

MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

October 15, 1981



The October meeting of the Board of Trustees of the University of Illinois was held in Room 509-10, Chicago Circle Center, Chicago Circle campus, Chicago, Illinois, on Thursday, October 15, 1981, beginning at 8:30 a.m.

President Paul Stone called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Mrs. Galey S. Day, Dr. Edmund R. Donoghue, Mr. William D. Forsyth, Jr., Mr. Ralph C. Hahn, Mr. George W. Howard III, Mr. Dean E. Madden, Mr. Earl Langdon Neal, Mrs. Nina T. Shepherd, Mr. Paul Stone. Governor James R. Thompson was absent. The following nonvoting student trustees were present: Mr. Leonard C. Bandala, Medical Center campus; Mr. Matthew R. Bettenhausen, Urbana-Champaign campus; Mr. David T. Persons, Chicago Circle campus.

Also present were President Stanley O. Ikenberry; Dr. Joseph S. Begando, chancellor, Medical Center campus; Dr. John E. Cribbet, chancellor, Urbana-Champaign campus; Dr. Donald H. Riddle, chancellor, Chicago Circle campus; and the officers of the board, Dr. Ronald W. Brady, comptroller (and executive vice president of the University); Mr. James J. Costello, university counsel; and Dr. Earl W. Porter, secretary.

President Stone announced that an executive session was requested and ordered for consideration of pending litigation and consideration of personnel matters.

EXECUTIVE SESSION

The board considered the following items of business.

Settlement of Worker's Compensation Claim

(1) An Application for Adjustment of Claim has been filed by Gertrude Asrow, a teaching assistant in pediatrics at the Medical Center campus, and is pending before the Illinois Industrial Commission (Case #81-WC-02842) in connection with accidental injuries incurred on January 25, 1980, in the course of her employment by the University. The claimant suffered a fractured left humerus and was ultimately hospitalized at Northwestern Memorial Hospital. Subsequently she developed complications in a respiratory condition which the University believes are unrelated to the incident identified in the Worker's Compensation claim. The claimant is unable to work, has applied for disability benefits from the State Universities Retirement System, and is considering applying for retirement benefits.

The matters in dispute are the nature and extent of the injuries, the responsibility for medical and hospital charges, and the relationship, if any, between the accident and the respiratory problem. The disability benefits paid to Ms. Asrow to date are approximately \$16,600. Unless the respiratory problems are shown to be independent of the work-related incident, the University faces continuing liability for accrued and reasonably expected statutory benefits in excess of \$80,000, accrued medical and hospital expenses of approximately \$370,000, and, based on the claimant's life expectancy, future care and medicals which could amount to over one and one-half million dollars. It is now proposed that all aspects of the Worker's Compensation claim be settled on the basis of a payment of \$125,000.

To date the University has paid approximately \$8,500 in hospital and medical expenses which are allocable to the work-related incident. To the extent that the accrued hospital and medical charges are unrelated to the work incident, they would appear to be the subject of a claim by Ms. Asrow under the State employees health insurance through Blue Cross and Blue Shield, and she intends to pursue the same. As a retiree under the State Universities Retirement System, Ms. Asrow would be entitled to continued coverage under the State employees health care program administered by Blue Cross-Blue Shield for future medical and hospital expenses not covered by the Worker's Compensation Statute.

Separate from the settlement of the Worker's Compensation matter, Ms. Asrow will be admitted to the University of Illinois Hospital to receive treatment for her ongoing respiratory condition or, at the University's option, will be provided nursing care at a cost of approximately \$300 per day. In either event it is contemplated that she will pursue her claim against Blue Cross-Blue Shield for past and future health care services allocable to her respiratory and other illnesses unrelated to the work incident.

The university counsel and the Subcommittee on Worker's Compensation have recommended settlement of the matter on the foregoing basis. Under prior Board of Trustees action, the executive vice president is to inform the board of any Worker's Compensation claim in which payment for loss of income and medical expenses exceeds \$30,000 and submit to the board for its approval any payment for permanent disability in excess of \$30,000. Since the amount allocated to permanent disability in settlement of this case will exceed \$30,000, the executive vice president recommends that the board approve the proposed settlement.

I concur.

On motion of Mr. Howard, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Reports Related to Personnel

President Ikenberry reported that Chancellor Begando had written him of his plan to retire effective at the end of the current appointment year, August 31, 1982, and that Chancellor Riddle had stated a similar intent in a subsequent year, probably in 1983. He reminded the board that both officers, from the beginning of the study of the consolidation of the two Chicago campuses, had indicated a desire to separate their career interests from this question and to accommodate their retirement plans to the timing of consolidation, if it were to be approved. He expressed his appreciation to both for their distinguished service to the University, indicating there would be ample time to document that appreciation and service in the months ahead.

In the general discussion that followed with regard to consolidation and its organization, the president outlined a number of options for an administrative structure if the two Chicago campuses are united under the administration of a single chancellor.

Vice President Brady presented a further report on difficulties in the collection of accounts receivables of the University of Illinois Hospital in Chicago. He noted that most of the problems are related to management, not to the billing systems themselves. Dr. Begando reported on steps being taken to recruit an acting director of the hospital to replace Mr. Marvin Miles who has resigned. Dr. Lester H. Rudy has indicated his willingness to assume this responsibility.

(One of the initial steps being taken to deal with collections is reflected in an item on the agenda of the Board of Trustees at this meeting, a contract for billing services with Accelerated Receivables Management of Chicago.) Mr. Madden asked that the trustees be kept informed on a monthly basis to enable the board to monitor the work of the new management and the steps being taken to achieve more effective billing and collection in the hospital.

Status of the matter reported to the board on June 18, 1981, having to do with the failure of a University employee to account properly for certain funds held by the University of Illinois Foundation and the University:

It was pointed out that it might be necessary to ask the board for authority to file suit against the surety companies involved. Mr. Neal said that it would be advisable to provide this authority now and moved that the board give authority to the University counsel to take whatever action

is necessary, including the filing of lawsuits, to protect the University's interest in the matter of the loss of funds in the University of Illinois Foundation and University. The motion was approved.

EXECUTIVE SESSION ADJOURNED FOR COMMITTEE MEETINGS

The board then recessed for meetings of the Patent Committee, the Finance Committee, and of the Board Meeting as a Committee of the Whole.

BOARD MEETING AS A COMMITTEE OF THE WHOLE

President Ikenberry presented the following comments with regard to the pending matter of consolidation of the University of Illinois campuses in Chicago.

Specifically, the question before the board is whether the time has come to unite the University of Illinois programs in Chicago under the leadership of a single chancellor.

The time has come for me, as president of the University, to share with the Board of Trustees my thinking.

After listening carefully to the debate and pondering the question for several months, I have come to the view that the long-term best interests of the University of Illinois, including the long-term best interests of our Chicago programs, would be best served if the two Chicago campuses were united under the leadership of a single chancellor. I want to explain why I have come to hold this view.

First, I believe that, over the long term, uniting our Chicago campuses under a single chancellor would strengthen our ability to gain support, and, conversely, I am concerned if we fail to do so. I refer to ability to gain support from members of the General Assembly, particularly those members who reside in the greater Chicago area and have special interests and concerns for our Chicago-based programs. I refer also to support from the corporate world and from foundations, particularly those corporations and foundations having their headquarters in or special interests in Chicago. Beyond this, however, I refer to the broad base of general support essential to the very lifeblood of a great public university. We will need all of the support we can marshal in the decades to come.

Second, it is my belief that a united front in Chicago will improve our ability to compete in that academic arena. We do not function in isolation. Many other distinguished universities and colleges function in the Chicago area, including the University of Chicago, Northern Illinois University, Northwestern University, Rush Medical College, Loyola University, Illinois Institute of Technology, and many others. It is our policy, and will continue to be our policy, to work positively and constructively with these sister universities; at the same time, we must position ourselves over the long term to be able to compete with them constructively in the academic arena.

Third, unification of the Chicago campuses, in my judgment, would strengthen the role of the chancellor as he represents the Chicago-based programs both within the University governance structure and externally at the local, state, and national levels. Just as the chancellor at the Urbana-Champaign campus is in a position to represent and speak on behalf of the broad spectrum of University of Illinois programs offered in Urbana-Champaign, so also a chancellor of the University of Illinois at Chicago would be in a better position to speak for the broad range of programs at that campus location. This ability is important as we represent ourselves before the General Assembly, before the Illinois Board of Higher Education, the governor, in corporate board rooms, to the press, and in internal governance councils.

Fourth, consolidation of the Chicago campuses under the leadership of a single chancellor would, in my judgment, improve the administrative effectiveness and sharpen the lines of accountability and responsibility. The Chicago campuses currently are served in common by several administrative services, including the physical plant, security, personnel, business operations, and others. Lines of accountability and responsibility are blurred. Repeated testimony of faculty members from both campuses suggests that many of these services do not function effectively. The first priority should be to improve the accountability, the effectiveness, and the efficiency with which common services function.

Fifth, over the long term — looking ahead five, ten, or twenty years — I am persuaded that the joining of the Chicago campuses will open up new academic options and opportunities for undergraduate programs and for graduate and research programs. Exciting developments, for example, are occurring nationwide in the area of the biosciences. Joint programs in bioengineering are already underway. The responsibility will rest on members of the faculty and on academic administrators to identify and take advantage of these opportunities, but I believe this will occur more easily under a united campus administrative structure.

Finally, if we improve our ability to attract support and our ability to compete in the academic arena, gain a stronger role for the chancellor, improve current operations, and gain the academic benefits, this will, in turn, contribute to a strengthening of the University overall and do so without detriment to Urbana-Champaign.

If the Board of Trustees were to decide to move in this direction, there are several key considerations. First, in my judgment, is to recognize that we are dealing with an evolutionary process, the benefits of which will accrue only over the long term. In the meantime, we must work to minimize the inevitable distraction that tends to accompany change in any large and complex organization. We need to minimize distraction. Our first priority is teaching, research, and patient care — not reorganization.

Second, we must preserve the unique character of the Medical Center and its ability to conduct specialized programs in the health professions. Following the pattern of organization adopted nationally, we must have a separate vice chancellor for the health sciences. The vice chancellor for the health sciences would be responsible to the chancellor of the University of Illinois at Chicago and would carry responsibility and authority for the conduct of the academic programs in the health sciences, budget administration, oversight of patient care, and research. And, as at present, there would continue to be direct access to the Office of the President on matters of policy, operations, and finance without compromise to the authority of the chancellor.

Many details will remain to be resolved. For example, nearly all agree that a single chancellor needs to be advised by a single faculty governance structure. How the senates of the two campuses should be joined and precisely when is a matter to be worked out in due course by the faculties. Other questions will be addressed by the faculty and administration over the months and years that lie ahead and these will be handled in an orderly way through the normal academic channels.

As we reflect on the state of this University and the stream of challenges we experience, it is important to remember that nothing in recent history has altered in any fundamental way what we do for our students and for society. In a very literal sense, universities create the prospects for the future; they develop the nation's human capital; they stimulate the intellect; they enrich and transmit the culture; they help solve problems; and they pose questions, even when the significance of the answers is not yet apparent.

Although the University of Illinois faces challenges on several fronts, we are a University of strength: strength of heritage, strength of academic excellence, strength of will, strength of vision, strength in our priorities and opportunities, and strength drawn from the collective resources of our students, faculty, alumni, and

friends. It is from these sources that the University of Illinois over the years has derived its greatness. It is from this point of departure we will pursue our aspiration to be the preeminent public university in America.

The president said that if the recommendation with regard to consolidation was approved, the date for its implementation would be September 1, 1982. He indicated his intent to bring with the recommendation in November his plans for a smooth transition of administration.

The Board of Trustees reconvened in regular session at 11:15 a.m.

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

President Ikenberry recognized and introduced observers from the campus senates and from the University Senates Conference.¹

President's Reports

President Ikenberry 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.

President's Report on Other Matters and on the Reorganization of the College of Medicine

Much has happened since this board met a mere 28 days ago. The University of Illinois Foundation held its annual meeting immediately following the September meeting of the Board of Trustees. Attendance set new records. In 1979, 319 alumni and friends of the University participated in the gathering; in 1980 the figure rose to 380; and this year, some 500 alumni and friends of the University participated — over a 50 percent increase during the last three years.

It was reported that some \$51 million had been pledged to the Campaign for Illinois and that the campaign continued to be on target. People were electrified by the announcement of a magnificent commitment by Marajen Stevick Chinigo of Champaign in excess of \$5 million that will eventually lead to the endowment of a distinguished university professorship at Urbana-Champaign, monies for construction of a radio and television broadcast facility, and unrestricted funds to provide added flexibility in meeting special needs on the Urbana-Champaign campus. Announcement was also made of the endowment of a chair in the name of Denton Thorne at the Chicago Circle campus by the Coleman Foundation. Overall, I came away encouraged that the momentum so essential to the ultimate success of the Campaign for Illinois continues.

Related to the broad area of private support is a growing interest around the country in exploring and developing new relations in joint research and development efforts between industry and universities. One reads of new initiatives almost daily, although activity in major public universities seems to be moving more slowly than at major private universities. There is a growing interest in this area among faculty members on each of this University's three campuses. In addition, there has been an expression of interest by the governor's office in stimulation of the economy in high-technology areas and the need and opportunity to draw on the scientific and technological resources of the University of Illinois and other universities more effectively.

¹ University Senates Conference: Elmer B. Hadley, professor of biological sciences, Chicago Circle; Urbana-Champaign Senate Council: Jerry S. Dobrovolsky, professor and head of Department of General Engineering; Medical Center Senate: Ruy V. Lourenco, Edmund F. Foley Professor of Medicine and head of Department of Medicine, Abraham Lincoln School of Medicine; Chicago Circle Senate Committee: Frank Tachau, professor and chairperson of Department of Political Science.

I have assembled a small group to begin looking seriously at the several policy questions as well as the practical options. The graduate deans, deans of engineering, representatives from the basic medical sciences and from electrical engineering, and the dean of agriculture are working in cooperation with Vice President Yankwich and Vice President Brady to explore how we can strengthen our activity in this area and enhance support for research and development while at the same time making a stronger contribution to revitalization of the economy. I have asked the group to function as an informal advisory group to the president and to the chancellors, to explore the opportunities for more creative and productive relations with industry, and to share ideas and coordinate our approach to this poorly charted but apparently promising area.

Reorganization of the College of Medicine

In still another area, the University of Illinois College of Medicine launched the celebration of its 100th anniversary on October 1, 1981, with a symposium. Perhaps it is appropriate that in this its 100th year, the college has also reassessed its internal academic organization and its long-range plans. On Wednesday, October 7, the proposed reorganization of the College of Medicine was recommended to the senate of the Medical Center by the Educational Policy Committee and approved by the senate.

In my comments before the senate at the Medical Center on October 7, I noted that the responsibility to revise the curriculum and organize a college was a faculty matter, not the job of the president. I suggested to the senate, however, seven qualities I would look for—and believed this Board of Trustees would look for—in any reorganization plan that came before the board for final approval. These are the following:

1. It must continue the commitment to regional medical education.
2. The funding implications must be equitable among the four locations and realistic overall.
3. There must be provision for the Medical Scholars Program.
4. The plan must emphasize *quality* rather than size at all locations.
5. It must cut administrative layers and costs.
6. We must provide for appropriate local control.
7. We must end up with a single College of Medicine capable of self governance with appropriate participation from all segments of the college.

I believe the reorganization plan adopted by the Medical Center Senate meets these tests. A more detailed set of principles has been developed under the leadership of Chancellor Begando, a copy of which is before you (see page 394). I would intend to incorporate those principles in the recommendation I will bring to the board at the appropriate time following senate actions. Thus, if any member of the board has any question in regard to any of these principles, we need to know this since we believe the plan to be founded on these fundamental principles.

The principles reaffirm the commitment to regional medical education; note that if conditions change, the organization of the college can again undergo review; that each program component will receive equitable funding; that there will be a stable cohort of students at each site; that the Community Health Centers will be maintained; that the required clerkships needed for the third year students in the Medical Scholars Program will be offered in Urbana-Champaign; that the administrative structure of the college will be simplified; that there will be appropriate local control in the regions; that a single College of Medicine will be preserved; and that matters of curriculum will continue to be vested, as specified in the *University of Illinois Statutes*, in the faculty of the college.

There remains a need for the Urbana-Champaign Senate to review the proposed reorganization. Also, in establishing the School of Basic Medical Sciences at Urbana-Champaign on July 22, 1970, the Board of Trustees provided that the

program would be administered in accordance with general guidelines attached to the board item, subject to such modifications in detail as might subsequently be approved by the president upon the joint recommendation of the chancellors of the two campuses.

Therefore, in accord with the July 22, 1970, board action and recognizing the action taken by the senate of the Medical Center on October 7, as well as the recommendations adopted by the Urbana-Champaign Senate on October 12, I have asked Chancellor Begando and Chancellor Cribbet to recommend to me such modifications of the "Plan for the Organization and Administration of a Program of Medical Education at Urbana-Champaign" as they believe to be necessary and appropriate. Following my preliminary review of these recommended modifications, I am asking that these modifications, along with the October 7 action of the Medical Center Senate on the reorganization of the College of Medicine, receive the attention of the Urbana-Champaign Senate; that Chancellor Begando and Chancellor Cribbet review the changes in the guidelines with the appropriate groups at the Medical Center and at Urbana-Champaign; and that the senates refer their views, in accord with the *Statutes*, to the University Senates Conference for early referral to me.

It is essential that these responsibilities be discharged in a responsible fashion. The immediate and long term welfare of the college in all of its locations is directly tied to its ability to proceed with a national search for a dean and to have the leadership of the individual as soon as possible, but no later than the beginning of the next academic year.

I have discussed this matter with the leaders of both senates and with the chancellors and they have assured me of their full cooperation.

Statement of Principles Guiding Forthcoming Recommendations on the Subject of the Reorganization of the College of Medicine

The College of Medicine of the University of Illinois has reviewed its internal structure over the past several months. The principles set out here constitute the foundation for the proposed reorganization. They represent an equitable, constructive solution to the problems which made the reorganization appropriate: problems of funding, enrollment, and administration.

1. The Principle of Commitment to Regionalization

The college and the University reaffirm their commitment to regionalized medical education at the Peoria, Rockford, and Urbana-Champaign sites. The benefits to students and local residents are clear.

2. The Principle of Responsiveness

The proposed reorganization meets the challenges of dramatically reduced federal funding for some College of Medicine programs and expectations of at best stable and more likely decreased state support. Should those conditions change or should other different ones arise that are similarly compelling with regard to the structure of the college, the organization of the college will again undergo review. The proposed structure is one which can and should be changed if conditions so warrant.

3. The Principle of Equitable Funding

The college and the University affirm that equitable funding at each location will be accomplished to assure program viability.

4. The Principle of a Stable Cohort of Students

Bearing in mind principle 2, each site of the College of Medicine shall

have a stable, predictable cohort of students; the clear definition of the student population will permit sound planning, budgeting, and faculty recruitment for the college as a whole as well as for the individual regional components.

5. The Principle of Maintaining Community Health Centers
The Community Health Centers operated and maintained by the College of Medicine in regional sites shall continue with the full support of the college. Again, the benefits to medical education and the local community are clear.
6. The Principle of Guaranteed Clerkships in the Medical Scholars Program
Clerkships for Urbana-Champaign students in the Medical Scholars Program shall be guaranteed by the college. Clerkships will be offered at the Urbana-Champaign site to the extent made possible by the cooperation of the local community. These clerkships, as is presently the case, should include internal medicine, obstetrics/gynecology, pediatrics, psychiatry, and surgery — once again given the cooperation of the local community.
7. The Principle of Simplified Administration
The College of Medicine's administrative structure and related costs have gradually become larger than those required by its reduced scope. The reorganization will provide a simplified administrative structure assuring that the maximum amount of financial resources reaches program components.
8. The Principle of Local Management
The proposed reorganization recognizes the distinctive local characteristics of each clinical site and permits each regional component to determine if it chooses to designate heads or chairpersons of divisions. Administrative responsibility for the program at each site shall rest with the associate dean and director at that site.
9. The Principle of a Single College of Medicine
The college and the University reaffirm their commitment to the continued organization of the programs at the several sites within a single College of Medicine. The determination of educational, service, research, and financial policy to achieve the goal of both the college and the University — excellence — can best be made by continuing this unified structure.
10. The Principle of Faculty Determination of the Curriculum
The determination of the curriculum of the College of Medicine must be vested in its faculty. The principles of academic freedom and integrity admit of no other locus of such authority within an institution of higher education. The *Statutes* and *General Rules* of the University make the same prescription.

OLD AND NEW BUSINESS

President Stone called attention to a letter received from Trustee Howard who is serving as president of the board of the State Universities Retirement System. The letter and previous communications had reported on the SURS board's efforts to improve the financial structure of the system and its investment procedures. Mr. Stone expressed the appreciation of the trustees to Mr. Howard (and to Mr. Forsyth who also serves on the SURS

board) on their initiative and their concern for improving the security of its beneficiaries. (A copy of Trustee Howard's letter is filed with the secretary for record.)

REGULAR AGENDA

The board considered the following reports and recommendations from the president of the University.

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 2 through 13 inclusive. The recommendations were individually discussed but acted upon at one time.

(The record of board action appears at the end of each item.)

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 ten 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.

I concur in this recommendation.

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

Advisory Council, Graduate School of Library and Information Science, Urbana

(3) The dean of the Graduate School of Library and Information Science at Urbana-Champaign has recommended to the chancellor the following appointments to the advisory council for the school, the terms to expire at the times indicated:

Terms to expire August 31, 1984

HUGH C. ATKINSON, University librarian, University of Illinois at Urbana-Champaign, Urbana

JUDITH DRESCHER, librarian, Champaign Public Library and Information Center, Champaign

BRIDGET LAMONT, librarian, Illinois State Library, Springfield

Terms to expire August 31, 1983

MARTHA BLAKE, librarian, U.S. Army CERL, Champaign

HARRY DUTCHER, audio-visual consultant, Lincoln Trail Library System, Champaign

DOROTHY VICKERS-SHELLEY, librarian, Yankee Ridge School, Urbana

Terms to expire August 31, 1982

MAGGIE GIBBS, librarian, Illinois Valley Library System at Peoria Public Library, Peoria

JOE KRAUS, librarian, Illinois State University Library, Normal

ELOISE VONDRUSKA, librarian, Parkland College, Champaign

I concur in this recommendation.

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

Head, Department of Psychiatric Nursing, Medical Center

(4) The chancellor at the Medical Center has recommended the appointment of Dr. D. Jean Wood, presently associate professor of psychiatric nursing, University

of Michigan, as professor of psychiatric nursing on indefinite tenure and head of the department beginning January 1, 1982, on a twelve-month service basis at an annual salary of \$42,000.

Dr. Wood will succeed Dr. Gertrude A. Stokes who resigned August 31, 1979. Dr. Joan King has been serving as acting head of the department.

The nomination is made with the advice of the departmental advisory committee¹ and after consultation with the faculty of the department. The vice president for academic affairs concurs.

I recommend approval.

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

Head, Department of Public Health Nursing, Medical Center

(5) The chancellor at the Medical Center has recommended the appointment of Dr. Judith A. Sullivan, presently associate professor of nursing and assistant professor of medical education and of preventive medicine, University of Rochester, as professor of public health nursing on indefinite tenure and head of the department beginning January 1, 1982, on a twelve-month service basis at an annual salary of \$42,000.

Dr. Sullivan will succeed Dr. Virginia M. Ohlson who resigned from the headship effective August 31, 1980. Dr. Cecilia E. Dawkins has served as acting head of the department.

The nomination is made with the advice of the departmental advisory committee² and after consultation with the faculty of the department. The vice president for academic affairs concurs in this recommendation.

I recommend approval.

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

Head, Department of Agricultural Economics, Urbana

(6) The dean of the College of Agriculture has recommended to the chancellor at the Urbana-Champaign campus the appointment of Dr. Wesley D. Seitz, presently professor of agricultural economics and in the Institute for Environmental Studies, as head of the Department of Agricultural Economics beginning October 21, 1981, on a twelve-month service basis at an annual salary of \$45,900.

Dr. Seitz will continue to hold the rank of professor on indefinite tenure. He will succeed Dr. Daniel I. Padberg who resigned from the University.

The nomination is made with the advice of a search committee³ and after consultation with members of the department of professorial rank. The chancellor and the vice president for academic affairs approve the recommendation.

I recommend approval.

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

¹ Dorothy D. Camilleri, assistant professor of psychiatric nursing, *chairperson*; Sandra Y. Barnes, assistant professor of psychiatric nursing; Kathleen R. Foley, instructor in psychiatric nursing; Donna K. Ipema, assistant professor of psychiatric nursing; Barbara N. Logan, associate professor of psychiatric nursing.

² Jane E. Parker, assistant professor of public health nursing, *chairperson*; Sui-Pi Chen, associate professor of public health nursing; Lydia T. Dantes, assistant professor of public health nursing; Marlene R. Fisher, assistant professor of public health nursing and staff specialist in hospital nursing; Helen P. Sethuraman, clinical assistant professor of public health nursing; Karen T. Tarpey, associate professor of public health nursing.

³ Frederick C. Fliegel, professor of rural sociology in agricultural economics and of sociology, *chairperson*; Richard J. Arnould, associate professor of business administration and of economics and associate dean of the College of Commerce and Business Administration; Bruce L. Dixon, assistant professor of agricultural economics; Marilyn M. Dunsing, professor of family and consumption economics and director of the School of Human Resources and Family Studies; Harold D. Guither, professor of agricultural policy in agricultural economics; Earl R. Swanson, professor of farm management and production economics in agricultural economics; Donald L. Uchtmann, associate professor of agricultural economics.

Appointments to the Faculty

(7) 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-month 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).

Urbana-Champaign

1. DONATELLA G. ADLER, assistant professor of physics, beginning August 21, 1981 (N50), at an annual salary of \$13,900.
2. STUART M. ALBERT, associate professor in the Housing Research and Development program on 35 percent time for three years, visiting lecturer in business administration on 50 percent time, and resident associate in the Center for Advanced Study on 15 percent time, beginning August 21, 1981 (Q35;N65), at an annual salary of \$26,000.
3. PAMELA L. BRADY, assistant professor of foods in foods and nutrition, beginning August 21, 1981 (1Y), at an annual salary of \$26,000.
4. IRVING A. BREITOWITZ, assistant professor of law, beginning August 21, 1981 (1), at an annual salary of \$33,000.
5. WANG-PING CHEN, assistant professor of geology, beginning September 21, 1981 (1), at an annual salary of \$20,000.
6. ROBERT G. DARMODY, assistant professor of pedology in agronomy, beginning September 28, 1981 (NY), at an annual salary of \$25,000.
7. DAVID M. DESSER, assistant professor of humanities on 60 percent time and of comparative literature on 40 percent time, beginning August 21, 1981 (1), at an annual salary of \$18,000.
8. FRITZ DRASGOW, assistant professor of psychology, beginning January 6, 1982 (1), at an annual salary of \$22,000.
9. LINDA K. GIRDNER, assistant professor in the Institute for Child Behavior and Development, beginning August 21, 1981 (1), at an annual salary of \$18,000.
10. MEHDI T. HARANDI, assistant professor of computer science, beginning August 21, 1981 (1), at an annual salary of \$25,903.
11. TERENCE G. HARKNESS, professor of landscape architecture, beginning October 21, 1981 (A), at an annual salary of \$35,000.
12. JEANNE M. HOGARTH, assistant professor of family economics extension in family and consumer economics, beginning September 21, 1981 (1Y), at an annual salary of \$22,500.
13. ALFRED F. MORRIS, JR., associate professor and assistant director of physical education in Rehabilitation Education Services, beginning August 21, 1981 (AY; NY), at an annual salary of \$32,500.

14. JANAK H. PATEL, assistant professor of electrical engineering on 75 percent time and research assistant professor in the Coordinated Science Laboratory on 25 percent time, beginning August 21, 1981 (1), at an annual salary of \$28,555.
15. RODNEY S. PLACE, assistant professor of architecture, beginning August 21, 1981 (1), at an annual salary of \$20,000.
16. HENRY S. PLUMMER, assistant professor of architecture, beginning August 21, 1981 (1), at an annual salary of \$21,500.
17. SYLVIA STONE, assistant professor of music, for two years beginning August 21, 1981 (Q), at an annual salary of \$20,000.
18. JOHN P. SUNDBERG, assistant professor of veterinary pathobiology, beginning September 8, 1981 (1Y), at an annual salary of \$35,000.
19. KAREN T. WEI, Chinese cataloger and assistant professor of library administration, beginning August 21, 1981 (1Y), at an annual salary of \$14,000.

Medical Center

20. GARY J. BARSKY, clinical assistant professor of dermatology, Abraham Lincoln School of Medicine, on 10 percent time, beginning September 1, 1981 (NY10), at an annual salary of \$4,000.
21. CHRISTINA BEURLING-HARBURY, assistant professor of medicine, Abraham Lincoln School of Medicine, beginning September 15, 1981 (3Y), at an annual salary of \$59,000.
22. ANDREW W. BROWAR, assistant professor of prosthodontics on 40 percent time, beginning September 1, 1981 (NY40), at an annual salary of \$8,400.
23. DAVID J. COVNIK, clinical assistant professor of dermatology, Abraham Lincoln School of Medicine, on 30 percent time, beginning October 1, 1981 (NY30), at an annual salary of \$12,000.
24. JOHN M. DAVIS, Gilman Professor of Psychiatry on 15 percent time and research professor of medicine, Abraham Lincoln School of Medicine, beginning September 1, 1981 (WY15;N), at an annual salary of \$10,000.
25. ALFRED T. ELVIN, assistant professor of pharmacy, beginning September 1, 1981 (1Y), at an annual salary of \$28,000.
26. J. TERRY ERNEST, professor of ophthalmology, Abraham Lincoln School of Medicine, on 64 percent time and physician-surgeon on 36 percent time, for three years beginning September 1, 1981 (QY64;NY36), at an annual salary of \$106,000.
27. STEVEN HERZOG, assistant professor of oral surgery, College of Dentistry, and clinical assistant professor of surgery, Abraham Lincoln School of Medicine, beginning September 1, 1981 (1Y;N), at an annual salary of \$29,000.
28. GERALD A. LEISTEN, assistant professor of periodontics on 40 percent time, beginning September 14, 1981 (NY40), at an annual salary of \$10,000.
29. COLE D. LUNDQUIST, clinical assistant professor of dermatology, Abraham Lincoln School of Medicine on 20 percent time, beginning September 1, 1981 (NY20), at an annual salary of \$7,500.
30. KRISTEN W. McNUTT, assistant professor in the School of Public Health, beginning September 1, 1981 (1Y), at an annual salary of \$29,000.
31. GHANSHYAM N. PANDEY, professor of pharmacology in psychiatry, Abraham Lincoln School of Medicine on 10 percent time, beginning September 1, 1981 (WY10), at an annual salary of \$3,000.
32. SUSAN PARADISE, assistant professor of hospital nursing on 49 percent time and assistant professor of general nursing in the College of Nursing and coordinator for patient education in the University of Illinois Hospital on 51 percent time, beginning September 1, 1981 (NY), at an annual salary of \$30,000.
33. RICK J. SCHUCH, assistant professor of family practice, Abraham Lincoln School of Medicine on 94 percent time and physician-surgeon on 6 percent time, beginning September 16, 1981 (1Y94;NY6) at an annual salary of \$57,500.

34. MICHELLE N. ZMICK, assistant professor of periodontics on 50 percent time, beginning September 1, 1981 (NY50), at an annual salary of \$12,500.

Chicago Circle

35. PATRICIA J. BENJAMIN, assistant professor of physical education, beginning September 1, 1981 (1), at an annual salary of \$18,000.
36. JAMES L. CHAN, associate professor of accounting, for three years beginning September 1, 1981 (Q), at an annual salary of \$35,000.
37. KARTIK DANDEKAR, assistant professor of energy engineering, beginning September 1, 1981 (1), at an annual salary of \$23,000.
38. SAID M. ELNOUBI, assistant professor of information engineering, beginning September 1, 1981 (1), at an annual salary of \$24,300.
39. STEVEN C. FANNING, assistant professor of history, beginning September 1, 1981 (1), at an annual salary of \$17,500.
40. GENE HEDGE, assistant professor of art and design, beginning September 1, 1981 (2), at an annual salary of \$22,861.
41. DONALD J. LARSON, assistant professor of art and design, beginning September 1, 1981 (1), at an annual salary of \$17,500.
42. EVELYN L. LEHRER, assistant professor of economics, beginning September 1, 1981 (1), at an annual salary of \$22,300.
43. CAROL L. LIPPER, assistant professor of art and design, beginning September 1, 1981 (1), at an annual salary of \$22,861.
44. KING-TIM MAK, assistant professor of quantitative methods, beginning September 1, 1981 (1), at an annual salary of \$25,000.
45. CAROLYN McMULLEN, assistant professor of philosophy, beginning September 1, 1981 (1), at an annual salary of \$17,500.
46. SE-YOUNG OH, assistant professor of information engineering, beginning September 1, 1981 (1), at an annual salary of \$24,600.
47. ZAFAR H. QURESHI, assistant professor of energy engineering, beginning September 1, 1981 (2), at an annual salary of \$24,260.
48. DANIEL P. J. RAMIREZ, assistant professor of art and design, beginning September 1, 1981 (1), at an annual salary of \$15,500.
49. STANLEY TIGERMAN, professor of architecture, beginning September 1, 1981 (A), at an annual salary of \$32,000.
50. MICHAEL T. VAUGHAN, assistant professor of geological sciences, beginning September 1, 1981 (1), at an annual salary of \$26,000.

Administrative Staff

51. FRANCES C. BARGE, coordinator of continuing education, College of Nursing, and assistant professor of maternal-child nursing, beginning September 1, 1981 (NY;1), at an annual salary of \$35,000.
52. JACQUELINE J. MILLER, associate director of nursing, Hospital, Medical Center, beginning September 1, 1981 (NY), at an annual salary of \$35,000.

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

Sabbatical Leaves of Absence, 1981-82

- (8) On motion of Mr. Forsyth, six sabbatical leaves of absence recommended by the chancellors at the three campuses were granted. These leaves will be included in an annual compilation of 1981-82 sabbatical leaves of absence to be made a part of the board *Proceedings*.

Tuition Waivers for Academic Staff Members

- (9) The senates at the three campuses have recommended that existing policy be modified to provide for waiver of tuition and services fees for all members of the

academic staff, excluding graduate assistants, whose appointments are 25 percent or more of full-time service. The University Senates Conference concurs in the recommendation and the University Planning Council has recommended approval.

Present tuition and fee waiver policy for academic staff members¹ (which includes faculty and academic professional staff), approved by the board in the past, provides as follows:

- a. Staff with up to 24 percent of full-time appointments receive no tuition or fee waivers.
- b. Staff with 25 to 67 percent of full-time appointments for at least three-fourths of the term receive a waiver of tuition and service fees.
- c. Staff with 68 percent of full-time appointments receive a waiver of the service fee.
- d. Academic professional staff with full-time appointments receive tuition waivers in accordance with campus guidelines when taking course work related to their responsibilities to the University.

The proposed modification is intended to provide a single tuition and service fee waiver policy for all academic staff members with more than a 25-percent appointment comparable to that presently in effect for staff members with 25 to 67 percent appointments and full-time academic professional staff members.

I recommend approval.

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

Establishment of Medical Research Support Fund and the Deposit of Cadwell Bequest into the Fund, Medical Center

(10) The chancellor at the Medical Center campus has recommended that a quasi-endowment fund, to be known as the "Medical Research Support Fund," be established for the support of medical research. Contributions received from various donors in support of the purpose outlined will be deposited into the fund. The income from the fund will be used for medical research projects recommended by the campus research board at the Medical Center and approved by the chancellor.

On April 4, 1981, the University accepted a \$10,000 bequest from the Charles Nickerson Cadwell estate. The bequest is for the "uses and purposes of medical research." The chancellor has recommended that the bequest be transferred to the Medical Research Support Fund.

The executive vice president and the vice president for academic affairs concur.

I recommend approval.

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

University Policies with Regard to State Legislation Concerning Early Retirement

(11) New state legislation has just become effective which provides for earlier retirement without the normal reduction in annuities for those who retire before age sixty. Specifically, the legislation (Public Act 82-0435) provides that those who retire between age fifty-five and sixty with less than thirty-five years of service in the State Universities Retirement System may now do so without the normal reduction of $\frac{1}{2}$ of 1 percent of the initial annuity for each month that the retirement age is under sixty.

The new program would require a one-time employer contribution of 20 percent and a one-time employee contribution of 7 percent of the last full-time annual salary rate for each year that the retirement age is under sixty, viz.: 20 percent and

¹ Nonacademic employees may receive tuition and fee waivers under prescribed conditions for up to 10 credit hours of work-related courses for full-time employees, and for not necessarily work-related courses, from three to six credit hours depending on percentage of appointment.

7 percent for age fifty-nine; 40 percent and 14 percent for age fifty-eight; to a maximum of 100 percent and 35 percent for age fifty-five.

The special early retirement provision would apply to persons retiring after June 1, 1981, and before June 30, 1987. However, under the program, the number of University of Illinois employees who may retire in any year prior to June 1, 1982, may be limited to any number at the option of the University. Beginning June 1, 1982, the number of persons retiring under the plan may be limited by the University, but to not less than 15 percent of those eligible in each of the succeeding years. It should be noted that it is entirely possible that less than 15 percent of those eligible will apply in any given year. Hence, this constraint may have no practical effect.

The act states that the right to participate shall be allocated among those applying on the basis of seniority in the service of the employer.

The University Planning Council has studied this new legislation and has been asked to make recommendations on the basis of information now available to the University. Inasmuch as it is difficult to estimate the financial impact of this plan on the University of Illinois and in the interest of fiscal prudence, the planning council has recommended that University participation in the program in the first mandatory year be established at the minimum level provided by the law, i.e., 15 percent of those eligible.

Further, inasmuch as some staff members have already made their retirement plans, as a matter of equity, the program would become effective in 1982 rather than in 1981.

Additional details of the implementation of the program and interpretations that may be made by the State Universities Retirement System are yet to come. In the meantime, it seems essential that the University adopt such operating policies as it is empowered to make in the interest of informing the University staff.

Therefore, on advice of the University Planning Council and with the concurrence of the chancellors, I recommend that the trustees establish the following policies with regard to the provisions of Public Act 82-0435:

1. That the University participate in the program provided for in Public Act 82-0435 beginning June 1, 1982; and
2. That the number of persons permitted to retire under the terms of this act be limited to 15 percent of those eligible in the year beginning June 1, 1982.

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

Agreement with Applied Molecular Genetics, Inc. (Exception to the General Rules)

(12) Applied Molecular Genetics, Inc., of Newbury, California, has proposed to support research in the Department of Microbiology at the Urbana-Champaign campus at a level of \$50,000 a year for two years. The research involves studies of the genetics of methanogens.

According to the agreement, the University would grant the company an exclusive option to negotiate for a license for a period of twelve months from the date of disclosure to the sponsor of any discovery resulting from the research. The license terms would include a reasonable royalty rate and appropriate due diligence provisions to ensure timely commercial development and early marketing of the licensed subject matter.

The University Patent Committee has reviewed the proposed exceptions to the patent provisions of the *General Rules Concerning University Organization and Procedure* and recommends approval.

I concur.

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

Agreement for Services with Ozark Air Lines, Willard Airport

(13) The current agreement with Ozark Air Lines for services provided by the University at the University of Illinois-Willard Airport administration building, including operation and maintenance, expired June 30, 1981. By authorization from the Board of Trustees, it has been extended through October 1981 with the understanding that the new rates, when determined, would be retroactive to July 1, 1981.

Negotiations now have been completed and the new, one year agreement provides that as of July 1, 1981, Ozark will pay \$44,936.20 annually for space operation and maintenance service; \$100 per year for the use of 100 square feet for storage space in a "T" hangar; \$180 per year for use of Musak music systems; \$450 per year for secure storage in the basement of the airport administration building; and a sum equivalent to 33¢ per 1,000 pounds gross landing weight per Ozark aircraft landed at University of Illinois-Willard Airport.

The net effect of the new agreement therefore will be to increase the amount for operation and maintenance services by \$7,254 and the landing fee by 5¢ per 1,000 pounds gross landing weight.

The chancellor at the Urbana-Champaign campus and the executive vice president have recommended approval of the agreement as described.

I concur.

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

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 14 through 19 inclusive. The recommendations were individually discussed but acted upon at one time.

(The record of board action appears at the end of each item.)

Contracts for Residency Training in General Internal Medicine and General Pediatrics, Medical Center

(14) The Federal Health Professions Educational Assistance Act authorizes grants to promote the graduate education of physicians who will enter the practice of general internal medicine or general pediatrics. The act provides that such grants be awarded to schools of medicine, not directly to a hospital. Grant applications have been submitted to the College of Medicine by the Illinois Masonic Medical Center, Mercy Hospital and Medical Center, and Lutheran General Hospital (all in the Chicago metropolitan area and affiliated with the college) and grants totaling \$491,610 have been awarded to the college based on the applications.

The programs supported by these grants will train primary care physicians who will practice general internal medicine or general pediatrics.

The chancellor at the Medical Center has recommended that the University contract with the hospitals in amounts not to exceed the award made for each hospital as follows:

| <i>Hospital</i> | <i>Amount</i> |
|--|---------------|
| Lutheran General Hospital..... | \$155 510 |
| Mercy Hospital and Medical Center..... | 166 536 |
| Illinois Masonic Medical Center..... | 169 564 |

The contract period in each case is October 1, 1981, to September 30, 1982. Federal grant funds are available in the operating budget of the College of Medicine.

The vice president for academic affairs and the executive vice president concur in the recommendation.

I recommend approval.

On motion of Dr. Donoghue, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Agreement with University Patents, Inc.

(15) Historically, commercial development of University inventions has been handled by transferring them to the University of Illinois Foundation. A recent amendment to the State Finance Act allows the University to retain in its own treasury the funds received from patent development. It is now advantageous for the University to make arrangements directly for commercial development of inventions.

University Patents, Inc., has performed, under contract with the foundation, a number of duties related to the foundation's patent development effort. It now is proposed that the Board of Trustees enter into a substantially similar contract with University Patents, Inc. (UPI). Under its terms, UPI would receive a right of first refusal to act as the University's licensing agent with respect to certain inventions and, if that right is exercised, the exclusive authority to license that invention. Title to patents would remain in the University. Excluded from the proposed contract are inventions made under existing research agreements with preferential treatment terms in place, unless the University chooses to have UPI obtain the patent for the invention and service the license. Also excluded are inventions that the University may decide not to develop.

UPI will assist the University in pre-grant negotiations, evaluate invention disclosures for patentability and commercial utility and advise the University concerning the same, submit and prosecute U.S. and foreign patent applications as the University's agent, seek prospective licensees for inventions, and service executed license agreements. UPI will pay the costs of obtaining U.S. patents. The costs associated with obtaining foreign patents will be chargeable to the income from the invention. Of the royalties received, UPI would retain 40 percent and remit 60 percent to the University. University employees who are inventors would receive a single \$150 payment from UPI when the patent applications on their inventions are filed.

UPI would be required to obtain approval prior to granting an exclusive license. The University's prompt response to such a request is required. The University can recapture the rights to an invention if it determines that UPI has not obtained the maximum reasonable return. In the event of recapture, UPI would continue to receive its 40 percent share of royalties until reimbursed for its direct out-of-pocket expenses and 10 percent thereafter.

The proposed contract would become effective on the date it is signed and terminate on October 4, 1985, which is also the termination date of the foundation's service contract.

The executive vice president has recommended that the Board of Trustees: (1) approve an agreement with University Patents, Inc., on the terms outlined above, and (2) authorize the executive vice president to review and approve exclusive license agreements presented by UPI for approval.

I concur.

On motion of Dr. Donoghue, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Energy Conservation Project Grants, Chicago Campuses

(16) An institutional Buildings Grants program was established by Congress under the National Energy Conservation Policy Act of 1978. The act authorizes \$900 million in matching grants to assist public and private schools and not-for-profit hospitals in identifying and implementing energy conservation measures. The University sought and received funds in 1980 under the second cycle of this program, receiving \$31,071.

The University has again applied for funds under the third cycle of the program and has received \$1,456,933 for the Chicago Circle and Medical Center campuses for the following projects:

| <i>Campus/Project</i> | <i>Total Cost</i> | <i>Federal Funds</i> | <i>*State Matching Funds</i> |
|----------------------------------|--------------------|----------------------|------------------------------|
| <i>Chicago Circle</i> | | | |
| *Modify control systems | \$ 70 700 | \$ — | \$ 70 700 |
| *Zone radiation | 61 900 | — | 61 900 |
| *Install heat reclaim systems | 822 513 | 52 595 | 769 918 |
| *Modify hot water | 32 418 | — | 32 418 |
| Install VAV systems | 376 654 | 376 654 | — |
| <i>Medical Center</i> | | | |
| *Modify control systems | 81 000 | — | 81 000 |
| *Modify fan systems | 333 000 | — | 333 000 |
| *Building equipment automation | 108 000 | — | 108 000 |
| Install recovery systems | 319 000 | 319 000 | — |
| Modify fume hood control systems | 300 000 | 300 000 | — |
| Modify domestic water systems | 12 684 | 12 684 | — |
| Install solar systems | 203 000 | 203 000 | — |
| Install hot water heat system | 65 000 | 65 000 | — |
| Modify fan system (duct work) | 128 000 | 128 000 | — |
| <i>Totals</i> | <i>\$2 913 869</i> | <i>\$1 456 933</i> | <i>\$1 456 936</i> |

* Asterisks represent projects for which appropriations have been provided to the Capital Development Board in FY 1982.

To provide the matching funds requirement (50 percent) of the Building Grants Program, funds are available in the FY 1982 appropriation to the Capital Development Board for energy conservation projects. The University has received approval from the U.S. Department of Energy to use FY 1982 state appropriations in such a fashion that 50 percent of the total cost of the entire set of projects is supported by state funds.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the Board of Trustees accept the federal grant and: (1) request the Capital Development Board to proceed with the projects included in the FY 1982 energy conservation appropriations and (2) request that the funds appropriated for those purposes be assigned by the Capital Development Board to match funds provided by the Department of Energy for the projects listed above.

On motion of Dr. Donoghue, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Increase in Contract for Pavilion, Chicago Circle

(17) On March 20, 1980, the Board of Trustees authorized the award of a contract to Berwyn Electric Co., Chicago, for electrical work for the Pavilion at the Chicago Circle campus. The contract did not include either the equipment for the theatrical lighting system or the electrical labor and material for installation of this lighting system. On July 16, 1981, the Board of Trustees authorized the purchase of equipment for the theatrical lighting system. The electrical contractor will, for the additional sum of \$24,900, provide labor and material to bring power to various locations of the catwalk and to install the equipment.

The cost of the theatrical lighting system (equipment and installation) is included in the project budget. Originally, separate bids were taken on the equipment and the installation. Bids were received for the equipment, but no bid was received for the labor and material required for the installation. Consequently, the recommendation is the result of a change order negotiated with the building construction electrical contractor. The cost of this work is within the amount budgeted for this portion of the project.

The president of the University, with the concurrence of the appropriate administrative officers, recommends that the contract with Berwyn Electric Co. be increased in the amount of \$24,900 for the installation of the theatrical lighting system.

Funds are available within the project budget from the proceeds of the sale of University of Illinois Auxiliary Facilities System Revenue Bonds, Series N.

On motion of Dr. Donoghue, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Contract for Installation of Smoke Detector System in the Student Residence Hall, Medical Center

(18) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of the following contract for the installation of a smoke detector system in the Student Residence Hall at the Medical Center, the award being to the low bidder on its base bid plus acceptance of additive alternates nos. 1 and 2:

Division V — Electrical work

| <i>Contractor</i> | <i>Base Bid</i> | <i>Add. Alt. No. 1</i> | <i>Add. Alt. No. 2</i> | <i>Total</i> |
|--|-----------------|------------------------|------------------------|--------------|
| Gibson Electric Co., Inc., Westchester | \$28 853 | \$1 632 | \$1 946 | \$32 431 |

A schedule of the bids received has been filed with the secretary of the board for record.

Funds are available from the Auxiliary Facilities System Repair and Replacement Reserve Account.

On motion of Dr. Donoghue, this contract was awarded by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Purchases

(19) The president submitted, with his concurrence, a list of purchases recommended by the directors of purchases and the executive vice president.

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, 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 \$103 042 88

From Institutional Funds

Recommended 459 733 86

Grand Total \$562 776 74

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.

On motion of Dr. Donoghue, the purchases recommended were authorized by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

Report of Purchases Approved by the Executive Vice President

(20) The executive vice president also submitted a report of purchases approved by him on recommendation of the directors of purchases in amounts of \$20,000 to \$25,000, a report of bids taken in behalf of the Capital Development Board, and a report of bids taken by the Illinois Educational Consortium for generic commodities. A copy of this report is filed with the secretary.

This report was received for record.

Comptroller's Monthly Report of Contracts Executed

(21) The comptroller submitted the October 15, 1981, report of contracts. The report included contractual agreements for payments to the University and contracts in amounts up to \$25,000 to be paid by the University. A copy of this report is filed with the secretary.

This report was received for record.

Report of Investment Transactions through September 30, 1981

(22) The comptroller presented the investment report as of September 30, 1981.

Transactions under Finance Committee Guidelines

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------------|---------------|--|-------------------|---------------|
| Purchases: | | | | |
| 8/13 | 200 shares | Norfolk and Western Railway common stock | 5.81% \$ | 8 956 50 |
| 8/17 | 400 shares | Norfolk and Western Railway common stock | 5.77 | 18 027 00 |
| 8/17 | \$ 20 000 | Associates demand notes..... | 16.80 | 20 000 00 |

Transactions under Comptroller's Authority

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------------------------|---------------|--|-------------------|----------------|
| Sales: | | | | |
| 9/16 | \$ 100 000 | U.S. Treasury bills due 10/22/81 | \$ 97 034 72 | \$ 98 645 00 |
| 9/21 | 150 000 | U.S. Treasury bills due 10/22/81 | 145 552 08 | 148 288 54 |
| 9/24 | 3 050 000 | U.S. Treasury bills due 11/19/81 | 2 902 146 72 | 2 983 577 78 |
| 9/28 | 800 000 | U.S. Treasury bills due 10/8/81 | 769 992 74 | 797 166 66 |
| 9/28 | 1 300 000 | U.S. Treasury bills due 12/10/81 | 1 232 433 77 | 1 262 567 23 |
| 9/28 | 400 000 | U.S. Treasury bills due 2/4/82 | 371 183 22 | 379 159 33 |
| Repurchase Agreements: | | | | |
| 9/11 | \$4 200 000 | U.S. Treasury 16½ percent notes due 11/15/86 for 5 days with A. G. Becker & Sons..... | 16.00% | \$4 200 000 00 |
| 9/16 | 1 040 000 | U.S. Treasury 10% percent bonds due 11/15/09 and | | |
| | 1 320 000 | U.S. Treasury bills due 2/25/82 for for 5 days with A. G. Becker & Sons | 15.00 | 2 000 000 00 |
| Purchases: | | | | |
| 9/2 | \$ 600 000 | Continental Bank 17½ percent time deposit due 12/1/81..... | 17.50% | \$ 600 000 00 |
| 9/9 | 700 000 | Continental Bank 17½ percent time deposit due 2/9/82..... | 17.50 | 700 000 00 |
| 9/9 | 600 000 | U.S. Treasury bills due 4/22/82.... | 17.04 | 542 250 00 |
| 9/9 | 600 000 | U.S. Treasury bills due 5/20/82.... | 17.27 | 535 063 33 |
| 9/10 | 1 300 000 | First National Bank of Chicago 17.10 percent certificate of deposit due 10/21/81 | 17.10 | 1 300 000 00 |
| 9/10 | 45 000 | Household Finance demand notes... | 17.69 | 45 000 00 |
| 9/10 | 35 000 | U.S. Treasury bills due 10/22/81... | 14.21 | 34 429 04 |
| 9/10 | 45 000 | U.S. Treasury bills due 11/19/81... | 14.62 | 43 755 75 |
| 9/10 | 45 000 | U.S. Treasury bills due 1/21/82.... | 15.76 | 42 523 50 |
| 9/10 | 30 000 | U.S. Treasury bills due 2/18/82.... | 16.23 | 27 981 67 |
| 9/10 | 35 000 | U.S. Treasury bills due 4/22/82.... | 16.50 | 31 741 24 |
| 9/10 | 135 000 | U.S. Treasury bills due 5/20/82.... | 17.20 | 120 493 35 |
| 9/10 | 700 000 | U.S. Treasury bills due 6/17/82.... | 16.98 | 618 333 33 |
| 9/14 | 2 000 000 | First National Bank of Chicago 16% percent certificate of deposit due 11/20/81 | 16.75 | 2 000 000 00 |
| 9/16 | 2 000 000 | First National Bank of Chicago 15½ percent certificate of deposit due 9/30/81 | 15.50 | 2 000 000 00 |
| 9/16 | 2 000 000 | First National Bank of Chicago 16% percent certificate of deposit due 10/30/81 | 16.25 | 2 000 000 00 |
| 9/16 | 1 400 000 | First National Bank of Chicago 16.35 percent certificate of deposit due 11/30/81 | 16.35 | 1 400 000 00 |
| 9/16 | 20 000 | U.S. Treasury bills due 6/17/82.... | 16.05 | 17 823 00 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------|---------------|--|-------------------|---------------|
| 9/17 | 500 000 | Continental Bank 16½ percent time deposit due 3/17/82..... | 16.25 | 500 000 00 |
| 9/17 | 2 500 000 | First National Bank of Chicago 16.40 percent certificate of deposit due 12/21/81 | 16.40 | 2 500 000 00 |
| 9/18 | 3 300 000 | First National Bank of Chicago 15½ percent certificate of deposit due 10/21/81 | 15.75 | 3 300 000 00 |
| 9/21 | 2 000 000 | First National Bank of Chicago 15½ percent certificate of deposit due 10/30/81 | 15.50 | 2 000 000 00 |
| 9/21 | 800 000 | U.S. Treasury bills due 12/10/81... | 14.50 | 775 022 22 |
| 9/23 | 2 000 000 | First National Bank of Chicago 15.40 percent certificate of deposit due 11/23/81 | 15.40 | 2 000 000 00 |
| 9/23 | 700 000 | U.S. Treasury bills due 12/10/81... | 14.60 | 678 539 17 |
| 9/24 | 400 000 | Continental Bank 16 percent time deposit due 4/14/82..... | 16.00 | 400 000 00 |
| 9/24 | 500 000 | Continental Bank 16 percent time deposit due 5/12/82..... | 16.00 | 500 000 00 |
| 9/24 | 15 000 | U.S. Treasury 14½ percent notes due 8/15/91 | 15.28 | 14 655 00 |
| 9/24 | 560 000 | U.S. Treasury 7½ percent bonds due 2/15/07 | 11.55 | 333 200 00 |
| 9/25 | 1 200 000 | First National Bank of Chicago 16 percent certificate of deposit due 12/16/81 | 16.00 | 1 200 000 00 |

On motion of Dr. Donoghue, this report was approved as presented.

Contract for Billing Services, University of Illinois Hospital, Medical Center

(23) In an effort to increase the collection of delinquent patient accounts at the University of Illinois Hospital and to allow the Patient Accounts Department to concentrate its billing and collection efforts on more current accounts, proposals have been sought from professional services firms for billing and follow-up of patient accounts over 180 days old.

The chancellor at the Medical Center has recommended the award of such a contract for the period November 1, 1981 to June 30, 1982, to Accelerated Receivables Management of Chicago. This firm submitted the proposal judged most economically beneficial to the University.

The firm will review all accounts more than 180 days old and bill or rebill all accounts, will monitor accounts through final disposition, and will make recommendations on the use of collection agencies or the writing-off of accounts. The firm will provide ten to fifteen persons based in the University Hospital for this task.

The fee for these services is:

1. 12.5 percent of all collections under 3 million dollars.
2. 14.5 percent of all collections between 3 and 5 million dollars.
3. 16.5 percent of all collections exceeding 5 million dollars.

In addition, the University will pay Accelerated Receivables Management a fee of 5 percent of the dollar value of accounts to the extent that they are uncollectable because of deficiencies in the University's records but on which services were received.

The University Hospital will provide office space and will pay for incidental expenses normally incurred in the billing and collection process.

Funds are available in the Hospital Income Fund account.

The executive vice president has recommended approval.

I concur.

On motion of Dr. Donoghue, this contract was awarded by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Hahn, Mr. Howard, Mr. Madden, Mr. Neal, Mrs. Shepherd, Mr. Stone; no, none; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Bandala, Mr. Bettenhausen, Mr. Persons; no, none.)

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 retirements. A copy of the report is filed with the secretary.

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

President Stone called attention to the schedule of meetings for the next three months: November 19, Urbana-Champaign; January 14, 1982 (annual meeting), Medical Center; February 18, Urbana-Champaign. There is no meeting scheduled for December 1981.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

PAUL STONE
President