

**MEETING OF THE BOARD OF TRUSTEES**  
**OF THE**  
**UNIVERSITY OF ILLINOIS**

---

**December 15, 1976**



The December 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, December 15, 1976, beginning at 10:30 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 non-voting student trustees were present: Mr. Robert K. Conlon, Medical Center campus; Mr. David G. Matthews, Chicago Circle campus; Mr. Keith A. Volgman, Urbana-Champaign 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. 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 meeting of June 16, 1976, copies of which had previously been sent to the Board.

On motion of Mr. Howard, these minutes were approved as printed on pages 637 to 704 inclusive.

### **RECOGNITION OF RETIREMENT OF VICE CHANCELLOR CASELEY**

President Neal called to the attention of the Board (as had been done earlier in a letter from the President of the University) the fact that Vice Chancellor Donald J. Caseley is retiring after twenty-two years of service to the University. Mr. Neal expressed to Dr. Caseley, who was present, the appreciation of the Trustees for Dr. Caseley's extraordinary service, calling attention to the fact that he had deferred his regular retirement twice in the last year as a special accommodation to the University.

### **BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY**

#### **President's Reports**

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.

#### **Establishment of Phi Beta Kappa Chapter at Chicago Circle**

President Corbally called on Chancellor Riddle to report to the Board that, on December 6, the University of Illinois at Chicago Circle became the 218th institution to be granted a chapter of Phi Beta Kappa and the ninth in Illinois to be so selected. The chapter at Chicago Circle will be designated Iota of Illinois. Eleven institutions were admitted in 1976 to this, the nation's oldest honorary academic society.

The Trustees expressed satisfaction and pride in the honor accorded Chicago Circle, one of the youngest comprehensive universities in the United States.

#### **University Budgets and Budget Requests, Fiscal Years (FY) 1977 and 1978**

President Corbally presented the following report.

Sometime today — probably this afternoon — the Illinois House of Representatives will take action on several motions to restore funds which were reduced or vetoed from the appropriations to the University of Illinois for FY 1977. As you know, the Illinois Senate has acted to restore funds to support an additional 2 percent salary increase (to a total of 4.5 percent) for the balance of FY 1977 and to override the veto of nearly \$1.2 million in support of expansion in education for the health professions. The decision in the Senate was, as expected, a close one, and the decision to come in the House will be equally close.

Depending upon that decision, several Board actions may be required, and because of problems of timing it seems necessary to put these actions before you so that the administration can proceed appropriately regardless of the final outcome of the restoration effort.

If the restoration is accomplished, we will need to amend the FY 1977 budget to increase salaries by 2 percent for some portion of the year. It was agreed in the Senate that increases would be effective for seven-twelfths of the year, and as late as yesterday evening there was discussion of increases being effective for one-half of the year as a further compromise position in the House. We will need your approval to accomplish these increases, which will be "across the board" and which, with the exception of a small number of craftsmen covered by contracts calling for retroactivity to September 1, will be effective either in December or in January depending upon final outcomes in the House. First, then, if the restoration of salary increase funds is accomplished in the General Assembly, I need your approval to allocate them within this framework.

If the veto of funds in support of health professions education is overridden, we will develop an allocation plan for those funds which we will bring to you for action in January. I will mention later in these remarks a special problem related to the University of Illinois Hospital which requires some possible action regardless of the fate of the veto override.

If the restoration of salary increase funds is unsuccessful, several actions need to be considered. You will recall that, after thorough consideration, you approved a budget request for FY 1978 which included salary increases averaging 8 percent plus an additional 2 percent for open-range employees. That request was based upon the assumption that our faculty and staff would receive salary increases averaging 4.5 percent for FY 1977. If the restoration fails, that assumption will have been incorrect. In that event, I seek your authority today to increase our budget request now before the Illinois Board of Higher Education (IBHE) to provide sufficient funds to support salary increases averaging 10 percent plus an additional 2 percent for open-range employees.

In opposing the restoration of funds to higher education for FY 1977 during this override session, Governor-elect Thompson has repeatedly stated that immediately upon his assumption of office he would consider supplemental appropriations measures to deal with certain critical financial problems. While the timing and effectiveness of this route are difficult to understand, if the restoration effort is unsuccessful, the route should be explored. One possible solution would be the immediate decision to impose a tuition increase effective with the academic terms beginning in January 1977, to seek gubernatorial and legislative support in January of supplemental appropriations from our income fund for FY 1977, and to use those funds for salary increases for the balance of this year. A tuition increase at an annual rate of \$90 would, if imposed at midyear, provide funds sufficient to grant a 2 percent salary increase effective on or about February 1, 1977. If we are to follow that strategy, the decision must be made now due to a variety of complications related to the assessment and collection of tuition and to working out details with the Illinois State Scholarship Commission. Accordingly, I ask your advice and your directions concerning the imposition of a midyear tuition increase if the restoration of salary increase funds for FY 1977 is unsuccessful.

Finally, with regard to the restoration effort and to Governor-elect Thompson's statements about supplemental appropriations, if the restoration is unsuccessful, I seek your approval to explore and to pursue any strategies through which general revenue funds in support of salary increases for FY 1977 might be secured through the supplemental appropriations route.

I need to discuss one other item with you which may require immediate attention. Through a combination of factors, the University of Illinois Hospital is in a serious cash position. We are one of the few hospitals which will still admit patients without some guarantee of ability to pay charges above and beyond the payments made by public aid, Medicare, or third-party payers. None of these sources pays the full cost of hospital care because their payment schedules have been "frozen" at levels which do not reflect current costs. Nor have there been increases in state support of the operation of the University Hospital — a source of

support which some other "public" hospitals have been able to secure through both increased tax collections and increased local tax rates. Our predictions in the 1977 budget summary that hospital income projections might not be achieved have become fact, and it is possible that later this year we shall not have the cash to meet payrolls. A number of internal steps are being taken to deal with this problem, but it is possible that a supplemental appropriation in behalf of the University Hospital may need to be sought early in the session of the new General Assembly. Accordingly, I ask that the Board of Trustees authorize me to seek such supplemental appropriation for FY 1977 for the University Hospital up to an amount not to exceed \$3 million—such effort to be taken after all internal means of attaining a solution have been taken.

While not requiring immediate action, it seems appropriate to report to you today that it is clear that the as-yet-unreleased budget advice of the Board of Higher Education will once again contain recommendations that a portion of the funds needed to support higher education in FY 1978 should come from increased levels of tuition—probably in the range of \$80 to \$100 per year for undergraduate students, around \$120 per year for graduate students, to full cost for non-resident students, and with increases of at least similar proportion for health professions curricula. It is clear to me that tuition increases for FY 1978 are inevitable, essential, and equitable. We will bring to you at the January meeting a careful analysis of tuition issues and will at that time have the IBHE recommendations. I would suggest that at either the January or February meeting of this Board we need to reach a firm decision about tuition levels for 1977-78. It seems clear to me that we should today alert our students and their parents to the fact that tuition levels will increase for 1977-78, that those increases will be substantial, and that we shall work to insure that appropriations to the Illinois State Scholarship Commission and to Federal Student Aid Programs are such that tuition increases will not have major negative influences upon access to the University. We shall, incidentally, in our presentation in January provide some data which show that the tuition-access issue is not as simplistic as is sometimes claimed.

The financial situation of higher education in Illinois is difficult today, but the problems are not insurmountable. We have reached the point, however, at which the solutions must increasingly come from the income rather than from the expense side. This Board has been rigorous in its review of budget requests, and yet the University this year is operating with a budget base which is \$81 million less than would have been the case if our requests since 1973 had been met. We must now find new income, or we must scale down our services—including considering major enrollment decreases and considering the abandonment of any further expansion in the health professions. If we are to meet our responsibilities to the people of Illinois, however, we must first make a major effort to secure more income, and it is that effort which underlies this report and its recommendations.

In response to the report and information received, the Trustees took the following actions:

(a) That, subject to the restoration of funds by the legislature, the FY 1977 internal budget be amended to increase salaries by 2 percent for some portion of the year and to authorize the President to allocate salary increase funds in accord with the action of the General Assembly.

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; 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.

(b) That, subject to a failure to restore funds for salary increases by the General Assembly, the operating budget request for FY 1978 be amended to support salary increases averaging 10 percent, plus an additional 2 percent for open-range employees.<sup>1</sup>

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; no, none.

On motion of Mr. Livingston, 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.

(c) That the President be authorized to seek a supplemental appropriation for FY 1977 for the University Hospital, up to an amount not to exceed \$3,000,000 — such effort to be taken after all internal means of obtaining a solution have been taken.

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; no, none.

On motion of Mr. Livingston, 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.

With regard to the President's request for Board discussion and advice concerning a midyear tuition increase:

It was made clear that no specific administrative recommendation was being presented to the Board, rather that the Governor-elect had indicated recently the possibility of supplemental appropriations. One University response would be to approve a midyear tuition increase if the salary restoration effort were not successful. In the course of general discussion, it was noted that a number, perhaps a majority, of the Board have indicated informally their reluctance to increase tuition at this time. It was further pointed out that there is uncertainty as to the likelihood of legislative action to appropriate funds through the income fund if such a tuition increase were approved and collected. It was further noted that there would be an opportunity to consider tuition in a more deliberate way in January or February, for imposition at a later date. It was also made clear that not all Trustees are reluctant to increase tuition, but that some believe such a step to be inevitable and justified and one that could be taken without apology in the light of continued cost increases over the last several years in all areas of the economy.

Finally, by consensus it was agreed that it would not be timely to increase tuition at midyear, but rather that the Board would receive background information in January with regard to a tuition increase at a later date, with the possibility that a recommendation would be before the Board at the February meeting.

<sup>1</sup> Subsequent action by the legislature, on December 15, was to restore funds sufficient to support an additional 2 percent salary increase for the balance of FY 1977. Accordingly, the second Trustee action, (b) above, will not be implemented.

### Revision of FY 1978 Capital Request

(1) On September 15, 1976, the Board of Trustees approved a capital request for FY 1978 in an amount of \$56,115,990, with the knowledge that the first twenty-six projects had been vetoed by gubernatorial action on the capital budget request for FY 1977, and with the understanding that, if not restored by the legislature, the projects would be reviewed and a revised request submitted.

The restoration has not been successful, and a second review of the 1978 capital request has been made by each campus and by the University Planning Council. The result has been a recommendation for a reduction in the request—from \$56,115,990 to \$46,195,166. The major reason for the reduction is the deferral of two building requests at the Urbana-Champaign campus—Engineering Library Stack Addition and the Law Building Addition—deferred because of timing problems created by the veto of planning funds in the FY 1977 request. During the review, some vetoed projects were combined with those in the 1978 request, and all 1977 projects were escalated to 1978 costs. The net result was that the Chicago Circle campus request was changed from \$12,775,128 to \$12,744,420, the Medical Center campus request was changed from \$16,731,019 to \$17,277,946, and the Urbana-Champaign campus request was changed from \$26,609,843 to \$16,172,800.

A "Summary of the Revised FY 1978 Capital Budget Request by Campus and Category" and a "Revised List of Capital Projects for FY 1978 in Priority Order" follow.

I recommend approval of the revised FY 1978 capital requests as submitted herewith.

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; no, none.

On motion of Mrs. Rader, 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.

#### Summary of Revised FY 1978 Capital Budget Request by Campus and Category

<i>Category</i>	<i>Chicago Circle</i>	<i>Medical Center</i>	<i>Urbana- Champaign</i>	<i>Total</i>
Buildings, additions, and/or structures ..	\$ 7 562 000	\$ -0-	\$ 4 423 000	\$11 985 000
Funds to complete bond eligible buildings .....	41 000	1 000 000	65 100	1 106 100
Land .....	-0-	-0-	148 500	148 500
Equipment .....	640 500	6 430 200	1 714 000	8 784 700
Utilities .....	162 000	-0-	886 200	1 048 200
Remodeling and rehabilitation .....	1 753 500	6 721 150	3 947 000	12 421 650
Space realignment, remodeling, and replacement .....	1 949 920	2 791 596	3 904 000	8 645 516
Site improvements ...	298 600	85 000	414 400	798 000
Planning .....	-0-	250 000	519 100	769 100
Cooperative improvements .....	336 900	-0-	151 500	488 400
<i>Total</i> .....	<i>\$12 744 420</i>	<i>\$17 277 946</i>	<i>\$16 172 800</i>	<i>\$46 195 166</i>

## Revised List of Capital Projects for FY 1978 in Priority Order

Uni- versity Priority	Campus Priority	Project	Category	Capital Development Board Funds	General Revenue Funds	Cumulative Total	Original RAMP Priority	Remarks
1	MC-X	Replacement Hospital	Equipment	\$6 000 000	\$1 000 000	\$ 6 000 000	1, 29	Combined FY1977 and FY1978
2	MC-X	Replacement Hospital	Funding			7 000 000	28	No change
3	UC-1	Turner Hall Addition	Funding		65 100	7 065 100	30	No change
4	UC-2	Turner Hall Addition	Equipment			8 175 100	31	No change
5	UC-13	Medical Sciences Building	Land	1 110 000		8 213 600	27	No change
6	UC-21	Veterinary Medicine Research Build- ings (2)	Building	396 700		8 610 300	25	Cost escalated from FY1977
7	UC-X	Willard Airport Crash Rescue Fa- cility	Building	60 000		8 670 300	24	Cost reduced from FY1977 due to change in federal funding
8	CC-1	Space realignment, remodeling, and replacement, #1	Remodeling	1 278 620		9 948 920	3	Formula amount for FY1978; proj- ects prioritized
9	UC-3	English Building renovation	Remodeling	1 375 000		11 323 920	7, 38	Combined and escalated
10	UC-4	English Building renovation	Equipment	25 000		11 348 920	8	Escalated
11	MC-1	Second Unit, Dentistry-Medicine- Pharmacy Building — Project II	Remodeling	1 118 500		12 467 420	2, 43, 72	Project scope redefined; new cost figure
12	MC-2	College of Medicine	Equipment	333 400		12 800 820	21, 44	Combined and escalated
13	UC-5	Animal Room improvements	Remodeling	507 000		13 307 820	9	Project redefined
14	UC-6	Animal Room improvements	Equipment	65 000		13 372 820	10, 51	Project redefined; new cost figure
15	MC-3	School of Public Health	Equipment	96 800		13 469 620	X	Rerequest of FY1977 project needed to match federal funding
16	UC-7	Central Supervisory Control Center	Utilities	600 000		14 069 620	11, 65	Combined
17	CC-2	Space realignment, remodeling, and replacement, #11	Remodeling	671 300		14 740 920	47	Residual Chicago Circle space re- alignment, remodeling, and re- placement projects in priority order
18	MC-4	Space realignment, remodeling, and replacement, #1	Remodeling	1 490 277		16 231 197	4, 48	Formula amount for FY1978; proj- ects prioritized
19	UC-8	Space realignment, remodeling, and replacement, #1	Remodeling	1 181 500		17 412 697	5, 50	First 1/3 of formula amount; proj- ects prioritized
20	UC-9	Space realignment, remodeling, and replacement, #1 Gregory Hall, Journalism (\$60,000) Kranert Center for the Performing Arts (\$20,000) Visual Arts Laboratory (\$310,000) Davenport Hall, Biophysics (\$60,000)	Equipment	450 000		17 862 697	6, 52, 53, 55	Equipment needed for space re- alignment, remodeling, and re- placement above

University Priority	Campus Priority	Project	Category	Capital Development Board Funds	General Revenue Funds	Cumulative Total	Original RAMP Priority	Remarks
21	CC-3	Building equipment automation	Remodeling	\$ 747 500		\$18 610 197	12, 64	Combined, cost escalated, should complete project
22	CC-4	Science and Engineering Laboratories, Engineering	Remodeling	406 000		19 016 197	16, 60	Combined and reduced
23	CC-5	Science and Engineering Laboratories, Engineering	Equipment	400 000		19 416 197	15, 59	Combined and reduced
24	CC-6	Library Addition	Building	7 562 000		26 978 197	33	No change
25	CC-7	Library Addition	Utilities	162 000		27 140 297	34	Escalated
26	CC-8	Library Addition	Funding		\$ 41 000	27 181 197	35	No change
27	CC-9	Library Addition	Equipment	240 500		27 421 697	36	No change
28	CC-10	Library Addition	Site improvements	85 300		27 506 997	37	No change
29	UC-10	Library Sixth Stack Addition	Building	3 966 300		31 473 297	67	No change
30	UC-11	Library Sixth Stack Addition	Utilities	90 900		31 564 197	68	No change
31	UC-12	Life Sciences Teaching Laboratory	Planning	133 100		31 717 297	62	No change
32	UC-13	Life Sciences Teaching Laboratory	Land	110 000		31 827 297	63	No change
33	UC-14	College of Engineering remodeling	Remodeling	902 000		32 729 297	17, 41	Combined and reduced
34	UC-15	College of Engineering remodeling	Equipment	50 000		32 779 297	18, 42	Combined and reduced
35	UC-16	Engineering Library Stack Addition	Planning	98 500		32 877 797	19	Escalated (building request deferred until FY1979)
36	MC-5	Pharmacy Building, air condition and ventilate	Remodeling	1 225 000		34 102 797	45	Total cost; no longer phased
37	UC-17	Davenport Hall remodeling	Planning	100 000		34 202 797	73	Escalated
38	UC-18	Space realignment, remodeling, and replacement, #II	Remodeling	1 137 000		35 339 797	5, 50	Second third of FY1978 formula amount
39	UC-19	Space realignment, remodeling, and replacement, #II David Kinley Hall, Room 114 (\$5,000)	Equipment	14 000		35 353 797	6, 54	
40	MC-6	Library Remodeling (\$9,000) Space realignment, remodeling, and replacement, #II	Remodeling	1 301 319		36 655 116	48	Residual space realignment, re-modeling, and replacement projects in priority order
41	CC-11	Pedestrian Traffic Control — Morgan and Vernon Park Place	Cooperative improvements	56 000		36 711 116	61	Cost escalated
42	UC-20	Urbana-Champaign Sanitary District wastewater treatment	Cooperative improvements	228 000		36 939 116	66	No change
43	UC-22	Law Building Addition	Planning	116 200		37 055 316	22	Cost reduced
44	UC-23	Auditorium Roof Replacement	Remodeling	660 000		37 715 316	74	No change



Uni- versity Priority	Campus Priority	Project	Category	Capital Development Board Funds	General Revenue Funds	Cumulative Total	Original RAMP Priority	Remarks
45	MC-7	1919 West Taylor — Phase I	Remodeling	\$ 719 250		\$38 434 566	13	Escalated from approved FY1977 amount
46	CC-12	Roosevelt Road Building	Remodeling	600 000		39 034 566	20, 76	Combined and reduced
47	UC-24	Pennsylvania Avenue site improvements	Site improvements	300 000		39 334 566	84	No change
48	UC-25	Condensate Return System	Utilities	167 400		39 501 966	75	Cost escalated
49	UC-26	Coble Hall improvements	Remodeling	415 000		39 916 966	14, 69	Combined and escalated; including former space realignment, re-modeling, and replacement projects
50	UC-27	Space realignment, remodeling, and replacement, #III	Remodeling	1 583 500		41 502 466	5, 50	Last 1/3 of formula-generated amount for FY1978
51	UC-28	Stadium Drive resurfacing	Cooperative improvements	96 400		41 598 866	89	No change
52	UC-29	Nuclear Reactor Laboratory — Phase II	Planning	51 300		41 650 166	82	No change
53	MC-8	Second Unit, Dentistry-Medicine-Pharmacy Building, Project III	Remodeling	1 217 400		42 867 566	2, 43, 72	Project scope redefined; new cost figure
54	CC-13	Bus Stop shelters, Chicago Transit Authority	Cooperative improvements	39 500		42 907 066	86	Cost escalated
55	UC-30	Campus landscape improvements	Site improvements	75 000		42 982 066	87	No change
56	MC-9	1919 West Taylor — Phase II	Remodeling	975 000		43 957 066	70	Cost escalated
57	UC-31	Water Main extension (southeast)	Utilities	27 900		43 984 966	88	No change
58	CC-14	Exterior campus graphics	Site improvements	48 300		44 033 266	81	Cost escalated
59	MC-10	7115 South Wood — Phase I	Remodeling	1 223 000		45 256 266	77	No change
60	UC-32	Instructional Tennis Court improvements	Remodeling	88 000		45 346 266	83	Cost reduced and scope changed
61	UC-33	Intramural Athletic Field	Site improvements	39 400		45 385 666	91	No change
62	UC-34	Urbana Signalization Project	Cooperative improvements	12 500		45 398 166	90	No change
63	CC-15	Pedestrian Traffic Control — Polk and Halsted	Cooperative improvements	56 000		45 454 166	71	Cost escalated
64	CC-16	Campus landscape improvements	Site improvements	165 000		45 619 166	92	Cost escalated
65	MC-11	Rockford School of Medicine	Remodeling	241 000		45 860 166	80	No change
66	MC-12	Vacated hospital space	Planning	250 000		46 110 166	83	No change
67	MC-13	Demolition of General Services Building	Site improvements	85 000		46 195 166	93	No change
Total				\$45 089 066	\$1 106 100	\$46 195 166		

### **Award of Certified Public Accountant Certificates**

(2) The Committee on Accountancy recommends that the certificate of Certified Public Accountant be awarded, under Section 5 of the Illinois Accountancy Act of 1943, as amended, to four 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 also recommends, pursuant to Rule 16(d) of the Regulations, 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.

### **Headship of the Department of General Nursing, Medical Center**

(3) The Acting Dean of the College of Nursing has recommended to the Chancellor at the Medical Center the appointment of Margaret Ellsworth, presently Associate Professor of Nursing Administration, Department of General Nursing, and Acting Head of the Department, as Head of the Department beginning January 1, 1977, on a twelve-month service basis, at an annual salary of \$27,770.

Mrs. Ellsworth will continue to hold the rank of Associate Professor on indefinite tenure.

The nomination is made with the advice of a search committee<sup>1</sup> and after consultation with the faculty members of the department. The Chancellor at the Medical Center has approved the recommendation, and the Vice President for Academic Affairs concurs.

I recommend approval.

At this point, Chancellor Begando read into the record the following telegram from sixteen members of the Department of General Nursing:

December 15, 1976

To Chancellor Begando and the  
Members of the Board of Trustees:

Concerning your review of the appointment of the Department Head of General Nursing, College of Nursing, we wish to express our disapproval of the process of candidate selection.

Acting Dean Sherbon and Vice Chancellor Grove have been advised of our concerns. We request that you read this telegram into the Board of Trustees' minutes of December 15, 1976.

Sixteen members of Department of  
General Nursing, Contact  
Ms. Corso and Ms. McBride

Dr. Begando stated that this appointment had been made following normal procedures and that two individuals, both within the department,

<sup>1</sup> Janet Silliman Moore, Assistant Dean for Undergraduate Study and Associate Professor of General Nursing, *Chairman*; Patricia Anderson, Assistant Professor of Maternal and Child Care Nursing; Beverly Bernstein, Assistant Professor of Psychiatric Nursing; Mary Bevis, Associate Professor of Medical-Surgical Nursing; Jean Gala, Assistant Professor of Public Health Nursing; Kathleen Knaff, Assistant Professor of General Nursing; Joanne McCloskey, Assistant Professor of General Nursing; Barbara Stevens, Associate Professor of General Nursing; Anna Tichy, Assistant Professor of General Nursing; and Ann Trifilio, student.

had been seriously considered, but no consensus could be reached within the departmental faculty or the search committee, thus leaving the recommendation to the Acting Dean of the college. The Acting Dean and the Vice Chancellor for Academic Affairs are in agreement, as is the Chancellor, in presenting the recommendation to the President for action by the Board. He indicated he saw no need for further review of the matter on procedural grounds. On motion of Mr. Livingston, this appointment was approved.

### **Head Football Coach, Urbana**

(4) The Board of Directors of the University of Illinois Athletic Association at Urbana-Champaign has approved the recommendation of the Director of the Athletic Association that Gary O. Moeller, presently assistant coach and defensive coordinator at the University of Michigan, be appointed Head Football Coach effective December 3, 1976, on a twelve-month basis, at an annual salary of \$35,000, based on a five-year contract.

During the period December 3, 1976, through January 2, 1977, Mr. Moeller will be on leave without salary at the request of the University of Michigan so that he can coordinate the Michigan defensive units' practice and participation in the Rose Bowl on January 1, 1977.

In accordance with the Bylaws of the Athletic Association, the Board of Directors of the Athletic Association served as the search committee for this appointment.

With the concurrence of the Chancellor at the Urbana-Champaign campus, the recommendation that Mr. Moeller be appointed Head Football Coach has been publicly announced by the Board of Directors of the Athletic Association.

The action is now submitted to the Trustees for approval.

I recommend approval.

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

### **Appointments to the Faculty**

(5) The following new appointments to the faculty of the rank of Assistant Professor and above, and 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. ISAAC D. BALBUS, Associate Professor of Political Science, beginning September 1, 1976 (A), at an annual salary of \$22,000.

### Medical Center

2. ULRICH DIEKAMP, Assistant Professor of Medicine, Abraham Lincoln School of Medicine, beginning November 1, 1976 (WY), at an annual salary of \$31,500.
3. ISIDORO FAIFERMAN, Assistant Professor of Pathology, Abraham Lincoln School of Medicine, beginning November 15, 1976 (1Y), at an annual salary of \$26,000.
4. ERNECE B. KELLY, Assistant Professor of Medical Education and of Family Practice, Abraham Lincoln School of Medicine, on 50 percent time, beginning November 1, 1976 (NY50), at an annual salary of \$9,000.
5. ALAN D. SPRINGER, Assistant Professor of Physiology, Abraham Lincoln School of Medicine, beginning February 1, 1977 (1Y), at an annual salary of \$19,200.
6. BERNARD V. WETCHLER, Clinical Associate Professor of Anesthesiology in Surgery, Peoria School of Medicine, on 10 percent time, beginning December 1, 1976 (NY10), at an annual salary of \$3,200.

### Urbana-Champaign

7. DAVID E. BOYCE, Professor of Civil Engineering and of Urban and Regional Planning, beginning August 21, 1977 (A), at an annual salary of \$31,000.

### Administrative Staff

8. JOSEPH A. DIANA, JR., Vice Chancellor for Administrative Affairs, Urbana, on 51 percent time, and Acting Associate Vice President for Business Affairs, on 49 percent time, beginning October 21, 1976 (NY), at an annual salary of \$40,500.

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

### Acting Deanship of the College of Education, Chicago Circle

- (6) The Chancellor at Chicago Circle has recommended the appointment of Dr. Maurice Eash, Professor of Education, as Acting Dean of the College of Education, beginning January 1, 1977, on a twelve-month service basis, at an annual salary of \$34,671.

Dr. Eash will succeed Dean Van Cleve Morris who has asked to be relieved of this administrative assignment.

The recommendation is made with the advice of the Executive Committee of the college. The Vice President for Academic Affairs concurs.

I recommend approval.

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

### Report on the Pass-Fail Option at Chicago Circle and Urbana-Champaign (Summary)<sup>1</sup>

- (7) At its meeting on June 19, 1974, the Board of Trustees approved the continuance and modification of the pass-fail grading option for the Urbana-Champaign campus with the understanding that a report on pass-fail options would be prepared for the Board at the end of a two-year period. The following report of the policies, participation, and success rate of students utilizing the pass-fail option at Urbana-Champaign and Chicago Circle for the period from fall 1973 through fall 1975 at the Urbana-Champaign campus and from spring 1974 through winter 1976 at the Chicago Circle campus was presented.

### Urbana-Champaign

Several substantive changes in the pass-fail system at the Urbana-Champaign campus were approved by the Board of Trustees on June 19, 1974, to be effective for

<sup>1</sup> The full text of the report is filed with the Secretary.

the 1974-75 spring semester, and the terminology was also changed from "pass-fail" to "credit-no credit." A substantial decline in participation was noted: credit-no credit courses taken by students at Urbana-Champaign in fall 1975 represent 1 percent of the total courses taken by students on that campus, compared with 4 percent in the fall of 1973. The actual number of courses taken on a credit-no credit basis dropped from 5,729 to 1,963 during this period. The proportion of students taking pass-fail or credit-no credit courses who fail or, under the revised policy, receive "no credit" for the course has increased slightly, from 4.61 to 6.16 percent of the total grades in such courses.

### Chicago Circle

There are two major differences between the pass-fail option at Chicago Circle and the credit-no credit option at Urbana-Champaign: at Urbana-Champaign, a student may take two courses per term under the option, whereas at Chicago Circle only one may be taken; under the Urbana-Champaign credit-no credit option, a C is the passing grade, whereas under Chicago Circle's pass-fail option a D is considered passing. The greatest use of the pass-fail option was in courses offered by the College of Liberal Arts and Sciences, from 1 to 4 percent. Those offered by the College of Health, Physical Education, and Recreation ranked second, from 1 to 3 percent. In the other colleges at Chicago Circle, with the exception of the Jane Addams School of Social Work where pass-fail registration hit an atypical high of 11 percent summer quarter 1974 and then dropped to less than 1 percent, pass-fail registrations were less than 1 percent for most of the period studied. A comparison of grades taken under the pass-fail option at Chicago Circle and under the regular grading system indicated that the incidence of failure is lower in courses taken pass-fail than in courses taken for a letter grade.

This report was received for record.

### Levis Faculty Center

#### Report for Information

- (8) The Chancellor at the Urbana campus has provided the following report:

Macke Company, which has been operating the Levis Faculty Center since January 27, 1976, is terminating its agreement with the Levis Faculty Center Sponsors, Inc., effective with the close of business on December 23, 1976. Food and beverage services have been operated successfully over the last two months under new management provided by Macke, and there is now substantial evidence that the center can be operated on a break-even basis with a reasonable level of dues support from Sponsors' members. Accordingly, the Sponsors' Board of Directors has recently taken action to:

1. Operate food and beverage services within the center through a manager it proposes to employ.
2. Negotiate to retain Macke's current manager as Sponsors' manager of the faculty center; such negotiations are nearing a successful completion.
3. Increase the level of dues of Sponsors' members by 75 percent (raising the average level of dues from \$2.00 to \$3.50 per month) so as to provide the necessary level of ongoing support to center operations as well as to finance programs and Sponsors' organizational housekeeping expenses.
4. Commit retained balances from previous operations and dues collections to the establishment of a working capital fund from which to finance center operations (payroll and food and beverage inventories).

The present agreement (that approved by the Board of Trustees in January 1976) between the Board of Trustees of the University of Illinois and the Levis Faculty Center Sponsors, Inc., provides an adequate and appropriate framework within which Sponsors can execute the undertakings outlined above. No further actions of the Board of Trustees are required. The University will continue to provide appropriate levels of building services to the Levis Faculty Center as it has since the center opened, including utilities, building and grounds maintenance, and custodial and related services.

Continued involvement in the Levis Faculty Center is not consistent with Macke's more recently developed corporate goals because the center does not provide the opportunities for financial remuneration desired by Macke. Macke's future involvement with operations like the faculty center is likely to be solely on a management fee basis rather than a profit or loss basis as provided for in the current agreement between Macke and Sponsors.

Macke's operating experience was not unlike that of the earlier experiences of Sponsors in operating center services. Their earlier searches for an appropriate manager and experiments with various levels and kinds of services took them through a period of operating losses. Their more recent experience over the last two months, however, has been good, having been brought about through a change in on-site management, a better quality of service, and elimination of unprofitable services, stemming from a clearer understanding of client interests and needs. The advantage of the plan the Sponsors' Board of Directors is now prepared to implement is that it will not be necessary for Sponsors, through its manager, to explore now-known unsuccessful service approaches which in the past have been costly. The quality of the new management and the quality of services provided have already attracted a higher level of participation from within the academic community. The volume of business now being experienced and the staffing levels needed to support it are, under present management, such that the Sponsors' members' dues level recently established by Sponsors should be adequate to cover the level of current and anticipated losses. However, as is the case with most businesses, there are risks, and future events cannot be fully anticipated. To the extent that losses begin to be experienced beyond the level now anticipated, measures will be taken to prevent such losses from being shifted to either the University or the University of Illinois Foundation. If the losses rise to a level above that which Sponsors' members are willing to cover through further dues increases, operations will be terminated before Sponsors' working capital falls below that needed to cover its operating liabilities. Any purchases of goods and services from the University by Sponsors will be paid for on a current basis so that debts to the University cannot accumulate.

This report was received for record.

#### **"Statement of General Principles" and Propositions Regarding Development of Guidelines for Financial Management of Revenue-Generating Enterprises, Activities, and Services**

(9) Discussions have been held this fall with the Legislative Audit Commission of the state of Illinois, the Auditor General of the state, and representatives of all senior public higher education systems in Illinois. Primarily the discussions have dealt with differing interpretations of existing state statutes relating to the financial management of revenue-generating enterprises, activities, and services of institutions of higher education.

Financial officers of the senior university systems have developed a "Statement of General Principles in Regard to Developing Guidelines," including six propositions. This statement was reviewed with the Auditor General and presented on November 5, 1976, to a subcommittee of the Legislative Audit Commission appointed to examine this problem.

The subcommittee expressed the desire that the governing boards of the systems of higher education review the statement and act upon it.

The Vice President for Administration has recommended endorsement in principle of the "Statement of General Principles," which follows.

I concur.

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

#### **A Statement of General Principles in Regard to Developing Guidelines**

1. The senior university systems endorse the concept of developing and applying guidelines to assist in the interpretations of existing state statutes which are common to all senior public higher education institutions in the state.
2. Such guidelines are to be prospective on a certain date (July 1, 1977) and conversely interpretations and past practices which have resulted in various "findings" and "reports of apparent acts of malfeasance" should be put to rest in order to move forward. The guidelines shall be implemented during the subsequent fiscal year.
3. While it is desirable and acceptable to develop rather specific and detailed guidelines as soon as practicable, the time available until November 5 is so short that the essential beginning must be a reasonable resolution of the areas of existing statutes which have caused the most disagreement.
4. It is the intention of the senior university systems to develop, therefore, a series of propositions, which can be accepted by the Auditor General, the subcommittee, and the Legislative Audit Commission as an indication that good faith efforts by all the relevant parties will produce guidelines in due course (July 1, 1977) that will clarify and define practices and procedures with respect to locally held funds such that new legislation is not needed.
5. The six propositions hereafter stated represent consensus opinions of university business officers in regard to what they consider to be sound business practices and are not intended to be interpretations of applicable statutes. These propositions are necessarily tentative in that, where appropriate, they may require further action by governing boards.

##### *Proposition One: Indirect Cost Reimbursement —*

###### *Limitation on Unallocated Balances*

A university should not normally have unallocated indirect cost reimbursement balances in excess of 120 days of business.

##### *Proposition Two: Instructional Tuition/Service Contracts*

When credit is given toward a degree, the function is *instruction*, and tuition goes to the Income Fund. Any *activity* associated with an instructional offering which is unique (foreign programs, field trips, etc.) must be accounted for as an "activity which is self-supporting," not commingled, and excess funds if any must go to the Income Fund. A more generally acceptable principle is to refund any balances to students.

When services to the public are performed by universities for which a charge is made, they shall be done only by written contract. These charges may be set so as to recover both direct and indirect costs.

##### *Proposition Three: Definitions*

To improve the consistency of the use of terms, "Auxiliary Enterprises" shall be used in the conventional way, meaning self-supporting "things" which are

not directly related to instruction, research, or service organizational units, "but do support the overall objective of the university." "Activities" shall be used for self-supporting "things" which are directly related to instructional, research, or service units. Examples:

<i>Auxiliary Enterprises</i>	<i>Activities</i>
Residence and dining facilities	Hospitals
Bookstores	Clinics (dental, veterinary medicine)
Health centers	Airports (aviation department)
Assembly halls	Home economics cafeteria
Unions	Nuclear accelerator facility

Stores and service departments generally meet the definition of auxiliary enterprises, but may be accounted for and reported separately.

*Proposition Four: Development/Their*

The words *development* and *their* used in the phrase "...not necessary to their support, maintenance, or development shall not be applied..." must have an operational policy determination. And, since this set of operations is the heart of most of the differences of opinion, it will take the most compromising.

First, each institution shall define by name and by an accounting entity what and how many auxiliary enterprises and activities are logical and consistent entities. Once the entities are determined each shall "sit on its bottom" with respect to "excess funds." This constitutes a policy, not an interpretation of the statutes.

Second, development shall apply to the accounting entity determined above and therefore is applicable to that entity and only to funds generated by that entity. The issuance of revenue bonds is wholly outside the concept of development as used herein. Development, therefore, shall mean any expenditure or plan for expenditure, approved by the appropriate governing board, for new space or construction, consistent with the scope and mission of the entity involved, from operating funds of the entity.

*Proposition Five: Revenue Bonds*

The accounting for revenue bonds must be in conformance to the terms and conditions of the bond issue, including all covenants thereto. The revenue bonds shall be considered as a part of the applicable auxiliary enterprise or activity for which they were issued, and clearly the way in which such bonds were issued shall be a fundamental part of determining the accounting entity in Proposition Three. In other words, revenue bonds are to be treated as a financing vehicle for an auxiliary enterprise or an activity.

*Proposition Six: Auxiliary Enterprise and Activity Excess Funds*

In order to implement many of these propositions, with the ultimate objective of determining any excess funds in a more precise and analytic way, it is necessary that simplified but formal pro forma and actual financial statements be developed for each auxiliary enterprise and activity. A balance sheet and an income/expense statement shall be produced for each entity as a part of this production, and guidelines for working capital, inventories, bond reserves, and nonindentured reserves shall be determined. Development as defined in Proposition Four above shall be encumbered or reserved based on governing board actions, and therefore excess funds are determinable.

### **Recommendation of the University Patent Committee**

(10) The University Patent Committee has submitted the following recommendation relating to an invention by a member of the staff:

*Cross-hatching Triangle*—Robert F. MacFarlane, Chief Draftsman in the Coordinated Science Laboratory, Urbana, inventor; developed under the sponsorship of the United States Army (Joint Services Electronics Program).



University Patents, Inc., reported that the idea is not commercially feasible. The University Patent Committee therefore recommends that the rights of the University in this idea be released to the sponsor.

I concur in this recommendation.

The Committee on Patents of the Board of Trustees has examined the disclosure and other background materials related to this invention and recommends approval.

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

### **Improvement Program for University of Illinois—Willard Airport**

#### **Amendment of Resolution of October 1976**

(11) On October 20, 1976, the Board of Trustees authorized the submission of a resolution concerning a federal grant for support of a project at Willard Airport.

The Federal Aviation Administration and the Division of Aeronautics now request that the resolution adopted at the Board of Trustees' meeting of October 20, 1976, be changed to a "ratifying resolution." The President of the University, with the concurrence of appropriate administrative officers, recommends that the Board of Trustees adopt the following ratifying resolution.

(The project is one of strengthening and marking the air carrier apron, including enlarging the apron corners and connecting taxiways, and installing medium-intensity runway and taxiway lights for runway 4/22 and parallel taxiway.)<sup>1</sup>

#### **Resolution Ratifying the Acceptance and Execution of Acceptance of Grant Offer of the Administrator of the Federal Aviation Administration Constituting Grant Agreement between the United States and The Board of Trustees of the University of Illinois, Urbana-Champaign, Illinois, on September 20, 1976**

*Whereas*, the Administrator of the Federal Aviation Administration, for and in behalf of the United States, has extended to The Board of Trustees of the University of Illinois, a formal Grant Offer, pursuant to the Application for Federal Assistance of The Board of Trustees of the University of Illinois, submitted to the Federal Aviation Administration, dated May 24, 1976, all as hereinbelow set forth, and all relating to the development of the University of Illinois—Willard Airport, the same bearing ADAP Project Number 6-17-0016-02; and

*Whereas*, pursuant to and for the purpose of carrying out the provisions of the Airport and Airways Development Act of 1970 (Public Law 91-258, 91st Congress, 84 Stat. 219), as amended, it was necessary that said Grant Offer be duly and formally accepted by The Board of Trustees of the University of Illinois; and

*Whereas*, such Grant Offer and such Acceptance thereof, duly executed on September 20, 1976, together shall constitute the Grant Agreement between The Board of Trustees of the University of Illinois and the United States relating to said airport development project; and

*Whereas*, the said Grant Offer is in words, figures, and form following:

*Now, Therefore*, upon consideration of said Grant Offer and all of the terms, provisions, conditions, and exhibits therein and thereto, *Be It, and It Is Hereby Resolved* by The Board of Trustees of the University of Illinois, Urbana-Champaign, Illinois, to ratify the execution of the Grant Acceptance on September 20, 1976, as follows:

<sup>1</sup> The improvement program is limited to the objective indicated. It bears no relationship to the consultant's recommendations in the Airport Master Plan.

1. That The Board of Trustees of the University of Illinois ratifies, and it does hereby ratify, the execution of the Grant Offer extended to it by the Administrator of the Federal Aviation Administration, for and in behalf of the United States, in the words, figures, and form as hereinabove set forth, and that it did enter into a Grant Agreement with the United States by causing the Acceptance thereof, in the words, figures, and form as hereinabove set forth, to be duly executed in its name and for and in its behalf on September 20, 1976.
2. That to accomplish the foregoing, Ronald W. Brady, Comptroller, was authorized and directed to execute for and in behalf of The Board of Trustees of the University of Illinois, the said Acceptance of the said Grant Offer, and that Earl W. Porter, Secretary, was authorized and directed to attest said execution and to impress thereon the Official Seal of The Board of Trustees of the University of Illinois.
3. That the Application for Federal Assistance, dated May 24, 1976, executed and submitted to the Federal Aviation Administration by The Board of Trustees of the University of Illinois, relating to ADAP Project 6-17-0016-02, including all the statements, representations, warranties, covenants, and agreements contained therein, be and the same is hereby ratified and adopted.
4. That the Agency and Participation Agreement attached thereto and by reference made a part thereof, entered into on the first day of June 1976, by The Board of Trustees of the University of Illinois, and on the tenth day of June 1976, by the State of Illinois, Department of Transportation, Division of Aeronautics, be and the same is hereby confirmed and ratified.

On motion of Mr. Livingston, the foregoing resolution was adopted.

### **Application for Federal Assistance and Employment of Engineers for the FY 1977 Airport Development Aid Program**

(12) The Illinois Department of Transportation, Division of Aeronautics, and the Federal Aviation Administration have indicated that the following items are to be considered for funding as projects in the current fiscal year.

Overlay of the existing runway 22/4 for maintenance, safety, and strength improvements (the portion not included in Airport Development Aid Program Project 8-17-0016-01, Illinois Project 73A-13-593). (Estimate: \$1,928,000.)<sup>1</sup>

Install air carrier apron security lights on existing terminal apron and necessary appurtenances. (Estimate: \$56,000.)<sup>1</sup>

The Division of Aeronautics has requested that the University prepare an application for federal assistance for approximately 90 percent of the program. The balance of the cost of the project, which includes the University's and state's share, will be borne by the Division of Aeronautics.

To prepare the application will require the assistance of an engineering consultant. The division has asked that the University identify a firm acceptable to it for the work necessary to complete the application for the federal grant in order that the firm may be employed by the Division of Aeronautics with funds appropriated for FY 1977. The University has responded by identifying the firm of Crawford, Murphy, and Tilly, Inc., 755 South Grand Avenue West, Springfield, Illinois.

The President of the University, with the concurrence of appropriate administrative officers, recommends that the University submit an application for a federal grant for the above projects for the Airport Development Aid Program, FY 1977. It is further recommended that the Comptroller and the Secretary of the Board be authorized to execute the necessary documents.

<sup>1</sup> The improvement program described is limited to the objective indicated. It bears no relationship to the consultant's recommendations in the Airport Master Plan.

On motion of Mr. Livingston, this recommendation was approved, and authority was given as recommended. Mr. Hahn asked to be recorded as not voting.

### **Financial Showing and Authorization of Legal Expenses, Cicero Radio Project**

(13) On June 18, 1975, and October 15, 1975, the Board of Trustees authorized the filing of an application with the Federal Communications Commission (FCC) for a license for a radio station to operate on 1450 KHz in Cicero, Illinois. The station would provide radio service similar to that provided downstate by the University station WILL since 1922, but designed especially for the community proposed to be served. Projections of initial capital needs, operating costs, and external support were presented to the Trustees at the earlier meetings. The University application to the FCC was accepted for filing, along with seven other applications for the frequency.

Prior to setting the applications for hearing, the FCC sent letters to all applicants, identifying deficiencies or special issues in the applications which require responses in advance of hearing in order to define the competitive hearing issues. Only one special issue has been raised with the University — its financial qualification to be a licensee. (All other applicants must respond to more than one special issue.)

The commission must be satisfied that the Board of Trustees has the requisite financial capacity to build and operate the station for one year and that it would have funds available for such purposes if the construction permit and license were granted. If the University satisfactorily responds at this time to the special issue inquiry from FCC, no evidentiary hearing will be required on the point. If the response fails to satisfy the FCC, the question of financial capacity and responsibility will become an issue to be determined in an adversary hearing on the applications.

The appropriate costs for this project ultimately will be built into the University's budget according to the projections supplied in June 1975 (although the need for funds may in fact be delayed longer than originally expected), with no change in the estimated amount of federal and listener support. The University's application is the only one for a public broadcasting station and the only one to offer a new and distinctive program service. What is now required is a showing of financial capability. The following resolution is intended to meet the special issue and reiterates the University's intention to seek appropriations and gift funds for construction and first-year operations. In addition, it identifies funds in the University treasury which would be eligible for application to the project if the gifts and appropriations are not forthcoming.

Further authorization of legal expenses in connection with the prosecution of the application is also required at this time. Under FCC procedures, the applications will be set for hearing, at which time a quasijudicial adversary proceeding will be held to determine which of the applicants would best serve "the public interest, convenience, and necessity" and should be granted the construction permit and license. Additional legal services will be required under the University's contract with the Washington firm of Dow, Lohnes, and Albertson at a cost estimated to range from \$20,000 to \$50,000, depending on the length and complexity of the proceedings. Authority is requested to incur these additional expenditures for the continued prosecution of the application.

Accordingly, the President of the University, with the concurrence of the appropriate administrative officers, recommends authorization of the foregoing expenditures for further prosecution of the application and the adoption of the following resolution.

### Resolution

*Whereas*, in its application for a noncommercial educational standard broadcast station at Cicero, Illinois (FCC File No. BP-20-131), The Board of Trustees of the University of Illinois estimated that it would cost \$142,052.00 to construct the station and as much as \$218,000.00 to operate the station during its first year; and

*Whereas*, the Federal Communications Commission has requested the University of Illinois to identify the methods by and sources from which funds for such purposes will be provided:

*Now, Therefore, Be It Resolved* by The Board of Trustees of the University of Illinois (hereinafter the "Trustees"):

1. The Trustees propose that the foregoing capital and first-year operating requirements be met with funds to be appropriated to the University of Illinois by the General Assembly of the state of Illinois, and the Trustees will seek such appropriations as a part of the annual budget request to the General Assembly for funds at or about the time the construction permit and license are issued. Other sources, such as donations, may also be utilized.
2. If for some reason funds are not made available from the sources identified in Paragraph 1 above, the Trustees have other sources of funds available which are eligible to be applied for such purposes. The University has in its treasury from time to time certain unrestricted, unallocated fund balances that can be drawn upon by action of the Trustees without further action by the General Assembly of the state of Illinois. The current balance in said account which could be applied to this project exceeds \$2,485,000 and in the past five years the balance has never been less than \$1,000,000. In the event that the University receives a construction permit and license for the proposed radio facility and the state appropriation or donation funds either fail to materialize or fall short of the anticipated requirements, these funds in the University treasury could by subsequent action of the Board of Trustees be applied to finance the Cicero radio project. Attached to this resolution is a copy of the University of Illinois "Report of the Comptroller for the Year Ended June 30, 1975,"<sup>1</sup> wherein the available balance in the University treasury referred to in this Paragraph 2 appears as a part of the \$19,648,886 item of "Current Funds, Unrestricted, Fund Balances, Unallocated" on page 7.

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; no, none.

On motion of Mr. Velasquez, the foregoing expenditures were authorized, and the foregoing resolution was adopted by the following vote: Aye, Mr. Hahn, Mr. Howard, Mr. Lenz, Mr. Livingston, Mr. Neal, Mrs. Rader, Mrs. Shepherd, Mr. Velasquez; no, Mr. Forsyth; absent, Governor Walker.

### Purchases

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

The list of purchases was presented in two categories: purchases from appropriated funds (i.e., from State appropriations to the University) and purchases from institutional funds. The latter term designates funds received by the University under contracts with the United States government, private corporations,

<sup>1</sup> A copy of this report is filed with the Secretary of the Board.

and other organizations; grants from foundations, corporations, and other donors; and University revolving funds authorized by law.

The total amounts of these purchases were:

*From Appropriated Funds*

Recommended ..... \$ 10 050 00

*From Institutional Funds*

Recommended ..... 507 034 60

*Grand Total* ..... \$517 084 60

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. Matthews, Mr. Volgman; 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.

**Report of Purchases Approved by the Vice President for Administration**

(15) 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**

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

**Chicago Circle**

**New Contracts**

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
City of Chicago:		
No. 41409	Improvements in the Geographic Base File System	\$ 5 275
No. 41410	Maintenance of caseload areas in Cook County by census block prepared on a quarterly basis	6 500
No. 41619	Provide recreational facilities for the Mayor Daley-Chicago Circle girls' summer sport program	24 500
No. 41638	Provide work experience, career exposure, and guidance for the mayor's summer youth employment program	28 217
No. 41644	Improvements for preserving and promoting the viability of strip commercial developments	5 000
Michigan State University 8444	Provide professional services to the Institute for Research on Teaching	17 512
State of Illinois Department of Mental Health 716-12	Comparison of manual and oral language training with mute retardates	18 981
United States Department of Health, Education, and Welfare 400-76-0121	Final report of the National Workshop on Adult Counseling	5 000
United States Navy Naval Research Laboratory	Photoluminescence studies for the characterization of deep level impurities and defects in III-V compound semiconductors for DOD microwave applications	19 551
<i>Total</i>		<b>\$ 190 536</b>

## New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Chicago Housing Authority (subcontract under State of Illinois, Board of Higher Education contract no. 75-1776-002)	Development of educational resource centers' joint task force	\$ 27 089
Little Village Community Council (subcontract under State of Illinois, Board of Higher Education contract no. 75-1776-002)	Development of educational resource centers' joint task force	17 050
<i>Total</i>		<hr/> \$ 44 139

## Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
Loyola University of Chicago	Conduct a survey on the topic "Women and Work"	\$ 47 505
<i>Total</i>		<hr/> \$ 47 505

## Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
William J. Scown Building Company	Cost-plus contract — general work: Furnish bullet-resistive equipment to enclose the cashier's area at University Hall Repair the exterior wall of the Education and Communications Building	\$ 8 504 9 646
<i>Total</i>		<hr/> \$ 18 150

## Medical Center

## Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Certified Mechanical Contractors, Inc.	Cost-plus contract — heating work: Installation of new boiler at the Medical Center Steam Plant	\$ 15 604
Gibson Electric Co., Inc.	Cost-plus contract — electrical work: Lighting corrections at the Medical Center parking lots located at 1919 West Taylor Street	21 000
William J. Scown Building Company	Cost-plus contract — general work: Resetting of lights of wire glass in the skylight frames on the seventh floor of the First Unit, Dentistry-Medicine-Pharmacy Building Roof repairs at various Medical Center buildings	13 000 14 295
<i>Total</i>		<hr/> \$ 63 899

## Urbana-Champaign

## New Contracts

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
American Seed Research Foundation, Inc.	Use of solvents for incorporating fungicides and antibiotics into soybean seeds for control of seedborne microorganisms	\$ 12 771
Battelle Memorial Institute B-38101-B-L	Data collection for study of risks associated with transportation of hazardous material by rail	7 870
Harvard University PI-17	Provide PLATO IV terminals and services	10 732
Iowa State University PI-20	Provide PLATO IV terminals and services	13 300
National Academy of Sciences: AE 33-76-199	Development and implementation of a framework of sectoral resource groups	10 374
AE 33-76-200	Residential and commercial energy use through the year 2010	10 000
National Association of Housing and Redevelopment Officials	Develop a model format for the transfer of housing management improvement information	92 241
Northeastern Illinois Planning Commission C-160	Computer-based planning assistance	20 125
Regency Management Service PI-44	Provide PLATO IV terminals and services	5 000

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
State of Illinois Commission on Intergovernmental Cooperation	Use of PLATO system in training new legislators and legislative staff members	\$ 11 041
State of Illinois Department of Mental Health 726-12	Complex vocational skill development of the severely retarded blind and deaf blind	17 589
State of Illinois Division of Water Resources	Three water resource studies for northeastern Illinois	40 000
State of Illinois Environmental Protection Agency	Studies of nonpoint pollution from urban stormwater	54 587
	Performance evaluation of grant-funded tertiary wastewater treatment systems in Illinois	60 000
State of Illinois Governor's Office of Manpower and Human Development: 77-2201	Provide freed data to describe patterns of CETA/union collaboration	6 990
77-2306	Leadership and manpower training for Spanish-speaking unionists	43 218
State of Illinois Institute for Environmental Quality 20.085	Sediment and soil loss survey	80 711
State of Illinois Office of Education	Description of interest inventories currently utilized in Illinois	10 000
United States Army: DAAD 05-77-C-0722	Improved nonlinear dynamic analysis of flat plate layered bodies accounting for large transverse deformation	20 995
DAAG 29-77-G-0011	Transport of water-dissolved substances, heat, and electric current through shales and clay-rich sediments	80 475
DAAG 29-77-G-0025	Corrosion of fiber composites with aluminum alloy matrixes	70 545
DAAG 39-76-C-0179	Determine methods of simulating the electromagnetic fields associated with an endoatmospheric nuclear detonation	36 091
DACA 88-76-C-0014	Provide administration of community noise questionnaire in vicinity of Fort Bragg, North Carolina	64 023
Construction Engineering Research Laboratory	Data base management and information retrieval	18 213
	Research in the area of corrosion and fracture mechanics	28 673
	Develop energy systems for military facilities	105 795
	Assist in executing the environmental program and in developing the Environmental Technical Information System	93 372
United States Bureau of the Census	Research in consumer expenditure surveys	42 500
United States Navy N00173-76-C-0352	Determine effects on a VLF interferometer antenna configuration caused by another antenna array	77 169
University of Chicago 31-109-38-3649	Investigate undersimulated conditions of a hot sodium pool, the effectiveness of newly designed insulation, and existing multilayer insulation developed by the French	7 762
University Civil Service System	Provide data processing services	5 000
<i>Total</i>		<u>\$1 157 162</u>

**New Leases**

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
Motorola, Inc.	Lease of space on the University's transmission tower in Piatt County near Monticello, Illinois, for the period October 6, 1976, to October 5, 1981	\$ 6 000
<i>Total</i>		<u>\$ 6 000</u>

**New Contracts**

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Michigan State University (subcontract under PHS/NIH Grant 1 RO1 AM 19303)	Enzymic basis for human amino acid requirements	\$ 12 093
University of Chicago (subcontract under HEW OE Grant G007004259)	Support of Center for Latin American and Caribbean Studies	29 600
<i>Total</i>		<u>\$ 41 693</u>

## Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid to the University</i>
M. H. Detrick Company	Abrasion-resistant fly ash ceramics	\$ 9 000
Illinois Housing Development Authority	Housing market analysis for Illinois	33 852
Indianapolis Center for Advanced Research, Inc.	Ultrasound toxicity study	40 000
Northeastern Illinois Planning Commission 76C-115	Sediment oxygen determination for major streams in northeastern Illinois	25 000
State of Illinois Department of Agriculture	Cattle and swine disease research	102 000
State of Illinois Department of Corrections PI-75	Provide PLATO IV system services	244 541
State of Illinois Department of Transportation	Interdisciplinary analysis of ex post reservoir evaluation	44 406
State of Illinois Governor's Office of Manpower and Human Development 77-2201	Provide freed data to describe patterns of CETA/union collaboration	57 301
State of Illinois Joint Commission Legislative Information System	Evaluation of terminal and communication needs of Legislative Information Committee	9 900
State of Illinois Institute for Environmental Quality 20.067	Toxicity of ammonia to fish food organisms	16 000
United States Air Force AFOSR 76-2911	Semiconductor oxide interface states	64 173
United States Army: DAAD 05-76-C-0775	Development of a finite element computer program and an ARPA network system	38 736
DACW 43-76-C-0023	Water quality investigation of Lake Shelbyville, Rend Lake, and Carlyle Lake, Illinois	10 580
DADA 17-70-C-0044	Control of hemotropic diseases of dogs	26 244
United States Department of Health, Education, and Welfare 400-75-0019	Operation of ERIC Clearinghouse on early childhood education	18 674
United States Energy Research and Development Administration E(29-2) 3573	Evaluation of molecular lasers	50 000
United States Navy N00014-75-C-1012	Investigate hydrogen influenced cracks in metals	46 325
<i>Total</i>		<u>\$ 896 732</u>

## Change Orders

<i>With Whom</i>	<i>Purpose</i>	<i>Amount to Be Paid by the University</i>
Barber and DeAtley, Inc.	Cost-plus contract—general work: Replace areas of loose and damaged quarry tile flooring in the Intramural-Physical Education Building	\$ 9 500
<i>Total</i>		<u>\$ 9 500</u>

## Summary

Amount to be paid to the University:	
Chicago Circle.....	\$ 178 041
Urbana-Champaign.....	1 999 894
<i>Total</i> .....	<u>\$2 177 935</u>
Amount to be paid by the University:	
Chicago Circle.....	\$ 62 289
Medical Center.....	63 899
Urbana-Champaign.....	51 195
<i>Total</i> .....	<u>\$ 177 383</u>

This report was received for record.

## Investment Report

October and November 1976

(17) The Comptroller presented the investment report for the months of October and November 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>Cost or Yield (Percent)</i>	<i>Amount</i>
<b>Purchases:</b>				
10/1	\$ 17 000 00	International Harvester credit demand notes .....	5.52	\$ 17 000 00
11/19	47 000 00	City Products demand notes.....	5.26	47 000 00
11/24	16 000 00	International Harvester credit demand notes .....	5.00	16 000 00

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

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Cost or Yield (Percent)</i>	<i>Amount</i>
<b>Sales:</b>				
10/7	\$ 20 000 00	U.S. Treasury 6 percent notes due 2/28/77....	\$ 20 056 25	\$ 20 012 50
11/4	2 300 000 00	U.S. Treasury bills due 1/6/77 .....	2 200 000 00	2 202 141 94
11/19	1 100 000 00	U.S. Treasury 7½ percent notes due 10/31/77	1 100 000 00	1 107 092 72
<b>Repurchase Agreements:</b>				
11/4	\$2 400 000 00	U.S. Treasury bills due 10/18/77 for 4 days with Blyth Eastman Dillon .....	5.00	\$2 200 000 00
11/8	2 300 000 00	U.S. Treasury bills due 2/3/77 and		
	2 000 000 00	U.S. Treasury 6½ percent notes due 11/15/79 for 1 day with Blyth Eastman Dillon .....	5.00	4 200 000 00
11/9	1 000 000 00	Federal National Mortgage 7.80 percent debentures due 10/10/91 and		
	1 000 000 00	Federal National Mortgage 7¼ percent debentures due 3/10/80 for 1 day with Blyth Eastman Dillon .....	4.95	2 000 000 00
11/9	2 300 000 00	U.S. Treasury bills due 2/24/77 for 3 days with Blyth Eastman Dillon .....	5.00	2 200 000 00
11/12	2 300 000 00	U.S. Treasury bills due 10/18/77 for 3 days with Blyth Eastman Dillon .....	5.00	2 200 000 00
11/15	2 400 000 00	U.S. Treasury bills due 11/15/77 for 2 days with Blyth Eastman Dillon .....	5.00	2 200 000 00
11/17	2 300 000 00	U.S. Treasury 6½ percent notes due 11/15/79 for 1 day with Blyth Eastman Dillon .....	5.00	2 200 000 00
11/18	2 200 000 00	U.S. Treasury 6½ percent notes due 7/31/78 for 1 day with Blyth Eastman Dillon .....	5.00	2 200 000 00
<b>Purchases:</b>				
10/4	\$ 35 000 00	U.S. Treasury 6 percent notes due 2/28/77 .....	5.13	\$ 35 098 44
10/20	25 000 00	U.S. Treasury bills due 3/8/77..	4.75	24 550 21

<i>Date</i>	<i>Face Value or Number of Shares</i>	<i>Security</i>	<i>Cost or Yield (Percent)</i>	<i>Amount</i>
11/1	\$2 017 652 78	Continental Bank 5 percent time deposit due 12/21/76.....	5.00	\$2 017 652 78
11/1	30 000 00	U.S. Treasury bills due 3/8/77...	4.80	29 528 00
11/15	1 000 000 00	Continental Bank 5 percent time deposit due 12/15/76.....	5.00	1 000 000 00
11/15	20 000 00	U.S. Treasury bills due 3/8/77..	4.77	19 704 88
11/16	2 000 00	Commercial Credit demand notes	5.26	2 000 00
11/16	3 000 00	Household Finance demand notes	5.26	3 000 00
11/16	115 000 00	U.S. Treasury bills due 11/15/77	5.48	109 104 72
11/18	185 000 00	U.S. Treasury bills due 2/17/77..	4.79	182 760 01
11/18	20 000 00	U.S. Treasury bills due 5/5/77..	4.88	19 554 87
11/19	2 500 000 00	American Savings and Loan 5.35 percent certificate of deposit due 2/18/77 .....	5.30	2 500 311 80
11/19	1 000 000 00	First Pennsylvania 5.20 percent certificate of deposit due 1/4/77..	5.15	1 000 048 30
11/19	760 000 00	U.S. Treasury bills due 3/8/77..	4.89	748 908 64
11/22	1 008 941 10	Busey First National 5.40 percent certificate of deposit due 3/1/77..	5.40	1 008 941 10
11/22	2 000 000 00	Continental Bank 5 percent time deposit due 1/21/77.....	5.00	2 000 000 00
11/23	15 000 00	U.S. Treasury bills due 3/24/77..	4.26	14 788 04
11/24	60 000 00	International Harvester credit demand notes .....	5.00	60 000 00
11/24	1 000 000 00	North Carolina National Bank 5.10 percent certificate of deposit due 3/15/77 .....	5.10	1 000 000 00
11/26	1 000 000 00	U.S. Treasury bills due 7/26/77..	4.92	968 002 22
11/30	100 000 00	Federal National Mortgage notes due 4/21/77 .....	4.50	98 225 00
11/30	2 000 000 00	Shawmut National Bank of Boston 5½ percent certificate of deposit due 5/31/77 .....	5.20	2 000 492 61

On motion of Mr. Livingston, this report was approved as presented.

### Plan for Noninstructional Capital Improvement

(18) As part of the submission requirements for RAMP (Resource Allocation and Management Plan) — FY 1978, plans for noninstructional capital improvements to be accomplished between November 1976 and November 1977 must be submitted to the Board of Higher Education for approval.

Eight such projects were approved by the Board of Trustees in October 1976. The following additional project is planned:

Completion of Great Circle Hall, Chicago Circle Center,

Chicago Circle Campus..... \$950 000

A feasibility study has been completed which analyzed the type and size of food and beverage service which would best fulfill the student requirements and provide informal space for lounging, study, conversation, eating, and entertainment. It is anticipated that the architect can complete contract documents by September 1977, after which time the project would be advertised for bid. Funds are available from the Reserve for Continuing Operation and Development of the Congress Circle Union Bonds, Series A and B of 1963.

The President of the University, with the concurrence of appropriate administrative officers, recommends approval of this project, subject to further action by the Illinois Board of Higher Education.

The student advisory vote was: Aye, Mr. Conlon, Mr. Matthews, Mr. Volgman; no, none.

On motion of Mr. Livingston, 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.

#### **Waiver of Visitor's Fee for Persons Sixty-Five and Older, Urbana**

(19) In 1962 the Board of Trustees set the visitor's fee (persons paying full fees and those who are exempt from tuition are not assessed the fee) at \$15.00 for each course on campus. The Chancellor at the Urbana campus has now recommended that the visitor's fee be waived for persons sixty-five or older.<sup>1</sup>

All other regulations pertaining to visitors will apply to these persons. With respect to these regulations, it should be noted that persons qualifying for this special fee waiver are specifically excluded from "laboratory, military, physical education (other than theory), or studio classes."

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

I recommend approval.

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

#### **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 a retirement. A copy of the report is filed with the Secretary.

#### **ANNOUNCEMENT FROM THE PRESIDENT OF THE BOARD**

President Neal called attention to the schedule of regular meetings for the next three months: January 19, 1977 (Annual Meeting), Urbana; February 16, 1977, Peoria; March 23, 1977, Chicago Circle. (Because of the proximity of the date of the regular meeting to the meeting of the Association of Governing Boards, by agreement the March date was changed to the fourth Wednesday, March 23.)

There being no further business, the Board adjourned.

EARL W. PORTER  
*Secretary*

EARL L. NEAL  
*President*

---

<sup>1</sup> From past experience it is estimated that this will involve only a small number of persons.