role making	32 238
United States Department of Agriculture 12-30	Conduct a truss lumber field survey	18 340
United States Department of Health, Education, and Welfare, Institute of Education 400-76-0012	Conference and publication of book on the topic, "Problems and Promises of Human Equality"	5 505
United States Department of the Interior, Office of Water Research and Technology: 14-34-0001-6072	Rapid assessment of water quality using the fingernail clam, <i>Sphaerium transversum</i>	50 000
14-34-0001-6073	Risk-based methodology for cost-effective design on storm sewer systems, phase II	40 000
United States Department of Labor 91-17-76-27	Development of an integrative approach to leadership	5 976
<i>Total</i>		<u>\$ 596 001</u>

New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Board of Education of the Urbana School District No. 116	Provide professional services to the Interdisciplinary Program in Human Development	\$ 6 750
<i>Total</i>		<u>\$ 6 750</u>

Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
Agency for International Development AID/ta-BOA-1109	Conduct a feasibility study dealing with the inoculant component of the seed development project	\$ 20 540
M. H. Detrick Co.	Abrasion-resistant fly ash ceramics	7 000
Monsanto Co.	Ion implantation in GaAs _{1-x} P _x	10 072
United States Department of Transportation DOT-FH-11-8474	Zero maintenance pavement study	99 960
United States Energy Research and Development Administration: E(11-1)790	Mechanism of ion transport in corn root tissue	34 140
E(11-1)1198	Understanding the nature of materials, predominantly solids	2 038 000
E(11-1)1199	Studies of rainout of radioactivity in Illinois	410 000
<i>Total</i>		<u>\$2 619 712</u>

Summary

Amount to be paid to the University:	
Medical Center.....	\$ 16 100
Urbana-Champaign.....	\$3 215 713
<i>Total</i>	<u>\$3 231 813</u>
Amount to be paid by the University:	
Medical Center.....	\$ 30 432
Urbana-Champaign.....	\$ 6 750
<i>Total</i>	<u>\$ 37 182</u>

This report was received for record.

Quarterly Reports of the Comptroller

(18) The Comptroller presented his quarterly reports as of September 30 and December 31, 1975.

These reports were received for record, and a copy of each has been filed with the Secretary of the Board.

Comptroller's Report of Gifts and Funds Received from Outside Sources

(19) The Comptroller presented a report of gifts, grants, and contract funds (including funds from private donors and funds received from governmental agencies) received by the University during the fiscal year July 1, 1974, through June 30, 1975.

The complete report was sent to each member of the Board in advance of the meeting, and a copy is being filed with the Secretary of the Board.

A summary of the total amounts of funds received and sources follows.

Summary

	1974-75
Funds from Private Donors:	
To the University —	
For Urbana-Champaign	\$ 8 076 955 01
For Medical Center.....	1 739 204 38
For Chicago Circle.....	823 390 18
	(\$10 639 549 57)
To the University of Illinois Foundation.....	3 553 200 41
<i>Total</i>	\$14 192 749 98
Funds from United States Government:	
For Urbana-Champaign —	
(Including \$720,561.00 from National Defense Education Act, \$51,492.00 from Health Professions Act for student loans, and \$2,772,411.76 for student aid).....	41 566 393 74
For Medical Center —	
(Including \$640,916.00 from Health Professions Act, \$63,637.00 from Nurses Training Act for student loans, and \$90,716.59 for student aid).....	12 943 354 54
For Chicago Circle —	
(Including \$521,267.40 from National Defense Education Act and \$1,906,429.66 for student aid).....	5 450 332 61
<i>Total</i>	\$59 960 080 89
Funds from Contracts with State of Illinois Agencies:	
For Urbana-Champaign	4 047 605 70
For Medical Center.....	693 889 55
For Chicago Circle.....	344 900 30
<i>Total</i>	\$ 5 086 395 55
<i>Grand Total</i>	\$79 239 226 42

REGULAR MEETING RECESSED FOR MEETING OF FINANCE COMMITTEE

At this point, the Board recessed to convene a meeting of the Finance Committee to receive from the Comptroller investment reports from

December 1975 and January 1976 (see below). (Also included were a report of the endowment pool, containing a statistical report; a report of assets; a listing of the ten largest common stockholdings; and the approved buy-sell list of common stocks, copies of which were filed with the Secretary of the Board for record.)

On motion of Mr. Livingston, the Committee endorsed the reports as submitted and recommended similar action to the Board of Trustees.

When the regular meeting reconvened, on motion of Mr. Livingston, the Board endorsed the recommendations of the Finance Committee.

Investment Reports

(20) The Comptroller presented the investment reports for the months of December 1975 and January 1976.

December 1975

Changes in Endowment Pool Fund

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
Sales:				
12/2	\$ 122 000 00	Hertz Corp., demand notes.....		\$ 122 000 00
12/5	165 000 00	City Products, demand notes.....		165 000 00
Purchases:				
12/3	\$ 3 000 00	Associates Corp. of North America, demand notes.....	6.05	\$ 3 000 00
12/3	3 000 00	Ford Motor Corp., demand notes....	6.05	3 000 00
12/3	28 000 00	Hertz Corp., demand notes.....	5.80	28 000 00
12/3	7 000 00	International Harvester Credit Corp., demand notes.....	6.05	7 000 00
12/3	263 000 00	City Products Corp., demand notes...	6.05	263 000 00
12/3	188 000 00	Commercial Credit Co., demand notes	5.92	188 000 00
12/4	41 000 00	Household Finance Corp., demand notes.....	6.18	41 000 00
12/11	11 000 00	Commercial Credit Co., demand notes	6.18	11 000 00
12/29	250 000 00	Procter & Gamble 8¼ percent sinking funds debentures due 3/1/05.....	8.24	250 300 00
12/29	250 000 00	Illinois Bell Telephone 8 percent de- bentures due 12/10/04.....	8.28	240 790 00
12/29	250 000 00	Pub. Serv. Ind. 8 percent first mort- gage bonds, Series T., due 2/1/04....	8.59	231 107 50
12/30	6 000 00	Commercial Credit Co., demand notes	5.92	6 000 00

Changes in Other Investments

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
Sales:				
12/2	\$ 997 385 77	GNMA Pool #6466 8 percent note due 7/15/05.....		\$1 000 000 00
12/2	200 shares	Binks Manufacturing.....		2 270 56
12/4	100 shares	Binks Manufacturing.....		1 147 78
12/5	300 shares	Binks Manufacturing.....		3 480 85
12/8	700 shares	Binks Manufacturing.....		7 772 01
12/15	\$1 000 000 00	Chemical Bank 7½ percent certificate of deposit due 1/5/76 dated 9/16/75..		1 000 000 00
12/23	200 shares	American Can common stock....		6 092 37
12/23	100 shares	American Tel. & Tel. common stock.....		5 025 00

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
12/23	400 shares	Commonwealth Edison common stock.....	\$	11 900 00
12/23	400 shares	CPC International common stock.....		16 722 15
12/23	2 000 shares	Exxon common stock.....		17 279 65
12/23	200 shares	Inland Steel common stock.....		8 200 00
12/23	600 shares	International Harvester common stock.....		12 914 73
12/23	500 shares	Nabisco common stock.....		19 355 86
12/23	300 shares	Northern Illinois Gas common stock.....		6 600 00
12/23	13 shares	Northern Illinois Gas \$1.90 preferred stock.....		280 63
12/23	350 shares	Peoples Gas common stock.....		11 768 75
12/24	\$1 000 000 00	Chase 5.90 percent certificate of deposit due 1/15/76 for 34 days.....		1 004 180 56
12/30	\$1 000 000 00	Chase 6½ percent certificate of deposit due 1/26/76 for 28 days.....		1 005 076 39
12/30	150 shares	General Electric common stock...		6 843 75

Repurchase Agreements:

12/2	\$1 000 000 00	Continental Bank 5.90 percent certificate of deposit due 1/13/76 until notice.....	5.90	\$1 000 000 00
12/3	1 000 000 00	FNMA notes due 2/11/76 until notice.....	5.42	1 000 000 00
12/4	2 000 000 00	U.S. Treasury 7½ percent notes due 2/15/81 for 5 days.....	7.38	2 001 388 89

Purchases:

12/5	\$ 15 000 00	U.S. Treasury bills due 3/9/76.....	5.34	\$ 14 793 73
12/16	1 250 000 00	Harris Trust & Savings Bank 5.70 percent certificate of deposit until notice..	5.70	1 250 000 00
12/16	65 000 00	U.S. Treasury bills due 3/18/76.....	5.53	64 094 69
12/18	690 000 00	U.S. Treasury bills due 3/18/76.....	5.42	680 771 25
12/22	1 000 000 00	Continental Bank 5½ percent certificate of deposit due 2/20/76.....	5.50	1 000 000 00
12/26	105 000 00	Continental Bank 5¾ percent certificate of deposit due 3/25/76.....	5.63	105 000 00
12/30	2 000 000 00	First National Bank of Chicago 5½ percent certificate of deposit due 4/5/76.....	5.50	2 000 000 00

January 1976

Changes in Endowment Pool Investments
(Under Finance Committee Guidelines)

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
<i>Sales:</i>				
1/6	2 800 shares	Goodyear, common stock.....	\$	63 942 85
1/6	\$ 177 000 00	Associates Corp. of North America, demand notes.....		177 000 00
1/6	98 000 00	City Products Corp., demand notes...		98 000 00
1/6	295 000 00	Commercial Credit Co., demand notes		295 000 00
1/6	62 000 00	Ford Motor Credit Co., promissory note.....		62 000 00
1/6	5 000 00	General Motors Acceptance Corp., demand notes.....		5 000 00

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
1/6	\$ 28 000 00	Hertz Corp., demand notes.....		\$ 28 000 00
1/6	58 000 00	Household Finance Corp., demand notes.....		58 000 00
1/12	\$ 100 000 00	International Harvester Credit, de- mand notes.....		100 000 00
1/12	1 546 shares	Dow Chemical, common stock....		156 400 00
1/12	2 663 shares	General Motors, common stock....		162 443 00
1/12	2 126 shares	Kimberly Clark, common stock....		86 518 27
1/12	3 000 shares	Standard Brands, common stock....		118 008 55
1/12	\$ 92 000 00	Household Finance Corp., demand notes.....		92 000 00
Purchases:				
1/2	\$ 8 000 00	Commercial Credit Co., demand notes	5.92	\$ 8 000 00
1/9	12 000 00	Hertz Corp., demand notes.....	5.71	12 000 00
1/12	250 000 00	Federated Dept. Stores 8¾ percent bonds due 9/15/95.....	8.38	249 687 50
1/12	250 000 00	Weyerhaeuser 7.65 percent bonds due 7/15/94.....	7.65	239 932 50
1/13	64 000 00	International Harvester Credit Corp., demand notes.....	5.52	64 000 00
1/19	33 000 00	Hertz Corp., demand notes.....	5.59	33 000 00
1/21	1 000 00	Hertz Corp., demand notes.....	5.59	1 000 00

**Changes in Other Investments
(Under Comptroller's Authority)**

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
Sales:				
1/5	1 share	Macmillan, Inc., common stock....		\$ 4 13
1/5	\$ 3 000 00	Mankato Minn. Indp. School District #77 3.50 percent bonds due 1/1/82 — called 1975.....		3 000 00
1/9	4 000 00	City Products Corp., demand notes....		4 000 00
1/12	69 000 00	International Harvester Credit Corp., demand notes.....		69 000 00
1/12	29 000 00	Commercial Credit Co., demand notes		29 000 00
1/21	4 000 00	International Harvester Credit Corp., demand notes.....		4 000 00
Repurchase Agreements:				
1/12	\$2 000 000 00	Federal Home Loan Banks 8.65 per- cent notes due 11/25/81 for 4 days....	8.65	\$2 001 000 00
1/19	2 500 000 00	U.S. Treasury 7½ percent notes due 5/15/78 for 4 days.....	7.12	2 501 263 89
1/26	2 000 000 00	U.S. Treasury 6½ percent notes due 6/30/77 for 3 days.....	6.50	2 000 000 00
Purchases:				
1/2	\$2 000 000 00	American Fletcher Bank 5¾ percent certificate of deposit due 3/2/76.....	5.38	\$2 000 000 00
1/2	93 000 00	Associates Corp. of North America, demand notes.....	5.92	93 000 00
1/2	26 000 00	Commercial Credit Co., demand notes	5.92	26 000 00
1/2	24 000 00	Household Finance Corp., demand notes.....	5.92	24 000 00
1/5	4 000 00	Associates Corp. of North America, demand notes.....	5.92	4 000 00

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Yield (Percent)</i>	<i>Amount</i>
1/5	\$ 60 000 00	Illinois Bell Telephone 8 percent debentures due 12/10/04.....	8.00	\$ 57 400 20
1/6	1 000 00	Associates Corp. of North America, demand notes.....	5.79	1 000 00
1/7	56 000 00	U.S. Treasury 7 $\frac{7}{8}$ percent note due 11/15/82.....	7.87	57 068 00
1/8	59 000 00	Associates Corp. of North America, demand notes.....	5.66	59 000 00
1/9	29 000 00	Commercial Credit Co., demand notes	5.65	29 000 00
1/9	73 000 00	International Harvester Credit Corp., demand notes.....	5.65	73 000 00
1/13	1 000 000 00	Continental Bank 4.85 percent certificate of deposit due 3/12/76.....	4.85	1 000 000 00
1/14	1 000 00	Associates Corp. of North America, demand notes.....	5.39	1 000 00
1/15	42 000 00	Commercial Credit Co., demand notes	5.65	42 000 00
1/16	3 000 00	Associates Corp. of North America, demand notes.....	5.39	3 000 00
1/16	1 000 000 00	Union Commerce Bank of Cleveland 4 $\frac{7}{8}$ percent certificate of deposit due 2/17/76 until notice.....	4.87	1 000 000 00
1/16	1 000 000 00	Champaign National Bank 5 $\frac{1}{2}$ percent certificate of deposit due 4/20/76	5.50	1 000 000 00
1/16	300 000 00	Bank of Illinois in Normal 6 percent certificate of deposit due 2/20/76....	6.00	300 000 00
1/21	4 000 00	Household Finance Corp., demand notes.....	5.39	4 000 00
1/30	48 000 00	City Products Corp., demand notes...	5.25	48 000 00
1/30	18 000 00	Ford Motor Credit Corp., promissory note.....	5.39	18 000 00
1/30	41 000 00	Household Finance Corp., demand notes.....	5.26	41 000 00
1/30	1 200 000 00	Continental Bank 4 $\frac{3}{4}$ percent certificate of deposit dated 1/30/76 due 3/1/76.....	4.75	1 200 000 00

SECRETARY'S REPORT

The Secretary presented for record appointments to the faculty and changes of status made by the President, resignations, leaves of absence and changes in sabbatical leaves of absence,¹ and a retirement. A copy of the report is filed with the Secretary.

¹ *At Chicago Circle:* Arzbaeher, Robert C., Professor of Electrical Engineering in Information Engineering and in Bioengineering in the Bioengineering Program, change in sabbatical leave from winter and spring quarters 1975-76, three-fourths pay, to one-half winter quarter and all of spring quarter 1975-76, full pay.

Gladfelter, Bruce G., Assistant Professor of Geography, change in sabbatical leave from winter and spring quarters 1975-76, three-fourths pay, to winter quarter 1975-76, full pay.

Long, Chester C., Professor of Speech, change in sabbatical leave from winter and spring quarters 1975-76, three-fourths pay, to winter quarter 1975-76, full pay.

Miller, Leon K., Associate Professor of Psychology, sabbatical leave for spring quarter 1975-76, full pay, canceled without prejudice.

Weingarten, Samuel, Professor of Social Work, sabbatical leave for six months beginning March 16, 1976, full pay, canceled without prejudice.

At Medical Center: Lourenco, Ruy V., Professor of Medicine, change in sabbatical leave from six months beginning November 1, 1975, to six months beginning September 1, 1975, full pay.

At Urbana-Champaign: Haskell, Betty E., Associate Professor of Nutrition in Food Science, change in sabbatical leave from six months beginning January 6, 1976, to six months beginning July 5, 1976, full pay.

Jones, Barclay G., Professor of Nuclear Engineering and of Mechanical Engineering, sabbatical leave for the second semester 1975-76, full pay, canceled without prejudice.

Widholm, Jack M., Associate Professor of Plant Pathology, sabbatical leave of absence for the second semester 1975-76, full pay, canceled without prejudice.

Will, Frederick L., Professor of Philosophy, sabbatical leave changed from second semester 1975-76, full pay, to second semester 1975-76 and first semester 1976-77, one-half pay.

DEGREES CONFERRED

The Secretary presented for record the following summary of degrees conferred on candidates at the Urbana-Champaign campus on January 15, 1976.

Summary

Graduate College	
Doctor of Philosophy.....	122
Doctor of Education.....	13
Doctor of Library Science.....	1
Doctor of Musical Arts.....	2
Doctor of Psychology.....	1
Master of Arts.....	98
Master of Science.....	286
Master of Music.....	11
Master of Education.....	63
Master of Social Work.....	65
Master of Accounting Science.....	18
Master of Architecture.....	20
Master of Business Administration.....	28
Master of Comparative Law.....	1
Master of Computer Science.....	1
Master of Fine Arts.....	2
Master of Landscape Architecture.....	3
Master of Laws.....	1
Master of Urban Planning.....	1
Advanced Certificate.....	5
<i>Total, Graduate College.....</i>	<i>(742)</i>
College of Agriculture	
Bachelor of Science.....	99
College of Commerce and Business Administration	
Bachelor of Science.....	142
College of Communications	
Bachelor of Science.....	39
College of Education	
Bachelor of Science.....	48
College of Engineering	
Bachelor of Science.....	203
College of Fine and Applied Arts	
Bachelor of Architecture.....	1
Bachelor of Arts.....	3
Bachelor of Fine Arts.....	47
Bachelor of Landscape Architecture.....	3
Bachelor of Music.....	7
Bachelor of Science.....	52
Bachelor of Urban Planning.....	8
<i>Total, College of Fine and Applied Arts.....</i>	<i>(121)</i>
College of Liberal Arts and Sciences	
Bachelor of Arts.....	231
Bachelor of Science.....	174
<i>Total, College of Liberal Arts and Sciences.....</i>	<i>(405)</i>
College of Applied Life Studies	
Bachelor of Science.....	41
College of Law	
Juris Doctor.....	31
School of Social Work	
Bachelor of Social Work.....	12
<i>Total, Degrees Conferred at Urbana-Champaign Campus.....</i>	<i>1883</i>

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

Future Meetings

President Neal called attention to the schedule of meetings for the rest of the fiscal year: March 17 (Annual Meeting), Chicago Circle; April 14, Dixon Springs; May 19, Urbana-Champaign; June 16, Medical Center.

He also announced that an executive session had been requested and would be convened after the meeting to consider reports on property acquisition and pending litigation.

RECESS AND EXECUTIVE SESSION

Following a short recess, the Board reconvened in executive session and considered the following items of business:

Acquisition of 905 West Nevada Street, Urbana

(21) The President of the University, with the concurrence of appropriate administrative officers, recommends that the University of Illinois Foundation be requested: (1) to purchase the property at 905 West Nevada Street, Urbana, at a price of \$39,150; and (2) to lease the property to the University at a rental sufficient to enable the Foundation to pay the interest on the loan secured to finance the acquisition. The improvements will be demolished, and the land will be used for parking for approximately thirty-two vehicles.

It is also recommended that authorization be given to enter into a lease of the property with the Foundation until June 30, 1976, with options for annual renewals thereafter during the term of the lease, subject to funds being made available in the operating budget of the Division of Campus Parking and Transportation.

Funds for the demolition of the improvements and construction of parking facilities, and for rental costs until June 30, 1976, are available in the budget of the Division of Campus Parking and Transportation. Funds for rental costs required after that date will be included in that budget on an annual basis.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Summers, the purchase of this property at the price indicated was authorized by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, none; absent, Governor Walker.

Settlement of Discrimination Complaint before the U.S. Department of Health, Education, and Welfare

(22) In December 1969 Virendra K. Bhalla was employed by the University at the Medical Center campus as a Data Processing Analyst, a Civil Service classification. In August 1971 Mr. Bhalla filed a complaint with the U.S. Department of Health, Education, and Welfare (HEW) alleging that the University had discriminated against him in his employment on the basis of his national origin (East Indian). In July 1973 the Chicago Regional Office of HEW formally notified the University that the complaint had been filed and that an investigation would be initiated. In February 1974 the University was advised by the U.S. Equal Employment Opportunity Commission that Mr. Bhalla had also filed a complaint with that body, charging discrimination on the basis of national origin.

In the meantime, in June 1973 the University initiated discharge proceedings against Mr. Bhalla under the University Civil Service System Rules, based on charges of incompetence and refusal to obey departmental orders. The University suspended Mr. Bhalla pending resolution of the discharge proceedings, as permitted by the Civil Service Rules. The discharge proceedings are still pending, and Mr. Bhalla remains on suspension.

In October 1974 the HEW Regional Office advised the University that, after investigation, it had concluded there was reasonable cause to believe that Mr. Bhalla had been discriminated against because of his national origin and that he had received differential treatment after he complained to his University superiors of an alleged disparity in his salary, which differential treatment amounted to harassment, all because of his national origin. The University denied any discrimination against Mr. Bhalla because of his national origin. It asserted that the HEW findings were superficial and unsupported by any substantial evidence or facts. In March 1975 the University filed with the Regional Office of HEW additional materials which further contradicted HEW's early findings and which demonstrated support of the University's position that Mr. Bhalla should be discharged from the University for cause (incompetence and insubordination).

In April 1975 the Regional Office of HEW notified the University that in its view the additional evidence presented by the University did not warrant a change in its earlier findings of discrimination. In both the October 1974 findings and the April 1975 reaffirmation, HEW indicated that it had obtained a statement from a former co-worker of Mr. Bhalla who was an "East Indian" (HEW subsequently conceded that the individual making the statement was Hungarian) stating that the co-worker had resigned "because of discriminatory treatment on the part of complainant's supervisor." Additionally HEW indicated that three of four co-workers interviewed stated that they noted the complainant "seemed to receive" harassment from his immediate supervisor. The Regional Office of HEW found that Mr. Bhalla was entitled to restoration to his former position as Analyst II at a salary higher than he had been paid and to all intervening fringe benefits of the position, including the salary he had lost due to the alleged discriminatory treatment plus interest at 6 percent. The dollar value of the HEW position was approximately \$58,500. The HEW Regional Office stated that failure to take action to comply would result in the Federal government withdrawing all Federal funds and disqualifying the University from future Federal grants or contracts.

On May 1, 1975, the University again unsuccessfully sought reconsideration by the Regional Office of HEW of its evaluation of the additional data the University had submitted in connection with Mr. Bhalla's charge. HEW attempted to effect conciliation and compromise, stating that if settlement was not reached the matter would be sent to the HEW Washington Office for disposition. The University agreed to discuss with Mr. Bhalla the possibility of settlement, but reiterated its position that its willingness to enter such discussions was in an effort to achieve cost avoidance rather than what the University would regard as a fair and equitable resolution of the matter. The University continued to maintain that the HEW Regional Office actions were based on inadequate investigation, incomplete data, and a refusal to consider persuasive items of evidence relating to Mr. Bhalla's incompetence. Settlement discussions with Mr. Bhalla were not fruitful and, on May 20, 1975, the HEW Regional Office forwarded the file to its headquarter office in Washington, D.C., for final action.

A compliance conference was scheduled by HEW's Washington Office. The University was advised that the file contained an affidavit from a University employee in the department stating that Mr. Bhalla's supervisor had twice made statements derogatory to East Indians and to foreigners in general and also contained statements from co-workers that Mr. Bhalla had been harassed by his super-

visor. The University was further advised that if conciliation efforts were not successful, final enforcement proceedings would be initiated which, if determined adversely to the University, would result in withdrawal and suspension of Federal funding at the Medical Center campus (presently estimated at approximately \$15 million annually). HEW's Washington Office originally indicated that it would approve a settlement which would result in a payment of \$51,500 and the restoration of Mr. Bhalla to a status position.

As a result of further negotiations involving HEW, the University, and Mr. Bhalla, it is now proposed to settle the contested matter on the basis of a payment to Mr. Bhalla of \$37,175. Mr. Bhalla will resign from his status position, will withdraw all pending complaints with State and Federal agencies, will agree to the dismissal and settlement of all pending discharge and grievance proceedings, including those at the arbitration stage, and will execute a general release in favor of the University covering all matters other than those incorporated in the settlement agreement. In addition, Mr. Bhalla will be given a new appointment as a Data Processing Analyst II and begin a new probationary period as of March 1, 1976. During the new probationary period the University will also provide a refresher course for Mr. Bhalla. Mr. Bhalla will be evaluated periodically during the new probationary period and, if terminated at the end thereof, the University will offer him a further three-month part-time appointment in a nonstatus position while he seeks other employment. HEW has indicated its support of the proposed settlement and its willingness to terminate proceedings if the University offers the same to Mr. Bhalla.

The Chancellor at the Medical Center campus has recommended approval of the proposed settlement. The Vice President for Administration supports the recommendation.

I concur.

The student advisory vote was: Aye, Mr. Conlon, Mr. Summers, Mr. Szegho; no, none.

On motion of Mr. Forsyth, this recommendation was approved by the following vote: Aye, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Livingston, Mr. Neal, Mrs. Rader; no, none; absent, Governor Walker. Mr. Lenz, Mrs. Shepherd, and Mr. Velasquez asked to be recorded as not voting.

There being no further business, the Board adjourned.

EARL W. PORTER
Secretary

EARL L. NEAL
President

LUNCHEON GUESTS

Guests of the Board at luncheon included a number of staff and students from the Medical Center campus.