

MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

November 18, 1982



The November meeting of the Board of Trustees of the University of Illinois was held in the General Lounge, Illini Union, Urbana, Illinois, on Thursday, November 18, 1982, beginning at 1 p.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, Mrs. Nina T. Shepherd, Mr. Paul Stone. The following members of the board were absent: Mr. Dean E. Madden, Mr. Earl Langdon Neal, Governor James R. Thompson. The following nonvoting student trustees were present: Mr. Herbert Cobb, University Center; Miss S. Kelly Forsyth, Urbana-Champaign campus. Mr. Leonard C. Bandala, Health Sciences Center, was absent.

Also present were President Stanley O. Ikenberry; Dr. Morton W. Weir, vice president for academic affairs; Dr. Joseph S. Begando and Dr. Donald H. Riddle, chancellors, University of Illinois at Chicago; Dr. John E. Cribbet, chancellor, University of Illinois at Urbana-Champaign; 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.

NOTE: Earlier in the day, members of the Board of Trustees met in committee as follows: Under the auspices of the Student Welfare and Activities Committee, a tour of student residence halls was made. The Buildings and Grounds Committee met in the General Lounge of the Illini Union, followed by a meeting of the board as a Committee of the Whole later in the afternoon. At the latter meeting, the trustees received a report and preliminary analysis with regard to administrative recommendations on tuition next year, and a report from administrative officers at Chicago (Health Sciences Center) concerning the Urban Health Program Documents presented with regard to these reports are filed with the secretary for record. Luncheon was held in the Colonial Room at 12:15 p.m.

EXECUTIVE SESSION

President Paul Stone, referring to Section Two of the Open Meetings Act, stated: "A motion is now in order to hold an executive session to consider information regarding the appointment, employment, or dismissal of employees or officers, and to discuss pending, probable, or imminent litigation against or on behalf of the University and to discuss the acquisition of real property."

The motion was made by Mr. Forsyth and approved unanimously.

Report on Search Process, Chancellor of University of Illinois at Chicago

President Ikenberry reported in some detail on the status of the search, with particular reference to various candidates being considered and to interviews with them now being scheduled in Chicago.

Settlement Negotiations, Pavilion, University of Illinois at Chicago

Mr. Costello, university counsel, advised the trustees that a settlement in the neighborhood of \$150 to \$200 thousand is a possibility in this matter and said that the trustees would be kept informed.

Recovery of Funds

Mr. Costello reported that the restoration of funds in the Parker matter appears imminent and that the indications are that the University and Foundation will make full recovery of the funds lost. A full report will be presented as soon as possible.

Mr. Costello commented that it was a possibility that in the settlement agreement, the University would be required not to disclose the amount of contribution by each party although it would be clear that the University would be in a position to announce that it had recovered all of the funds lost.

EXECUTIVE SESSION ADJOURNED FOR MEETING OF THE BOARD AS A COMMITTEE OF THE WHOLE

Mr. Stone announced that the executive session would be adjourned for a meeting of the Board as a Committee of the Whole.

BOARD OF TRUSTEES' MEETING RECONVENED

The Board of Trustees' regular meeting reconvened at 3:45 p.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 He also introduced

¹ University Senates Conference: Alexander Ringer, professor of music, Urbana-Champaign campus; Chicago Campus Senates: Richard L. Carlin, professor of chemistry and Dale Eisenmann, professor and head of the Department of Histology; Urbana-Champaign Senate Council: Kenneth Andersen, professor of speech communication and associate dean of the College of Liberal Arts and Sciences.

the president-elect of the University of Illinois Alumni Association, Dr. George Kottemann.

President's Report

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.

Report on Other Matters

The president also presented the following remarks:

One of the more notable developments since our last meeting was the announcement by the governor of support for the creation of a Microelectronics Center on the Urbana-Champaign campus. When it is completed the center will represent a significant advance in the University's research and teaching capacity. The major element in the plan is establishment of an electron beam lithography facility for the preparation of a very large scale integrated circuitry. The ability to fabricate such circuitry is important to research efforts in solid state physical electronics and in the design and construction of advanced computer systems and very high speed integrated circuitry.

The Microelectronics Center is important for the University in three ways: it will keep our College of Engineering among the best in the country; it will enable us to be more competitive in gaining private support; and it will provide a new focal point for University-industry interaction.

The creation of the center will be accomplished through renovation of existing facilities and, therefore, will be done at a substantial savings over new construction. In the first phase, we will move the State Water Survey to the Adler Center to be renovated at an estimated cost of \$1.7 million. The then vacant Water Resources Building will be renovated and converted to a Microelectronics Center for the Department of Electrical Engineering at Urbana. The Water Resources Building contains approximately 26,000 square feet. Considerable renovation will be necessary to bring the building up to standards necessary for the Microelectronics Center. It is anticipated that approximately \$3.5 million in State funds will be necessary for this purpose. The University has agreed to seek from private sources \$3 million to purchase necessary equipment for the center. We believe this creative funding plan, involving public and private partnership, is a sound approach and a good example of needed joint action.

If we can follow the proposed time table, the project can be funded and operational in three years and we are pleased that we appear to be moving.

You will recall that at the last meeting of the Board of Trustees we discussed the possible formation of an Audit Committee of the board. We have since given further study to this and would recommend for your consideration in January the renaming of the Finance Committee to the Finance and Audit Committee. This would be a standing committee, constituted each year in the normal mode with appointments to the committee made by the president of the Board of Trustees. In addition to the responsibilities carried by the Finance Committee, the new Finance and Audit Committee could review the previous year's internal audit program and the direction of the program to be followed in the year ahead. The committee also could review with the comptroller the annual financial statements and annual external audit, including any specific issues of concern. In short, we would expect that the committee would maintain oversight of the audit function and would be provided with such material as necessary to discharge its function in an appropriate manner. We recommend no formal action now, but the board may wish to act in January when it elects board officers and establishes the committee structure for the coming year.

As you know, under date of November 5, I established consultative committees to assist in the search for the vice president for administration and for the vice president for business and finance. Professor Samuel K. Gove and Vice President Weir, respectively, serve as chairmen of the committees. Each committee contains two faculty representatives, at least one person from the organization for which the vice president would be responsible, and at least one representative from the respective campus administrations who would work closely with the vice president. I have asked the committees to move ahead with dispatch, and I would hope we would have some options to consider in early 1983.

The search for the new chancellor of the University of Illinois at Chicago is continuing to make fine progress. I believe the committee could be in a position to recommend to me a cadre of qualified candidates prior to the end of this calendar year. As soon as I receive these recommendations, I will be in touch with members of the Board of Trustees and we will enter the final phases of the search.

I wish to conclude with a note of deep appreciation on behalf of the University community for the dedicated service Ron Brady has rendered to this Board of Trustees, to his faculty and administrative colleagues, and to the University community during the last decade. To say we regret losing him to the University of California and that he is irreplaceable is — at the same time — obvious and inadequate. Words like bright, articulate, unflappable, ingenious, and perceptive come to mind. He will carry these fine qualities and many more to the University of California. We wish you well, Ron Brady; and to you, the University of California, you owe us one!

PRESENTATION OF RESOLUTIONS

President Ikenberry presented the following resolution with regard to Ronald W. Brady.

From the day of his arrival at the University of Illinois in 1972, Dr. Ronald W. Brady has carried major and increasing responsibilities in the effort to enhance the University's programs and resources and to enhance its quality. The times have required a strengthening of the organizational structure, improvements in efficiency, and fresh approaches to planning and problem-solving. Ron Brady has given all of this — and more — to the University of Illinois.

His initiatives in University finance, for example, were employed in the design of the Food for Century III program, in the creative revenue bond financing of 1978, and in countless other ways.

Throughout his tenure he has made a distinct personal contribution that only he could make, opening lines of communication and confidence with State government; skillfully articulating the University's needs; and finding ways to accomplish goals others regarded impossible.

For a decade-long application of his unique talents, his colleagues and a grateful Board of Trustees convey their deep appreciation and enduring personal regard.

On motion of Mrs. Shepherd, this resolution was adopted.

President Stone presented the following resolution with regard to Earl L. Neal.

Trusteeship in a major university is a difficult, sensitive responsibility, but outstanding trustees have made it a distinguished public service. Your twelve years of devotion to the University of Illinois, and to the public it serves, provide a shining example of such trusteeship at its best.

You have brought to the task a rich background in experience and in

personal strength: sophistication in the nature of large organizations; sensitivity to the humane values that are sometimes overlooked; and a deep sense of compassion and determination to enhance the opportunities that a great university must provide.

Of unique service has been your knowledge and experience in the urban dimension of the University of Illinois. A native of Chicago with intimate understanding of the great City and its government, you have served the institution well, even before your trusteeship began, in the complex effort that resulted in the location of the Chicago Circle campus. Later, in a variety of ways, often little known, you have tended the relationship with the City and its people, at considerable sacrifice of time for your family and your career.

Some of the most difficult years for the University have occurred during your tenure as trustee, the period between 1970 and 1982. This has been a time in which the Board of Trustees has faced financial problems of unusual stringency. Twice in these years, the trustees successfully completed the recruitment of a new president; your steady counsel and judgment helped make the process, in each case, a model of style and competence. As president of the board from 1975 to 1977, your leadership contributed to mutual respect and the encouragement of discussion of issues. Yours was always a voice of wisdom, balance, and perspective. Your special attentiveness to the concerns of the student trustees has been in that same spirit, as has your gentle insistence that in important matters all voices be respectfully heard.

The record is one of extraordinary, selfless service to your alma mater. The trustees, with all friends of the University, gladly express their gratitude to you and their affectionate regard.

The president and other administrative officers of the University join with the Board of Trustees in this tribute to you and in extending best wishes to you and Mrs. Neal.

The Board of Trustees directs that this resolution be incorporated in the minutes of today's meeting to become a part of the official public record, and that suitable copy be given you as a permanent reminder of the esteem in which you are held.

On motion of Mr. Forsyth, this resolution was adopted.

REGULAR AGENDA

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

Midyear Salary Changes, Academic Personnel, 1982-83

(1) On September 16, 1982, the Board of Trustees approved the University's annual operating budget for Fiscal Year 1982-83. It was indicated at that time that recommendations regarding midyear salary increases for academic personnel would be presented to the board in November.

Submitted herewith is a document entitled "Academic Personnel 1982-83, Midyear Salary Changes" containing the midyear salary recommendations. The document has been prepared by the executive vice president based upon recommendations of the chancellors (after consultation with their respective deans, directors, and other campus officers) and the president of the University. The fiscal year costs of the salary increases are contained in the annual operating budget previously authorized by the board. The effective date of increases is specified in the document. (A copy of this document is filed with the secretary for record.)

I recommend approval.

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 2 through 11 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 Dr. Donoghue, these certificates were awarded.

Appointment of Acting Vice President for Business and Finance

(3) As the trustees know, and in accord with the October 21 action of the board, steps are underway now to search for permanent appointments to the positions of vice president for administration and vice president for business and finance. In the interim, it is essential that a person be appointed on an acting basis to carry out the administrative and statutory responsibilities of the vice president for business and finance and comptroller.

Accordingly, I recommend the appointment of Craig S. Bazzani, presently associate vice president for planning and budgeting, as acting vice president for business and finance, effective December 1, 1982.

The general duties assigned to Dr. Bazzani will be as described on October 21, e.g., "to oversee operations in the areas of business affairs, financial affairs, administrative information systems and services, personnel services, and capital construction." In general, therefore, the responsibilities will be those of the "general business officer of the University" as identified in various sections of the *General Rules Concerning University Organization and Procedure*. Certain other functions, less directed toward business operations, and previously identified with the then vice president for administration (and presently assigned to the executive vice president) may be shared in various ways by other officers, in particular the vice president for academic affairs and the new vice president for administration.¹

In acting upon this recommendation, I ask that the trustees also approve the following specific duties as a part of the overall responsibilities of the acting vice president for business and finance and authorize the president to designate additional duties as the need arises:

- (1) Duties and functions assigned to the vice president for administration in Article II, Sec. 2(d) and Sec. 3 and Sec. 4 of the *General Rules*.
- (2) Duties and functions assigned to the vice president for administration under the University's Self-Insurance Plan for General and Professional Liability.

¹ These include, for example, budget and planning and resource allocation.

(3) Duties and functions assigned to the vice president for administration with regard to affirmative action.

I note for the record the inherent need of the president to assign administrative duties as may be required in the explicit definition of the responsibilities of the general officers of the University. This need is relevant now as the search process for the two new vice presidents is underway.

I note as well, in accord with the Bylaws of the Board of Trustees, that the president of the Board of Trustees, on recommendation of the president of the University, has indicated his intention to appoint Dr. Bazzani as comptroller, the general fiscal officer of the Board of Trustees, thus occupying the position which will become vacant on December 1, 1982. Dr. Bazzani will serve as comptroller until the next meeting of the Board of Trustees (in this case, the annual meeting, on January 20, 1983) — at which time it is anticipated that the board will elect all officers to hold office until their successors are elected and qualified.

On motion of Dr. Donoghue, this appointment was approved.

Head, Department of Slavic Languages and Literatures, Chicago

(4) The chancellor at Chicago has recommended the appointment of Biljana Sljivic-Simsic, presently associate professor and acting head of the Department of Slavic Languages and Literatures, as head of the Department of Slavic Languages and Literatures beginning January 1, 1983, on an academic year service basis at an annual salary of \$29,850.

Professor Sljivic-Simsic will continue to hold the rank of associate professor on indefinite tenure. She succeeds Professor Nicholas Moravcevic who resigned on October 31, 1981, to accept the position of director of Campus Development.

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

I recommend approval.

On motion of Dr. Donoghue, 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-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. LORI L. ARP, assistant undergraduate librarian and assistant professor of library administration, beginning October 18, 1982 (1Y), at an annual salary of \$14,000.

2. CRAIG B. FOLTZ, assistant professor of astronomy, beginning August 21, 1983 (1), at an annual salary of \$27,000.
3. CLYDE P. KRUSKAL, assistant professor of computer science, beginning January 6, 1983 (1), at an annual salary of \$30,500.
4. KAREN A. SCHMIDT-ELTERICH, acquisitions librarian and assistant professor of library administration, beginning October 13, 1982 (1Y), at an annual salary of \$24,000.

Chicago

5. ELLEN S. GREEN, assistant professor of medical record administration, College of Associated Health Professions, beginning November 1, 1982 (1Y), at an annual salary of \$19,000.
6. WILLIAM H. HAFEMAN, assistant professor of art and design, beginning September 1, 1982 (1), at an annual salary of \$20,000.
7. WOLFGANG MAASS, associate professor of mathematics, statistics, and computer science, beginning September 1, 1982 (A) (on leave of absence without pay academic year 1982-83), at an annual salary of \$32,000.
8. NATHAN PRESSER, research assistant professor of chemistry, beginning September 1, 1982 (WY), at an annual salary of \$18,000.
9. THOMAS A. REGULUS, assistant professor of sociology, beginning September 1, 1982 (1), at an annual salary of \$22,000.

On motion of Dr. Donoghue, these appointments were confirmed.

Appointments to the Institute for the Humanities, Chicago

(6) On recommendation of the acting director of the Institute for the Humanities, and with the concurrence of the dean of the College of Liberal Arts and Sciences, the chancellor at the University Center has recommended the following appointments of senior fellows in the Institute for the Humanities for two quarters of the academic year 1982-83 and for the program of research or study as indicated in each case.

Senior Fellows¹

- BURTON J. BLEDESTEN, associate professor of history, to study character, confidence, and conscience as middle-class values in nineteenth-century America.
- GERALD B. DWORKIN, professor of philosophy, to study the nature and value of autonomy.
- BENTLEY B. GILBERT, professor of history, to complete Volume 1 of a biography of David Lloyd George.
- CHADWICK C. HANSEN, professor of English, to study white responses to black American music.
- DAVID P. JORDAN, professor of history, to study the nature of historical memory as seen through the memoirs of those who survived the French Revolution.
- BOYD R. KEENAN, professor of political science, to study the First Amendment as collective creativity midst political, scientific, and technological change.
- MICHAEL J. LIEB, professor of English, to study the Throne-Chariot or Merkabah of Ezekiel.
- GENE W. RUOFF, associate professor of English, to study a dialogue of forms: Wordsworth, Coleridge, and the major lyrics of 1802-1804.
- NATALIE C. SCHMITT, associate professor of speech in communication and theatre, to study contemporary theater aesthetics.
- MARIE-ODILE G. SWEETSER, professor of French, to study creativity and community as expressed in the works of La Fontaine.

¹ Senior fellows in the Institute are selected from nominees by the Executive Committee for two-quarter appointments. Fellowships are awarded for independent work in all fields of the social and natural sciences, the humanities, and the creative arts, so long as the work is related to the humanities. Those eligible for nomination are full-time faculty members at the Chicago campus.

The vice president for academic affairs concurs.
I recommend approval.

On motion of Dr. Donoghue, these appointments were approved.

Establishment of an Honors College, Chicago

(7) The senate at the University Center, Chicago, upon endorsement of the Honors Council, has recommended the establishment of an Honors College at the Chicago campus.

The primary responsibility of the Honors College is to enrich the educational experience of gifted undergraduate students. It is expected to increase faculty-student interaction, encourage curriculum development, attract a larger number of superior students to the campus, encourage a larger number to complete their undergraduate work and generally enhance the intellectual environment of the campus.

The Honors College will have faculty members from various colleges and departments, selected on the basis of their scholarship and commitment to high-quality undergraduate education.

Student members will be undergraduates selected from various colleges and departments on the basis of academic achievement. Those who are freshmen are required to take the academic core of the college, a three-quarter, twelve-credit-hour sequence of courses taught by selected Honors College professors. Upper-class students are required, each quarter, to complete a special project approved by the college. All student members of the college must maintain a 4.25 grade point average and submit an annual report of their activities.

All functions of the present University Office of Honors Programs will be transferred to the Honors College, and all present Edmund J. James Scholars will be invited to join the college as student members. The Honors College will be headed by a dean, who will be advised by an Honors College Council.

No additional state funds, faculty, or library resources are needed to support the college. The establishment of the college will be reported to the Illinois Board of Higher Education for possible further action.

The chancellor and the vice president for academic affairs have recommended approval. The University Senates Conference has indicated that no further senate jurisdiction is involved.

I recommend approval.

On motion of Dr. Donoghue, this recommendation was approved.

Special Tuition and Fees for Institute and Research Conference, Urbana

(8) The School of Humanities at the Urbana-Champaign campus is planning an Institute and Research Conference on the state of Marxism as a method of interpretation and as a general theory of culture and art. The Institute, for which participants may register for two graduate units of academic credit, will be held June 9-July 8, 1983; the Conference will be held July 8-11.

It is expected that 100-120 persons will attend the Institute. Costs of the Institute and Conference are expected to be between \$140,000 and \$160,000. Funds to meet the costs have been committed by the Miller Committee, several academic departments, the Graduate Research Board, the Office of International Programs, the Office of Women's Studies, and the College of Liberal Arts and Sciences.

The chancellor at Urbana-Champaign has recommended that all participants in the program (credit or noncredit, resident or nonresident) be charged tuition of \$430 and fees of \$95. Of the latter, \$70 would be for health service and the student service fee and \$25 would be the registration fee for the Research Conference. The tuition of \$430 would be deposited in the University Income Fund.

The chancellor also has recommended that the usual \$20 application fee for non-continuous students be waived for participants.

The University Planning Council has reviewed the special tuition and fee assessment and the waiver of application fee and has recommended approval. The executive vice president concurs.

I recommend approval.

On motion of Dr. Donoghue, this recommendation was approved.

Adoption of University Guidelines 1982 (Fiscal Procedures for University and University-Related Organizations)

(9) In May 1977, the Board of Trustees adopted guidelines and definitions for the interpretation and application of State statutes relating to financial management of the University's revenue generating enterprises, activities, and services. The same guidelines were adopted by all senior public higher education systems in the State of Illinois.

As a result of hearings before the Legislative Audit Commission Subcommittee on Higher Education Fiscal Accountability and discussions with representatives of the Office of the Auditor General and representatives of all the systems of public higher education over the past several years, a revised set of guidelines entitled "University Guidelines 1982" has been developed. A copy of the new guidelines has been filed with the secretary of the board for record.

"University Guidelines 1982" contains adjustments to definitions and formulae in the former guidelines relating to indirect cost reimbursement funds, tuition, charges and fees, auxiliary enterprises, activities, reserves and excess funds, revenue bonds, and investment income. Substantive changes were based upon operating experience under the former guidelines and represent clarification and improvements of the earlier document. In addition, the document outlines the relationships to be followed between universities and university-related organizations (foundations, athletic associations, alumni associations and corporate outgrowths). Any such organization may elect either to have only Section VI apply to it as a "university-related organization" or to come under Section VII as an "independent organization."

The document in its present form has been clarified during the course of public hearings before the Legislative Audit Commission Subcommittee. For example, it is understood that non-instructional facilities reserves may be established for both revenue bond entities and for non-indentured entities, and that the award of an architect or engineer contract satisfies the construction contract requirement related to such reserves.

The executive vice president recommends the adoption of the "University Guidelines 1982" presented herewith, the rescission of the May 1977 action of the board adopting the earlier guidelines, and the implementation of the 1982 guidelines not later than June 30, 1983.

I concur, and recommend the adoption of the following resolution:

Whereas, the four senior public higher education systems in Illinois have developed a set of guidelines and definitions codifying fiscal practices in the handling of locally held funds, prescribing interrelationships between the universities and certain related organizations, and providing certain reporting procedures, all as contained in a document entitled "University Guidelines 1982" as presented to this meeting and filed with the secretary of the Board of Trustees;

Now, Therefore, be it Resolved by the Board of Trustees of the University of Illinois that:

1. "University Guidelines 1982" are adopted as the operating policy of the University of Illinois with respect to the matters contained therein and shall be implemented not later than June 30, 1983;

2. The action of the Board of Trustees on May 18, 1977, adopting and approving guidelines and definitions pertaining to the handling of locally held funds is rescinded;
3. The University of Illinois Foundation, the University of Illinois Alumni Association, and the Athletic Association of the University of Illinois at Urbana-Champaign are encouraged to adopt the provisions of Section VI of the "University Guidelines 1982" as their respective operating policies; and
4. This resolution shall remain in effect until modified or rescinded by the Board of Trustees of the University of Illinois.

On motion of Dr. Donoghue, these recommendations were approved and the foregoing resolution was adopted.

Agreement with Agrigenetics Research Associates Limited (Exceptions to the General Rules)

(10) Agrigenetics Research Associates Limited (ARA) of Golden, Colorado, proposes to provide funding for two soybean research projects in the College of Agriculture at Urbana-Champaign, totaling \$1,578,433 over a four-year period. Professors Jack M. Widholm and Theodore Hymowitz each would direct one of the projects in the Agronomy Department, and other University personnel would be assigned to the projects.

ARA is a limited partnership, formed to sponsor research in designated areas of agriculture. A number of such ARA projects are underway at other universities. As a research and development enterprise, ARA has selected a method of research support that has as its basic element the ownership and assignment by the inventor to ARA of rights in any discovery arising from the research. The tax treatment for ARA investors rests on that assignment, according to advice ARA has received.

The *General Rules Concerning University Organization and Procedure* state that the University holds title to all inventions and discoveries developed under University research contracts. Because of the importance of this research, exceptions to the *General Rules* and amendments to the University appointments of the researchers assigned to the projects are proposed to allow the researchers to hold original title to inventions and discoveries arising from the work supported by ARA, contingent upon assignment of all inventors' rights jointly to ARA and to the University in equal shares. ARA would have an exclusive right to develop the inventions and discoveries, and the University and the researchers would receive a percentage of the income received by ARA or any ARA affiliate.

The proposed contracts between ARA and the University also require an advance on royalties be paid by ARA directly to the researchers in an amount not to exceed \$1,000 at the time the researcher is assigned to the project, as consideration for the inventor assigning the rights to ARA. This royalty distribution is at variance with the provisions in the *General Rules* for sharing income with inventors. Further distributions of royalty income from ARA will be made to the University, and adjustments can then be made to provide the inventor's share in accordance with the formula established by the University's *General Rules*. If no future income is received, the University will not receive a share of the initial advances.

When a single product utilizes discoveries developed by more than one university under ARA funding, the relative economic value of the contributions of each would be determined by arbitration. If a product is marketed outside the commercial field of plant agriculture, the royalty rate would be arbitrated on the basis of the fair and usual practice in the new field of application; but in no event would the royalty rate be less than that provided in the contracts for the commercial field of agriculture.

The University and its researchers may not seek research funding in the same technological field from other sources without prior approval from ARA while funding is being provided by ARA.

The University may accept funding for research which involves use of patentable or licensable inventions or discoveries developed under ARA's sponsorship, provided ARA is given the right of first refusal to fund the same. Any proposed license of new products from such research must first be offered to ARA on terms no less favorable than offered to any other licensee.

The University Patent Committee has reviewed the various policy issues presented by these proposed agreements and has recommended they be approved.

The executive vice president, with the concurrence of the appropriate University officials, has recommended approval of these two research agreements and the appropriate amendments to the University's contracts with the researchers.

I concur.

On motion of Dr. Donoghue, this recommendation was approved.

Recommendation of the University Patent Committee

(11) The University Patent Committee recommends that the action described below be taken in regard to an invention made at the University of Illinois.

Multi-Wavelength Metal Halide Lasers — James G. Eden, associate professor of electrical engineering, Andrew W. McCown, graduate research assistant in electrical engineering, and Marwood N. Ediger, graduate research assistant in electrical engineering, Urbana-Champaign, inventors; developed with support from the U.S. Air Force.

University Patents, Inc. reported that it did not elect to subject this disclosure to the terms of the servicing agreement. The University Patent Committee recommends that the University retain the invention and institute the filing of a patent application on the invention.

I concur.

On motion of Dr. Donoghue, 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. 12 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.)

Assignment of National Defense/Direct Student Loans

(12) Under federal regulations, defaulted notes in the National Defense and Direct Student Loan (NDSL) programs may be assigned to the federal government for collection after the institution has followed certain prescribed "due diligence" collection procedures. The Board of Trustees approved assignment of defaulted notes in June and July 1979, and in June 1981. This year, if the assignment is made prior to November 30, an institution can better its default ratio and enhance its eligibility for additional federal capital contributions for 1983-84.

The loan funds in question are held in trust by the University and loaned to its students in accord with criteria established by the federal government. They consist of federal capital contributions plus "institutional" capital contributions in an amount equal to one-ninth of the federal contributions. Collections and earnings are added to the loan funds and expenses of the program are credited. Under the law, the loan and interest are cancelled in case of death or permanent and total disability.

To assist institutions in reducing their current default rates which, in turn, will increase their eligibility for future funding, the federal government has agreed to accept the assignment of notes which have been in default for two or more years if the due diligence collection efforts have taken place. Loans assigned to the federal government will not be counted in determining the University's default rate but the government will retain any funds it may recover on the assigned loans, including any portion thereof furnished by the University. The value in terms of increased eligibility for federal student loan support to be derived from the assignment of these defaulted loans to the federal government is greater than the net recovery which might be anticipated from the University's continued efforts at collection. The net assets of the loan fund will remain in excess of the University contribution to the fund.

The executive vice president has recommended that the Board of Trustees approve the assignment to the U.S. Government of defaulted NDSL notes on which reasonable collection efforts have been made by the University in the following maximum amounts:

Chicago campus

Health Sciences Center..... \$ 27 651 (16 loans)

University Center 158 464 (134 loans)

Urbana-Champaign campus 88 097 (52 loans)

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, Mrs. Shepherd, Mr. Stone; no, none; absent, Mr. Madden, Mr. Neal, Governor Thompson.

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

Contract, West Side Veterans Administration Hospital, Chicago

(13) The University has for some years contracted with the West Side Veterans Administration Hospital in Chicago for the sharing with the University of Illinois Hospital of specialized medical resources to minimize the duplication of personnel, equipment and space.

The contract calls for each hospital to bill the other for the direct costs of services rendered the other's patients. Billings exclude professional services. The dollar value of the care provided to veterans by the University Hospital has, in the past, exceeded that of the care provided by the Veterans Administration Hospital. The pattern is expected to continue.

The chancellor at the Health Sciences Center has recommended that the contract with the West Side Veterans Administration Hospital be renewed for the period October 1, 1982, through September 30, 1983. Funds are available in the Hospital Income Fund (if needed) to reimburse the Veterans Administration Hospital. The executive vice president concurs.

I recommend approval.

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

**Contract for Professional Services with Advance Health,
Social and Educational Associates, Inc., Chicago**

(14) The chancellor has recommended continuation of a contract with Advance Health, Social and Educational Associates, Inc. (AHSEA) of Chicago. The trustees first contracted with AHSEA in Fiscal Year 1980; the contract has been renewed three times since then. It has been of substantial benefit to the Urban Health Program and to the Chicago campus in general.

The Urban Health Program is of interest to a great many community organizations and leaders. The contract directs AHSEA to support the staff of the Urban Health Program in improving and increasing community participation in recruitment, early outreach, student counseling, and student financial assistance. It also calls for AHSEA to assist in communicating effectively the purposes, goals, and achievements of the Urban Health Program to its many community constituencies in Chicago. AHSEA also assists the program staff in supporting the activities of the Community Advisory Council, an important group advising and working with the Urban Health Program.

The contract proposed, for an amount not to exceed \$30,000, is for the period January 1, 1983, through June 30, 1983. Funds are available in the institutional funds budget of the Chicago campus.

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

I recommend approval.

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

**Contract for Billing Services for Medical Service Plan,
College of Medicine at Peoria, Chicago**

(15) The chancellor has recommended continuation during Fiscal Year 1983 of a contract for the purchase of billing services from Management Systems of Wausau, Inc., Wausau, Wisconsin, for an annual amount not to exceed \$35,400. The services needed include regular monthly billing and supplemental reports for the patient billing system of the Medical Service Plan in the College of Medicine at Peoria. These particular services in the form required are not currently available within the University.

Funds are available in the operating budget of the College of Medicine at Peoria for Fiscal Year 1983.

The executive vice president concurs in this recommendation.

I recommend approval.

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

**Award of Contract and Rejection of Previous Bids,
Science and Engineering Laboratories, Chicago**

(16) On October 15, 1981, the Board of Trustees approved a recommendation to accept a federal grant of \$1,456,933 under the Institutional Building Grants pro-

gram established by Congress under the National Energy Conservation Policy Act of 1978. Bids were received for the construction of one of the conservation projects authorized under the third cycle of that program.

Accordingly, the president of the University recommends the award of a contract for \$308,100 to Pullman Construction Industries, Inc., Chicago, the low bidder on its base bid (plus acceptance of deductive alternate no. 1)¹ for installation of a variable air volume system for a portion of the Science and Engineering Laboratories, University Center, Chicago campus.

A schedule of the bids received has been filed with the secretary of the board for record. Funds are available from the Federal Energy Conservation Grant.

A portion of the project was previously bid on September 23, 1982, but it was determined that these bids should be rejected so that the scope of work could be revised to increase the energy savings potential and to utilize better the funds available. Pursuant to the provisions of Article II, Section 4(k)(2) of the *General Rules Concerning University Organization and Procedure*, all bids were rejected, and the president now reports the rejections.

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

Satellite Union Project, Chicago

(17) The chancellor has recommended that a satellite union be constructed to provide needed space for food service, meetings, seminars, and activities on the east side of the Health Sciences Center, Chicago campus. The facility, estimated to cost \$450,000, consists of 3,200 gross square feet of flexible interior space, plus an outdoor patio area. The site recommended is on Polk Street between the Administrative Office Building and the new CTA station. The building will be placed on University land. To obtain the patio site, a property owned by the Medical Center Commission must be transferred and the improvements demolished by the University. On July 21, 1982, the Commission approved of the proposed facility and site.

The president of the University, with the concurrence of the appropriate administrative officers, recommends approval of this project and the employment of the firm of John Victor Frega Associates, Chicago, to provide the architectural and engineering services required in its planning, design, and construction. The services required, through the receipt of bids, will be at a lump-sum fee of \$25,000, plus reimbursable expenses authorized by the University, the latter estimated to be \$1,000.

Upon receipt of satisfactory bids, the Board of Trustees will be asked to approve contracts for construction. The firm will be authorized to proceed with the architectural and engineering services required during the construction phase at a lump-sum fee of \$1,500, plus reimbursement for field observation services authorized by the University, which are estimated to be \$3,500.

Funds for this project are available from the University of Illinois Auxiliary Facilities System Revenue Bonds, Series N Fund.

On motion of Mr. Howard, these recommendations were approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Howard, Mrs. Shepherd, Mr. Stone; no, none; absent, Mr. Madden, Mr.

¹ Deductive Alternate No. 1 — Installation of motor operated dampers in both the supply hot deck high pressure duct work and the exhaust discharge of laboratory fume hoods in ten separate locations.

Neal, Governor Thompson. (Mr. Hahn asked to be recorded as not voting.)

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

Employment of Engineer for Memorial Stadium, Urbana

(18) The president of the University, with the concurrence of the appropriate administrative officers, recommends the employment of Hanson Engineers, Inc., Springfield, for the professional services required to define the scope of the work necessary for the structural design upgrade and rehabilitation work required for Memorial Stadium. The fee will be on an hourly basis in accord with the firm's hourly rate schedule but will not exceed \$27,200.

Upon completion of the program definition phase, the trustees will be asked to approve the final design recommended, to approve a budget for the project, and to authorize a contract for the professional engineering services required for the design and construction phases.

Funds are available in the Auxiliary Facilities System Repair and Replacement Reserve Account. The work is estimated to be completed January 3, 1983. A schedule of the firm's hourly rate has been filed with the secretary of the board for record.

(On September 14, 1982, the firm was employed on an hourly basis to: (1) investigate the structural system of the Stadium to determine the cause of movement of the east upper main stands experienced by spectators during the September 11, 1982, football game; (2) make recommendations for corrective work; and (3) assess its safety for occupancy. The work under that contract, although nearly complete, will continue for approximately two more weeks.)

On motion of Mr. Howard, this recommendation was approved by the following vote: Aye, Mrs. Day, Dr. Donoghue, Mr. Forsyth, Mr. Howard, Mrs. Shepherd, Mr. Stone; no, none; absent, Mr. Madden, Mr. Neal, Governor Thompson. (Mr. Hahn asked to be recorded as not voting.)

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

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 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 \$ 37 000 00

From Institutional Funds

Recommended 1 834 150 82

Grand Total \$1 871 150 82

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

(The student advisory vote was: Aye, Mr. Cobb, Miss Forsyth; no, none; absent, Mr. Bandala.)

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 November 1982 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.

Quarterly Report of the Comptroller

(22) The comptroller presented his quarterly report as of September 30, 1982.

This report was received for record, and a copy is filed with the secretary.

Report of Investment Transactions through October 31, 1982

(23) The comptroller presented the investment report as of October 31, 1982.

Transactions under Finance Committee Guidelines

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
Sales:				
10/27	3 927 shares	General Electric common stock	\$ 150 624 55	\$ 329 542 84
10/27	3 500 shares	Georgia Pacific common stock	86 512 50	81 529 77
10/27	5 000 shares	Sears Roebuck common stock	163 616 43	135 220 47
10/27	2 300 shares	Xerox common stock	217 141 11	86 638 10

Transactions under Comptroller's Authority

Sales:				
10/1	\$ 100 000	U.S. Treasury bills due 10/7/82	\$ 90 502 50	\$ 99 879 17
10/1	1 300 000	U.S. Treasury bills due 2/24/83	1 245 878 75	1 254 922 50
10/4	31 000	General Motors Acceptance demand notes	31 000 00	31 000 00
10/7	15 000	Abbott Laboratories demand notes	15 000 00	15 000 00
10/8	61 000	General Motors Acceptance demand notes	61 000 00	61 000 00

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
10/12	\$ 100 000	U.S. Treasury bills due 11/4/82	\$ 90 323 47	\$ 99 520 83
10/12	1 500 000	U.S. Treasury bills due 3/24/83	1 421 625 00	1 447 364 58
10/18	7 shares	Borg Warner common stock..	187 25	219 63
10/18	\$ 100 000	U.S. Treasury bills due 11/4/82	90 323 47	99 641 11
10/18	1 500 000	U.S. Treasury bills due 5/19/83	1 397 337 50	1 407 182 49
10/19	1 600 000	U.S. Treasury bills due 6/16/83	1 476 716 04	1 513 600 00
10/21	100 000	U.S. Treasury bills due 11/4/82	90 323 47	99 698 61
10/25	900 000	U.S. Treasury bills due 1/13/83	884 561 99	884 359 99
10/25	100 000	U.S. Treasury bills due 2/24/83	95 796 11	97 187 22
10/25	500 000	U.S. Treasury bills due 7/14/83	462 800 00	468 341 66
10/25	600 000	U.S. Treasury bills due 8/11/83	551 281 00	557 805 00
10/25	300 000	U.S. Treasury bills due 9/8/83	272 106 97	276 945 00
Purchases:				
10/4	\$ 10 000	General Motors Acceptance demand notes	10.66%	\$ 10 000 00
10/4	200 000	U.S. Treasury bills due 9/8/83.....	10.56	181 863 50
10/6	2 000 000	Continental Bank 10% percent time deposit due 2/22/83.....	10.75	2 000 000 00
10/6	600 000	U.S. Treasury bills due 8/11/83....	10.27	551 281 00
10/7	15 000	Texas Commerce Bancshares demand notes	10.80	15 000 00
10/12	13 000	Borg Warner Acceptance demand notes	10.11	13 000 00
10/14	8 000	Merrill Lynch demand notes.....	8.13	8 000 00
10/21	300 000	Continental Bank 9% percent time deposit due 5/19/83.....	9.13	300 000 00
10/22	3 000 000	Continental Bank 9% percent time deposit due 3/21/83.....	9.13	3 000 000 00
10/22	3 000 000	Continental Bank 9% percent time deposit due 5/20/83.....	9.13	3 000 000 00
10/22	900 000	U.S. Treasury bills due 1/13/83....	7.57	884 561 99
10/28	3 000 000	U.S. Treasury bills due 6/16/83....	8.84	2 838 300 00
10/28	1 000 000	Continental bank 9% percent time deposit due 12/1/82.....	9.13	1 000 000 00
10/28	1 000 000	Continental Bank 9% percent time deposit due 2/22/83.....	9.25	1 000 000 00
10/29	2 700 000	U.S. Treasury bills due 5/19/83....	8.72	2 573 346 00

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

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 for the next meetings: January 20, 1983 (Annual Meeting), Chicago campus and February 17, 1983, Urbana-Champaign campus. There is no meeting scheduled for December.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

PAUL STONE
President