

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

November 14, 1985



The November meeting of the Board of Trustees of the University of Illinois was held in Room E120, College of Medicine at Rockford, Rockford, Illinois, on Thursday, November 14, 1985, beginning at 8:30 a.m.

President Nina T. Shepherd 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, Mr. William D. Forsyth, Jr., Mrs. Susan L. Gravenhorst, Mr. Ralph C. Hahn, Mr. George W. Howard III, Mr. Albert N. Logan, Mr. Dean E. Madden, Mrs. Shepherd. The following members of the board were absent: Miss Ann E. Smith, Governor James R. Thompson. The following nonvoting student trustees were present: Mr. Scott L. Becker, Urbana-Champaign campus; Mr. Kevin K. Lamm, Chicago campus.

Also present were President Stanley O. Ikenberry; Dr. Morton W. Weir, vice president for academic affairs; Dr. Donald N. Langenberg, chancellor, University of Illinois at Chicago; Dr. Thomas E. Everhart, chancellor, University of Illinois at Urbana-Champaign; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for business and finance of the University); Mr. Byron H. Higgins, university counsel; and Dr. Earl W. Porter, secretary.

EXECUTIVE SESSION

President Shepherd, 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; to discuss pending, probable, or imminent litigation; the acquisition of real property; and to discuss campus security."

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

The board received a brief report from the university counsel, Mr. Higgins, concerning the extent and nature of liability claims, especially in medical malpractice. There was general discussion of this problem, involving as it may large settlements and costly insurance coverage.

Vice President Bazzani presented a brief report on the search for a new officer, associate vice president for administration and personnel. The search is in a final stage, and it may be possible to make an offer to an individual prior to the January meeting of the Board of Trustees.

EXECUTIVE SESSION ADJOURNED FOR COMMITTEE MEETINGS

Following a meeting of the Buildings and Grounds Committee and the Finance and Audit Committee, the board reconvened in regular session at 11:00 a.m.¹

MINUTES APPROVED

The secretary presented for approval the press proof of the minutes of the Board of Trustees meeting of July 18, 1985, copies of which had previously been sent to the board.

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

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

President Ikenberry recognized and introduced observers from the campus senates and from the University Senates Conference.²

The president also recognized Mark Menich, president of the Student Council at Rockford, who welcomed the trustees to Rockford; and Director Bernard P. Salafsky, who reviewed some of the future plans of the program at Rockford, in particular the broadening of its relationships with hospitals and other agencies, and the potential for cooperative research with the Colleges of Agriculture and Veterinary Medicine at Urbana.

OLD AND NEW BUSINESS

Report on Student Use of Alcohol

Mr. Hahn, referring to difficulties encountered during the annual Hallo-

¹ On Wednesday, November 13, 1985, the trustees met with Dr. Bernard P. Salafsky, director of the College of Medicine at Rockford, and ten of his associates to receive detailed presentations on the work of the college. Perspectives from students, faculty, graduates, research and clinical staff, and others were presented. (On the following day, many of those present from the staff and members of the Executive Committee of the College of Medicine at Rockford joined the board for luncheon.)

² University Senates Conference: Dorothy Grover, associate professor of philosophy, Chicago campus; Urbana-Champaign Senate Council: James Simon, associate professor of architecture; Chicago campus Senate: Stanley K. Shapiro, professor and head of the Department of Biological Sciences, University Center.

ween celebration at Urbana, raised the general question of problems encountered in the use of alcohol by students. He asked that a study, now being undertaken, be presented at a forthcoming meeting.

Investments in South Africa

(1) Mr. Howard was recognized and made a personal statement on this subject; then (in association with Mrs. Day), a motion.

Mr. Hahn asked if the motion could be amended to give greater emphasis at the retreat to social issues in general, for example, investments in companies selling alcohol or tobacco?

The point was accepted, and the motion then was approved as amended without dissent.

The statement and motion were as follows:

I am personally distressed and disappointed at the claim that our Board of Trustees has closed off discussion or our individual or collective minds to the issue of divestment—defined as the required sale of all stocks in companies which do any business in South Africa.

Over the past 10 years, we have spent more collective time and effort over this question than any other single issue. Trustees and administrators have devoted countless hours in meetings, discussions, confrontations, and study. The latter endeavor—reading everything we can find which discusses this controversial issue—has been particularly helpful to us.

We are accused of being nonresponsive, or of closing debate, because we have not *agreed* fully with proponents of divestment.

In fact, at times we have been prohibited from having *any* discussion by a few persons (a minority) who advocate divestment.

Recently it has been suggested that a retreat might be a sensible and productive format for further discussions. I agree. Further, I suggest that the University Senates Conference be asked by the board to undertake to arrange such a retreat—probably in connection with our February meetings.

Accordingly, I move that the Board of Trustees request the president of the University to ask the University Senates Conference to use its good offices to arrange a retreat to further discuss the question of whether and to what extent social issues such as investments in companies doing business in South Africa should be considered in investment policies of the Board of Trustees. (The consideration of social issues should be broadly discussed, including, for example, investment in companies selling alcohol or tobacco.) The Senates Conference would have full authority to determine a place and format for the board to meet with appropriate and interested faculty and students.

President Ikenberry said that he would meet with the University Senates Conference and try to schedule the retreat in connection with the February meeting of the Board of Trustees.

Trustee Logan then introduced the following statement and motion; the text had been sent to each of the trustees in advance of the meeting.

Motion for Gradual Divestment — South African Stocks

There is no hard evidence that any University or other agency has suffered a financial loss as a result of divestment of funds in companies doing busi-

ness with the Union of South Africa. On the other hand, some universities have indeed enhanced their financial base as a result of divestment.

I understand that the South African government, because of pressure from its local businessmen and some farsighted statesmen, has begun to lift some of its restrictive codes. It is possible that by the year 1987, *apartheid* will have come to an end or *that government* will have come to an end.

I, therefore, now move that the University of Illinois financial officers continue with the present investment policy adhering to the Sullivan Principles as outlined in Trustee Howard's resolution of June 20, 1985. However, if *apartheid* has not ended by January 1987, and the South African government is still in existence, that the University completely divest from all companies continuing to do business with that government. Further provision is that by June 1986, if there is no change in the *apartheid* situation in the Union of South Africa, that the University begin gradual divestment in order to accomplish total divestment by January 1987.

Mr. Hahn moved to table Mr. Logan's motion, expressing the view that it was offered in response to pressures upon the board; that it would be inappropriate to act upon in the light of the Howard-Day motion; and suggested that Mr. Logan's motion be postponed until after the retreat and discussion of the larger question, *i.e.*, the investment policy and its relation to social questions. He further suggested that the environment for the Logan motion was inappropriate at this time.

Mr. Logan protested vigorously at the order of business as brought before the board, stating that his motion should have been acted upon before that of Mr. Howard and Mrs. Day; and that if his motion had failed, the Howard-Day motion then properly might follow. He believed that the order of business had served to negate and to diminish his motion.

In the discussion that followed, trustees expressed various views on the matter: that Mr. Howard had sought recognition first and therefore was recognized properly; that the opportunity to make a substitute motion for that of Mr. Howard and Mrs. Day had been available; that the Howard-Day motion had not been submitted in advance and therefore was not anticipated by all of the trustees.

The question was called on Mr. Hahn's motion to table, and it was defeated by a voice vote.

The Logan motion then was presented for general discussion, each of the trustees expressing briefly a view with regard to the desirability of divestiture; the value of divesting as a symbolic act; the importance of the basic fiduciary responsibility of the trustees; varying views as to the economic effect of divestiture on investments; etc.

Mrs. Shepherd presented a petition from faculty and staff at the Urbana campus, which had been distributed to the trustees at the beginning of the meeting, and read the accompanying letter from the sponsors of the petition. The text of the letter and the petition follow:

As members of the Champaign-Urbana campus faculty and professional staff, we are addressing to you the enclosed petition for transmission to the University Board of Trustees. It states:

We, the undersigned members of the Faculty and Professional Staff of UIUC urge the Board of Trustees to reconsider current University policy with regard to investments in South Africa in light of recent developments there. We oppose the use of University funds in any way to aid or abet the South African government.

Some 45 campus administrative and academic units¹ are represented by signatures from well over 600 colleagues on the petitions. Of greater significance than these numbers are the returns from nearly one-third of these units where the petition evidently had wide-spread circulation and in which an average of 75 percent of the faculty and professional staff signed it. In our years at Illinois we know of few issues that have gained such widespread support among our colleagues.

Thank you in advance for presenting these petitions to the Board of Trustees on our behalf.

Sincerely,

R. A. Eubanks
Professor
Civil Engineering

E. Heath
Associate Professor
Veterinary Biosciences

C. C. Stewart
Professor
History

The question was then called on Mr. Logan's motion and the motion was defeated by the following roll call vote: Aye, Mr. Logan; no, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Howard, Mr. Madden, Mrs. Shepherd; absent, Miss Smith, Governor Thompson. (Mr. Hahn asked to be recorded as not voting.)

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

The board then recessed at 12:15 p.m. for luncheon, and reconvened at 1:05 p.m.

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 17 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 Public Accounting Act of 1983 to eleven candidates who have presented evidence that they are holders of valid and unrevoked certified public accountant certificates obtained by passing the uniform written examination in another state or territory of the United States and who qualify in all other respects under his 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.

¹ Including: Anthropology, Dance, Religious Studies, Philosophy, Veterinary Biosciences, Office of the Chancellor, Unit One, Plant Biology, Comparative Literature, LAS Administration, Sociology, H.D.F.E., Linguistics, Veterinary Clinical Medicine, Speech Communication, Art and Design, Social Work, Law, Entomology, Graduate College, Slavic Languages and Literature, Political Science, Library and Information Science, Veterinary Pathobiology, English, Student Affairs, Urban and Regional Planning, Center for the Study of Reading, Journalism, Physiology and Biophysics, Institute for Communications Research, Housing Division, Speech and Hearing Science, Ecology, Ethology and Evolution, Library, Center for Supercomputer Research, Agronomy, Mathematics, History, Opera, Educational Placement Office, Textile, Apparel and Interior Design, French, Geography, Civil Engineering.

Dean, Graduate School of Library and Information Science, Urbana

(3) The chancellor at Urbana-Champaign has recommended the appointment of Leigh S. Estabrook, presently associate professor in the School of Information Studies at Syracuse University, as professor on indefinite tenure and dean of the Graduate School of Library and Information Science, beginning January 2, 1986, on a twelve-month service basis at an annual salary of \$65,000.

Dr. Estabrook will succeed Dr. Charles H. Davis who asked to be relieved of this administrative assignment.

The nomination is made on the recommendation of a search committee¹ and after consultation with the Executive Committee of the Graduate School of Library and Information Science. The vice president for academic affairs concurs.

I recommend approval.

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

Head, Department of Medicine, College of Medicine at Peoria

(4) The chancellor at Chicago has recommended the appointment of A. William Holmes, Jr., presently professor of medicine, Texas Tech University Health Sciences Center School of Medicine, Lubbock, as professor of medicine on indefinite tenure and head of the department, College of Medicine at Peoria, beginning December 1, 1985, on a twelve-month service basis, at an annual salary of \$100,000.

The faculty of the department has voted to change the organization from a department with a head to a department with a chairperson. That recommendation is being reviewed and will be presented to the Board of Trustees in due course.

Dr. Holmes will succeed Dr. Alfonse Masi who has resigned the headship but will remain in the department.

The recommendation is made with the advice of a search committee² and after consultation with the members 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 Medical Information Science,
College of Medicine at Urbana-Champaign**

(5) The chancellor at Chicago has recommended the appointment of Dr. Allan H. Levy, presently professor and acting head of medical information science, as professor of medical information science on indefinite tenure and head of the department, College of Medicine at Urbana-Champaign, beginning November 21, 1985, on a twelve-month service basis, at an annual salary of \$80,975.

Dr. Levy will be the first permanent head of the department since departmentalization of the unit was approved by the Board of Trustees on September 20, 1984.

¹ Richard H. Surles, Jr., professor of law and library administration, director of Law Library, *chairman*; Walter C. Allen, associate professor of library and information science; Marianna T. Choldin, professor of library administration, assistant director of the Slavic Library and director of research, Russian and East European Center; Clifford Christians, associate professor of journalism and research associate professor in the Institute of Communications Research; M. Leslie Edmonds, assistant professor of library and information science; Faith Fleming, graduate student; Sara De Mundo Lo, professor of library administration and modern language librarian; Selma K. Richardson, associate professor of library and information science; Debora Shaw, assistant professor of library and information science.

² Fred Z. White, professor of clinical family practice, College of Medicine at Peoria, *chairman*; Michael Cashman, clinical associate professor of medicine, College of Medicine at Peoria; James DeBord, clinical assistant professor of surgery, College of Medicine at Peoria; Marcia A. Miller, professor of microbiology, College of Medicine at Peoria; Richard O'Connor, clinical assistant professor of medicine, College of Medicine at Peoria; Daudur Rahman, clinical associate professor of pathology, College of Medicine at Peoria; Sue Ellyn Sauder, assistant professor of pediatrics and physician surgeon, College of Medicine at Peoria; Stanley G. Schade, professor of medicine and physician surgeon, College of Medicine at Chicago; Lorin D. Whittaker, Jr., clinical assistant professor of surgery, College of Medicine at Peoria; Muhammad B. Yunus, associate professor of medicine and physician surgeon, College of Medicine at Peoria.

The recommendation is made after consultation with all members of the department and with the dean of the college. The vice president for academic affairs concurs.

I recommend approval.

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

**Head, Department of Pharmacology,
College of Medicine at Urbana-Champaign**

(6) The chancellor at Chicago has recommended the appointment of Dr. Ivens A. Siegel, presently professor and acting head of pharmacology, as professor of pharmacology on indefinite tenure and head of the department, College of Medicine at Urbana-Champaign, beginning November 21, 1985, on a twelve-month service basis, at an annual salary of \$66,885.

Dr. Siegel will be the first permanent head of the department since departmentalization of the unit was approved by the Board of Trustees on September 20, 1984.

The recommendation is made after consultation with all members of the department and with the dean of the college. The vice president for academic affairs concurs.

I recommend approval.

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

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

DENNIS N. ASSANIS, assistant professor of mechanical and industrial engineering, beginning September 23, 1985 (N), at an annual salary of \$37,500.

TIMOTHY A. BERTRAM, assistant professor of veterinary medicine, beginning October 1, 1985 (NY), at an annual salary of \$44,000.

CHRIS A. BROKA, assistant professor of chemistry, beginning January 6, 1986 (N), at an annual salary of \$29,910.

DAVID P. KUEHN, associate professor of speech and hearing science, beginning January 6, 1986 (A), at an annual salary of \$38,000.

BETH A. SANDORE, assistant automated systems librarian and assistant professor of library administration, beginning September 30, 1985 (NY), at an annual salary of \$18,500.

SHARON L. WOOD, assistant professor of civil engineering, beginning January 6, 1986 (N), at an annual salary of \$38,000.

Chicago

MARK ADAMS, assistant professor of physics, beginning September 1, 1985 (1), at an annual salary of \$31,000.

AHMED E. BARBOUR, assistant professor of electrical engineering and computer science, beginning October 1, 1985 (1), at an annual salary of \$36,000.

NINO S. BOCCARA, professor of physics, on 33 percent time, beginning September 1, 1985 (A33), at an annual salary of \$15,000.

JUAN CARLOS CAMPUZANO, assistant professor of physics, beginning September 1, 1985 (1), at an annual salary of \$31,000.

ROBERTA M. FELDMAN, assistant professor of architecture, beginning September 1, 1985 (1), at an annual salary of \$21,000.

BARBARA ANN GRAJEWSKI, assistant professor in the School of Public Health, beginning September 1, 1985 (1Y), at an annual salary of \$28,500.

JOE-JIE HOO, associate professor of pediatrics, College of Medicine at Chicago, beginning October 1, 1985 (AY), at an annual salary of \$65,000.

JOEL HORWITZ, research assistant professor of physiology and biophysics, College of Medicine at Chicago, beginning October 15, 1985 (WY), at an annual salary of \$25,000.

RALPH F. KALIES, assistant professor of pharmacy administration, College of Pharmacy, beginning September 1, 1985 (1Y), at an annual salary of \$36,500.

LON S. KAUFMAN, assistant professor of biological sciences, beginning September 1, 1985 (1), at an annual salary of \$30,000.

LAURA H. LAWLER, assistant professor of periodontics, beginning November 1, 1985 (1Y), at an annual salary of \$34,000.

A. DON MURPHY, assistant professor of biological sciences, beginning September 1, 1985 (1), at an annual salary of \$29,000.

BRUCE A. MURRAY, assistant professor of German, beginning September 1, 1985 (1), at an annual salary of \$23,000.

JOHN R. NAUGHTON, assistant professor of architecture, beginning September 1, 1985 (1), at an annual salary of \$21,000.

HARRIS RIPPS, research professor of ophthalmology, on 82 percent time, and senior research scientist, on 18 percent time, College of Medicine at Chicago, beginning October 1, 1985 (AY82;NY18), at an annual salary of \$99,000.

ROBERTA A. SMITH, associate professor of medical-surgical nursing, College of Nursing at Peoria, beginning September 1, 1985 (W), at an annual salary of \$17,000.

LAUREN A. SOSNIAK, assistant professor of education, beginning September 1, 1985 (1), at an annual salary of \$25,000.

JING-PHA TSAI, assistant professor of electrical engineering and computer science, beginning October 1, 1985 (1), at an annual salary of \$35,000.

CHRISTOPHER J. WICKHAM, assistant professor of German, beginning September 1, 1985 (1), at an annual salary of \$23,000.

Administrative Staff

J. BARRY BRINDLEY, associate chancellor for development, Urbana, and campus development officer, University of Illinois Foundation, beginning November 15, 1985 (NY), at an annual salary of \$65,000.

TIMOTHY P. KERESTES, assistant director, University Office for Capital Programs, beginning October 15, 1985 (NY), at an annual salary of \$39,000.

DAVID P. MARKER, assistant director, University Office for Capital Programs, beginning October 1, 1985 (NY), at an annual salary of \$38,000.

THOMAS M. MIHALIK, assistant director, University Office for Capital Programs, beginning November 4, 1985 (NY), at an annual salary of \$35,000.

GAIL SCHERBA, director of Veterinary Virology Diagnostic Laboratory, College of Veterinary Medicine, beginning October 7, 1985 (NY), at an annual salary of \$41,500.

HARRIETT F. WEATHERFORD, assistant director of the National Center for Supercomputing Applications, beginning October 12, 1985 (NY), at an annual salary of \$35,000.

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

Sabbatical Leave of Absence, 1985-86

(8) On motion of Mr. Forsyth, one sabbatical leave of absence recommended by the chancellor at Urbana was granted. This leave will be included in an annual compilation of 1985-86 sabbatical leaves of absence to be made a part of the board *Proceedings*.

Special Tuition Rate, Master of Science in Business Administration, Urbana

(9) The chancellor at the Urbana-Champaign campus has recommended the establishment of a special tuition rate for the Master of Science option in Business Administration, College of Commerce and Business Administration.

An international program option has been available for some years, covering an academic year and two summer sessions and designed to serve a middle management clientele. The results of a study indicate strong demand now for this program, especially from students from foreign countries.

Foreign students who enroll receive intensive instruction that includes, in addition to the twelve units required for the normal completion of the degree, a special series of management-development seminars describing American business concepts and practices, a number of field trips, and numerous seminars with American executives.

Since the program now is designed to provide special services to foreign students, it is intended that the University receive a cost reimbursement from the participants or their sponsors. On the basis of cost estimates for an enrollment of thirteen students, an annual tuition rate of \$12,500 per student, effective with the 1986-87 academic year, is recommended. Tuition funds will support two FTE faculty, administrative costs, operating expenses, and graduate assistants to aid faculty in course preparation, grading, and individual instruction.

Other required general fees and additional charges connected with this program have been established at \$7,000 for the 1986-87 academic year. Thus, the total program cost per student will be \$19,500.

I concur in this recommendation.

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

Amendments, University of Illinois Statutes Article III (Campuses, Colleges and Similar Campus Units)

(10) The University Senates Conference has recommended amendments to Article III (Campuses, Colleges and Similar Campus Units), Section 4 (The School and Similar Campus Units) and Article III, Section 5 (The Dean or Director of a School or Similar Campus Unit) of the University of Illinois *Statutes*.

The two sections under consideration deal with educational and administrative units, other than colleges and departments, of an intermediate character designed to meet particular needs. Such units may be organized independently of a college or within a college.

The proposed amendments to Section 4 clarify the governance structure and function of schools and similar campus units organized within a college. Schools organized within a college would be composed primarily of academic subunits (which might or might not be departments) that are related and have common interests and objectives but emphasize academically distinct disciplines or functions. Provision is made for the establishment of bylaws by the faculty of a school within a college, for the creation of an Executive Committee as the primary advisory body to the director of the school, and for faculty determination of the manner in which executive officers of departments or subunits are to be evaluated. All existing schools within the University would continue to qualify for school status under the proposed amendments, even though many types of subunit structures exist.

The amendments to Section 5 specify the duties of the director of a school or similar unit included within a college, provide for the evaluation of a dean or director of such units whether independent or included within a college in a manner to be determined by the relevant faculties; and provide that on the occasion of the annual recommendation of appointment of the dean or director of such units the advice of the Executive Committee or the faculty concerned will be sought in the manner prescribed.

No amendment is currently proposed in the current language of Section 4 which refers to schools "and similar campus units" examples of which are stated in the text as being an "institute, center, hospital, and laboratory." There is concern that one or more of the examples stated may be inappropriate (e.g., the University Hospital has no separate faculty) and the University Senates Conference, in conjunction with the respective senates, intends to address this language in the near future.

The vice president for academic affairs has recommended adoption of the proposed amendments,¹ effective immediately.

I concur.

Article III. Campuses, Colleges and Similar Campus Units

Sec. 4. The School and Similar Campus Units

a. In addition to colleges and departments, there may be other units of a campus, such as the school, institute, center, hospital, and laboratory, of an intermediate character designed to meet particular needs.

b. Such a unit organized independently of a college shall be governed by the same regulations as govern a college.

c. [Such a unit] *The school organized within a college [shall be governed in its internal operations by the faculty of the unit.] is an educational and administrative unit composed primarily of academic subunits. The subunits are related and have common interests and objectives but emphasize academically distinct disciplines or functions. The faculty of each subunit shall have the power to determine such matters as do not so affect relations with other subunits of the school, or with units outside the school, that those relations properly come under the supervision of larger administrative units.*

d. *Governance of Schools and Similar Campus Units Within a College.*

(1) *The internal structure, administration, and governance of a school within a college shall be determined by its faculty under bylaws established by the faculty. Bylaws of the school shall be consistent with those of the college.*

(2) *The school has the fullest measure of autonomy consistent with the maintenance of general college and University educational policy and*

¹ New material is in italics; deleted material is in brackets.

with appropriate academic and administrative relations with other divisions of the University. In questions of doubt concerning the proper limits of this autonomy, the school may appeal directly to the dean and the Executive Committee of the college and shall be entitled to appeal subsequently to the Chancellor.

(3) An Executive Committee selected according to the bylaws of the school shall be the primary advisory body to the director of the school. The director is ex officio a member and chair of the Committee. The Executive Committee shall advise the director on the formulation and execution of school policies and, unless otherwise provided by the faculty of the school, on appointments, reappointments, nonreappointments, or promotions. It shall advise the director on the preparation of the budget. The Committee shall provide for the orderly voicing of suggestions for the good of the school, recommend procedures and committees that will encourage faculty participation in formulating policy, and perform such other tasks as may be assigned to it by the faculty of the school. Any faculty member shall be entitled to a conference with the Executive Committee or with any member of it on any matter properly within the purview of the Committee. If the Committee is in session to prepare its advice on appointment of the director, or to review the director's performance, the director shall not be a member and the Committee shall be chaired by a Committee member elected by the Committee for that purpose.

(4) Departments within a school shall be governed as specified in Article IV. Other subunits shall be governed by regulations set forth in the school bylaws.

(5) Executive officers of departments or subunits of a school shall be evaluated in a manner to be determined by the faculty of the school and college.

(6) An intermediate unit within a college, such as an institute, center, hospital, or laboratory, shall be governed as stated in the bylaws of the college.

Sec. 5. The Dean or Director of a School or Similar Campus Unit

a. [The chief executive officer of the] *In a school or similar campus unit [organized as an independent unit] independent of a college, the chief executive officer shall be a dean or director, appointed annually by the Board of Trustees, on the recommendation of the Chancellor and the President. On the occasion of each recommendation, the Chancellor shall [obtain] seek the advice of the Executive Committee of the faculty concerned. Within the school or similar campus unit the duties of a director or a dean shall be the same as those of the dean of a college. The performance of the dean or director shall be evaluated at least once every five years[. As one component of this evaluation, views shall be solicited from the entire faculty of the school or similar campus unit.] in a manner to be determined by the faculty of the unit.*

b. [The chief executive officer of] *In a school or similar campus unit included within a college, the chief executive officer shall be a [dean or] director appointed annually by the Board of Trustees on the recommendation of the dean of the college, the Chancellor and the President. On the occasion of each recommendation, the [Chancellor] dean shall [obtain] seek the advice of the faculty concerned. [This officer's duties shall be analogous to those for the dean of a college.] The director shall (1) call meetings of the school faculty to consider questions of school and subunit governance and educational policy at such times as the director or the Executive Committee may deem necessary, but not less frequently than once in each*

academic year, and preside at such meetings; (2) formulate and present policies to the faculty for its consideration, but this shall not be interpreted to abridge the right of any member of the faculty to present any matter to the faculty; (3) make reports on the work of the school; (4) have general supervision of the work of students in the school; (5) be responsible for the educational use of the buildings and rooms assigned to the school, and for the general equipment of the school as distinct from that of the separate subunits; (6) serve as the medium of communication for all official business of the school with the college, the students, and the public; (7) represent the school in conferences, except that additional representatives may be designated by the director for specific conferences; (8) prepare the budget of the school in consultation with the Executive Committee of the school; and (9) recommend the appointment, reappointment, nonreappointment, or promotion of members of the academic staff. Regarding recommendations of appointments, reappointments, non-reappointments, and promotions of the members of the faculty, the director shall consult with the department's or subunit's executive officer, who shall provide the director with the advice of the appropriate committee(s). Such recommendations shall ordinarily originate with the subunit, or, in the case of a group not organized as a subunit, with the person(s) in charge of the work concerned, and shall be presented to the director for transmission with the director's recommendation to the dean of the college. The performance of the [dean or] director shall be evaluated at least once every five years]. As one component of this evaluation, views shall be solicited from the entire faculty of the school or similar campus unit.] in a manner to be determined by the faculty of the school and college.

On motion of Mr. Forsyth, these amendments were adopted.

Designation of Buildings, Chicago

(11) The chancellor at Chicago has recommended that the following buildings, each now designated by either an outdated name or by a street address, be renamed as indicated. In each instance, the new name is descriptive of the primary unit that occupies the building.

<i>Current Name</i>	<i>Proposed Name</i>
General Hospital	Clinical Sciences North Building
Medical Sciences Addition	Medical Sciences Building
Illinois Surgical Institute	Medical Sciences South Building
1919 West Taylor Street	Associated Health Professions Building
Old Aeromedical Laboratory	Magnetic Resonance Imaging Facility
1140 South Paulina	Personnel Services Building
Hunt Building	Chemical Engineering Building

Each of these proposed names is consistent with the campus practice of naming academic buildings along functional lines.

The vice president for academic affairs concurs.

I recommend approval.

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

Assignment of Ownership and Copyright in Computer Software Authored by R. S. Michalski

(12) Professor R. S. Michalski of the Computer Science Department on the Urbana campus is the author of various experimental computer software programs under Federal government sponsorship prior to July 1983. Due to the copyright policy then in force, the University acquired ownership of these copyrightable works. (It

should be noted that under the current copyright policy contained in Section 9(b) of the *General Rules Concerning University Organization and Procedure*, the University would not now acquire ownership.)

Professor Michalski has requested that the University assign its ownership interest to him so that he may produce derivative works and otherwise commercially exploit this software, subject to the retention of a license by the University for use in the University's internally administered programs of teaching, research, and public service. The Federal government is licensed to use these works for government purposes under the terms of the original research grants and contracts.

The software programs to be assigned are of little value without further modification and work. Such work cannot realistically be undertaken except by the original investigator. Release of University ownership rights in these programs will improve the prospects for their distribution and use. The vice chancellor for research and dean of the Graduate College at Urbana and the University Committee on Copyrightable Works have recommended approval of this request.

I concur.

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

Recommendation of the University Patent Committee

(13) The University Patent Committee has recommended the following action concerning an invention made at the University of Illinois. Background information concerning this case has been sent to the trustees.

Laser Machining By Localized Melting — Jyotirmoy Mazumder, associate professor of mechanical engineering and Jijun Li, visiting scholar, Department of Mechanical and Industrial Engineering, Urbana, inventors.

University Patents, Inc., reported that it does not elect to subject this invention to its servicing agreement with the University. The invention is thought to be of little commercial interest to industrial concerns because currently-employed methods of laser machining are less costly. The University Patent Committee has recommended that the University release its rights in this invention to the inventors, subject to the retention of shop rights in the invention by the University.

I concur.

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

Agreement with University Patents, Inc.

(14) For the past five years, University Patents, Inc. (UPI), of Westport, Connecticut, under contract with the University, has performed a number of duties related to the University's patent development efforts.

The contract expired on October 4, 1985, and it is now proposed that the Board of Trustees enter into a similar contract with 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 those inventions. Ownership in issued patents would remain with the University.

Excluded from the scope of the proposed contract are inventions that may arise from nongovernmental research grants, or contracts that contain terms controlling the disposition of such inventions owned by the University, unless the University chooses to have UPI service the invention. Also excluded are inventions that the University may decide not to develop.

UPI would assist the University by evaluating invention disclosures for patentability and commercial utility; file and prosecute patent applications; maintain issued patents as the University's agent; seek prospective licenses for inventions; receive royalties; and service executed license agreements as the University's agent. UPI would pay the costs of obtaining U.S. patents. The costs associated with

obtaining foreign patents would be chargeable to the gross income received from licensing the invention. Of the royalties it receives, UPI would normally retain 40 percent and remit 60 percent to the University. In instances where the University officially requests UPI's consultation services and advice in the negotiation of intellectual property terms in a nongovernmental research contract or grant, UPI would also provide infringement litigation services, collect royalties owed, retain 15 percent of royalties collected and remit 85 percent of royalties it receives to the University. University employees who are inventors would receive a single \$200 payment from UPI when a U.S. patent application covering their invention is filed.

UPI would be required to obtain the University's approval prior to granting an exclusive license or prior to granting any license where: (1) the licensee is a University employee or agent or a concern with which a University employee or agent has a substantive relationship; (2) the license agreement provides for the licensee to fund University research; or (3) the licensee leases space from the University. The University is required to provide a prompt response to such requests for approval. The University can recapture the rights to an invention if it is determined that UPI has not obtained the maximum reasonable utilization and return.

The proposed contract would cover inventions conceived or reduced to practice prior to December 31, 1987, and disclosed to the University prior to July 1, 1988.

The University Patent Committee and the vice president for academic affairs have recommended that the Board of Trustees: (1) approve an agreement between the University and University Patents, Inc., on the terms outlined above; and (2) authorize the comptroller to review and approve license agreements presented by UPI for approval.

I concur.

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

Lease of Pharmacognosy Field Station, Chicago

(15) The chancellor at Chicago has recommended that the University lease the Pharmacognosy Field Station located at Lisle, Illinois, to Naprotech, Incorporated, for a five-year term commencing January 1, 1986, through December 31, 1990. The annual lease rate is \$12,000. The lessee will remodel the facility for office and research laboratory use at its expense; will maintain the requisite property and liability insurance; and will indemnify the University.

Professor Norman R. Farnsworth of the College of Pharmacy is the president and part owner of Naprotech, Incorporated. In addition to the lease, it is contemplated that a series of working arrangements will develop between the University and the company, such as retaining faculty members as consultants or research agreements. A statement of conflict of interest is on file with the University and an appropriate administrative oversight will be effected prior to the finalization of the lease agreement and subsequent relationships.

Funds accruing from the lease will be deposited in the University Income Fund.

The vice president for academic affairs and vice president for business and finance recommend approval.

I concur.

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

Establishment of Bank Account for Study Abroad Program, Konan University

(16) The College of Liberal Arts and Sciences at the Urbana campus has administered a Japan Year Abroad Program since 1977. In accord with action of the

Board of Trustees in 1982, University of Illinois students pay Range IV tuition, plus a program charge covering payments to the Konan Illinois Center for certain program costs.

In recent years, the program has been the beneficiary of donations in Japanese yen, received in Japan. These gifts have come primarily from the Johnson Wax Company—Japan, and the Japanese Illini Clubs. In addition, Konan University has asked, to the extent spaces are available, that other English-speaking individuals be permitted to attend Japanese-language classes offered for University students for a nominal charge. (Typically, these are wives of American businessmen.) These individuals do not earn University of Illinois credit for their attendance.

The estimated annual amount of gifts received in yen is \$5,000. The total charges paid by the visiting students are approximately \$4,000 per year. Since this incidental income is used for program costs which benefit University students, and to avoid transferring these funds between the countries, it is requested that a local bank account in Kobe, Japan, be established in the Taiyo Kobe Bank, Ltd. Activity in the account would be limited to the deposit of funds received as gifts in yen or charges paid by visitors to the classes as described. Expenditures would be limited to program-related activities conducted at Konan University in Kobe. The program director of the Japan Year Abroad Program would be authorized to make expenditures from this account in accord with University policies and procedures.

The chancellor at the Urbana campus has recommended that the comptroller be authorized to establish a bank account as described above.

I concur.

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

Amendment of Grant Agreement, Willard Airport

(17) The Federal Aviation Administration and the State Division of Aeronautics have advised the University of the status of funds in various grants, thus updating information provided to the Board of Trustees in October 1984. The agencies have recommended that the University submit a request to amend the scope of work of the Fiscal Year 1982 grant in order to effectively use the remaining funds and to close out the project.

The project, status, funds available, and recommendation for grant amendment are described below.

The president of the University, with the concurrence of the appropriate administrative officers, recommends that the University submit a request for amendment of the grant as indicated.

Amendment, Grant Agreement, FY 1982, Willard Airport

Project

Widen and overlay entrance road; install security lights in general aviation area. (Trustee action on September 16, 1982, authorized acceptance of a Federal grant which could include: widen and overlay entrance road; security lights in general aviation area; pavement overlay of T-hanger area; and correct existing storm drainage problems. The grant subsequently offered was for \$338,000, which was expected to fund the first two items.)

The entrance road construction now is complete. Information received from the FAA, and provided to the board in October 1984, indicated that no funds remain for the security lights. New information provided by the FAA in September 1985 indicates that approximately \$30,000 remains in the project—still insufficient for security lights. Matching funds will be provided by the Division of Aeronautics.

Recommendation for amendment

Delete: Installation of security lights in general aviation apron area.

Add: Acquire land (8+ acres) in the northeast clear zone to Runway 4/22 (O'Neil

land), to expend all funds remaining in the grant. The land would be purchased from the University of Illinois Foundation which acquired it for the University in 1979.

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. 18 through 33 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Contract with Hayt, Hayt, and Landau, University Hospital, Chicago

(18) The chancellor at Chicago has recommended that the Board of Trustees contract with the law firm of Hayt, Hayt, and Landau to assist the University Hospital in filing Medical Assistance-No Grant (MANG) applications for patients needing care but unable to pay for it. The firm has developed expertise in processing MANG applications and is the only firm endorsed by the Chicago Hospital Council.

Presently, the hospital staff seeks to help patients file MANG applications, but many applications will be successful only with the special knowledge and follow-up techniques developed by Hayt, Hayt, and Landau.

The contract proposed would be from November 15, 1985, through the end of the fiscal year, at a fixed commission of 27 percent of collections. Estimated gross revenues total \$987,000, with expenses of \$266,490.

During this period the firm will instruct hospital employees, and in FY 1987 the hospital will institute an expanded program of its own.

Collections will be received directly by the hospital and deposited in the Hospital Income Fund. No payments will be made until collections are received.

The vice president for business and finance has recommended approval.

I concur.

On motion of Mrs. Gravenhorst, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Contracts with Collection Agencies, University Hospital, Chicago

(19) For a number of years the University Hospital has engaged one or more firms to collect unpaid patient accounts which the hospital has been unable to collect through its regular efforts. In practice, the agency collects all funds and remits to the hospital the amount collected, less the agency's fee. In the University's most recent compliance audit, the auditors recommended that the collection agency agreements be rewritten to require that all funds collected be remitted to the hospital; and that the hospital pay the agency fee from the funds collected.

It is recommended that five collection agencies be employed. They were selected based upon their records of performance and on the quality of the proposals submitted to the hospital. (The agencies recommended, their percent fee — which is fixed, and the amounts expected to be placed with them, are listed on a table filed with the secretary.) The University reserves the right to adjust the amount of accounts to be placed with an agency based on its experience during the year. No guarantees of dollar placements are made and no funds are paid until they are collected. All funds collected will be deposited into the Hospital Income Fund and the agency fee will be paid from the same source.

The chancellor has recommended approval of the agreements as described for Fiscal Year 1986, with the option to renew at the same terms and conditions for FY 1987. The vice president for business and finance concurs.

I recommend approval.

On motion of Mrs. Gravenhorst, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Contract for Lighting, Baseball Field, Chicago

(20) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$278,000 to Glow Electric Co., Crestwood, the low bidder on its base bid, plus acceptance of Deductive Alternate No. 1, to install lighting at the baseball field, Chicago. Lighting will provide for scheduling of night games and also will permit the University to rent the facilities to other institutional baseball teams.

Funds are available from the Restricted Funds budget of the auxiliary operations recreation entity, the proceeds of which are derived from the student general (facility) fee.

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

Deductive Alternate No. 1 called for the elimination of all items related to the installation of outdoor lighting at the softball field. The scope of that project will be reduced and rebid.

On motion of Mrs. Gravenhorst, the contract was awarded by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Contracts, Extension of Steam and Electrical Services, Memorial Stadium, Urbana

(21) The president of the University, with the concurrence of the appropriate administrative officers, recommends award of the following contracts for the extension of steam and electrical services at Memorial Stadium, Urbana. The award in each case is to the low base bidder.

<i>Steam Line Extension</i>	<i>Base Bid</i>
Hart & Schroeder Mechanical Contractors, Inc., Champaign.....	\$161 346
<i>Electrical Line Extension</i>	
Downtown Electric, Inc., Urbana.....	41 552
<i>Total</i>	\$202 898

Utility extensions from the existing distribution systems are necessary to support the utility loads of the football facilities addition project. The extensions consist of the installation of 5,100 feet of electrical cable from the Physical Plant Service Building to the Stadium and 485 feet of steam tunnel and steam lines from Peabody Drive to the football facilities addition.

This project will be financed from the proceeds of the Series 1985 Auxiliary Facilities Revenue Bond issue.

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

On motion of Mrs. Gravenhorst, these contracts were awarded by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Contracts, Accelerator Cooling, Nuclear Physics Laboratory, Urbana

(22) The president of the University, with the concurrence of the appropriate administrative officers, recommends award of the following contracts to construct cooling facilities for the nuclear accelerator at the Nuclear Physics Laboratory, Department of Physics, Urbana campus. The award in each case is to the low bidder on its base bid, plus acceptance of the indicated alternates.¹

Division I — General

Lyman-Wikoff, Inc., Champaign.....	Base Bid	\$32 466	
	Alternate G-1 ...	3 312	
	Alternate G-3 ...	8 580	
			\$ 44 358

Division II — Plumbing

R. H. Bishop Company, Champaign.....	Base Bid	8 150	
	Alternate P-2	13 000	
			21 150

Division III — Heating, Piping, Refrigeration, and Temperature Control

R. H. Bishop Company, Champaign.....	Base Bid	128 761	
--------------------------------------	----------------	---------	--

Division V — Electrical

Coleman Electrical Service, Inc., Mansfield	Base Bid	15 690	
<i>Total</i>			\$209 959

It is further recommended that: (1) all contracts, other than the contract for general work, be assigned to the contractor for general work; and (2) an agreement be entered into with Lyman-Wikoff, Inc., for the assignment of the other prime contracts.

Funds are available from the restricted funds operating budget of the Department of Physics through a grant from the National Science Foundation. A portion of the funds received was specifically designated for construction of a new block building and closed-loop cooling system for accelerator cooling.

The new system will make it possible for the accelerator to reach a higher energy level (from 67 million volts to 100 million volts). The increased energy level will enhance the use of the accelerator for fundamental nuclear physics research.

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

On motion of Mrs. Gravenhorst, these contracts were awarded by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

¹ A schedule of the alternates is filed with the secretary of the board for record.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

**Employment of Architects and Engineers,
Capital Development Board Projects, Chicago and Urbana**

(23) The 84th General Assembly appropriated \$7,834,000 for certain renovation and repair projects for the University of Illinois to be funded through the "Build Illinois" program. Of the appropriations, the University has allocated \$3,284,900 for projects at the Chicago campus, and \$4,549,100 for the Urbana campus.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the Board of Trustees request the Capital Development Board to employ architects and engineers for capital projects for Fiscal Year 1986 as listed below. The professional fee for each firm employed will be negotiated by the Capital Development Board in accord with its procedures.

<i>Project</i>	<i>FY 1986 Project Budget</i>	<i>Professional Firm Recommended</i>
Chicago Campus		
Remodeling Medical Rheumatology	\$296 000	Larsen-Wulff & Associates, Inc., LaGrange
Advanced Physics Laser Research Laboratory	491 000	Larsen-Wulff & Associates, Inc., LaGrange
Engineering Research Laboratory Renovation	250 000	Dolio & Metz, Ltd., Chicago
Laboratory Remodeling for Department of Physiology	105 000	John Victor Frega Associates, Ltd., Chicago
Fume Hood Renovation, Phase II	100 000	Donovan Engineers, Inc., Chicago
Chemistry Laser Laboratory	300 000	Stanley Howell & Associates, Chicago
Pharmacy Practice Simulation Laboratory	485 000	Teng & Associates, Inc., Chicago
Emergency Power Distribution Network	291 000	Wolfson, Leavitt & Associates, Inc., Chicago
Relocation of Printmaking Program	195 000	John Victor Frega Associates, Ltd., Chicago
Nephrology Laboratory Remodeling	96 000	John Victor Frega Associates, Ltd., Chicago
Pharmacy Laboratory for Drug Utilization Review	184 000	John Victor Frega Associates, Ltd., Chicago
Laboratory Remodeling for Organic Chemistry	280 000	Larsen-Wulff & Associates, Inc., LaGrange
Anatomy Laboratory	211 900	Dolio & Metz, Ltd., Chicago
Urbana-Champaign Campus		
Electrical Engineering Building	395 500	Henneman Raufeisen & Associates, Champaign
Electrical Engineering Building	111 000	Severns, Rishling & Associates, Champaign
Noyes Laboratory	285 000	Isaksen & Matzdorff, Urbana
Noyes Laboratory	226 000	Brown, Davis, Mullins, Champaign

<i>Project</i>	<i>FY 1986 Project Budget</i>	<i>Professional Firm Recommended</i>
Visual Arts Laboratory	\$256 500	Joseph F. Coble & Associates, Urbana
Mechanical Engineering Laboratory	74 100	Henneman Raufeisen & Associates, Champaign
Animal Room Improvements	176 000	Isaksen & Matzdorff, Urbana
David Kinley Hall Remodeling	324 800	Architectural Spectrum, Champaign
Fume Hood Improvements	456 000	Henneman Raufeisen & Associates, Champaign
Davenport Hall — Geography	196 000	Severns, Rishling & Associates, Champaign
Talbot Laboratory	456 000	Isaksen & Matzdorff, Urbana
Classroom Remodeling	115 600	Russell A. Dankert & Associates, Champaign
Materials Research Laboratory	484 500	Buchanan Bellows & Associates, Bloomington
Glass Blowing Laboratory	90 000	Joseph F. Coble & Associates, Champaign
Davenport Hall — Life Sciences	285 000	Severns, Rishling & Associates, Champaign

Funds for employment of the professional firms have been appropriated to the Capital Development Board for FY 1986.

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

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Employment of Professional Firms Required in Connection with the Beckman Institute, Urbana

(24) In order to realize the project completion schedule requested by Dr. and Mrs. Beckman for the proposed Arnold O. and Mabel M. Beckman Institute for Advanced Science and Technology, it will be necessary to employ professional firms as soon as possible for:

- a. Master planning of the north campus;
- b. Architectural/engineering services for the design of the Beckman Institute;
- c. Construction management services for the planning phase of the Beckman Institute; and
- d. Engineering services required for the utility master plan of the north campus.

Interview committees for these professional planning categories are currently at work and expect to make recommendations by approximately December 10, 1985.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the comptroller be authorized

to execute the necessary documents to enter into agreements for the professional services required for the Beckman Institute project.

The execution of all such contracts is contingent upon the availability of private gift funds provided for the University by the University of Illinois Foundation and from funds appropriated on behalf of the University by the State of Illinois.

On motion of Mrs. Gravenhorst, the recommendation was approved, with the understanding that the actions recommended will follow after appropriate telephone conversations with members of the Board of Trustees.

Lease of Space, Survey Research Laboratory, Chicago

(25) The chancellor at Chicago has recommended approval of a contract with 910 Van Buren Associates, and Matanky Realty Group Brokerage Corporation (the managing agent) to lease 8,900 square feet of space in the Westgate Center Building, 910 West Van Buren Street, Chicago, for the period November 15, 1985, through June 30, 1991, to provide offices for the survey and statistical services of the Survey Research Laboratory in Chicago.

The lease will be at an initial annual rate of \$83,215 per year, a unit cost of \$9.35 per square foot, subject to an annual increase of 7 percent. The cost includes janitorial services and all utilities and services except electrical service. The lessor will remodel to the specifications of the University, at the standards of the lessor, and at the expense of the lessor.

The survey and statistical services of the Survey Research Laboratory are now housed in Alumni Hall and will be displaced by remodeling for the Office of Admissions and Records, a project approved in the Fiscal Year 1986 capital budget. A search of campus space failed to identify any suitable options. The survey and statistical services activities will be relocated at the campus when space becomes available, which is not expected within five years. The University will have the option to cancel the lease, with penalty, at the end of each of the first four years of the agreement with 120 days prior notice.

Funds required for the duration of FY 1986 are available in the Restricted Funds operating budget of the Chicago Physical Plant and for future years will be included in the campus operating budget submitted to the board.

The vice president for business and finance and the vice president for academic affairs have recommended approval.

I concur.

On motion of Mrs. Gravenhorst, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Lease-Purchase of University-wide Telecommunications System

(26) Evaluation has been completed of the responses to the University's request for proposals to improve its telecommunications system at all major locations. (The significant features of the system and the evaluation process were reviewed with the board at its meeting in October.)

The process, which included reviews by the University's consultant, by faculty, staff, and administrators at both campuses and the central administration, and by the Illinois Department of Central Management Services, has resulted in a determination that the "central office" proposal from Illinois Bell Communications Com-

pany (IBC), a wholly owned subsidiary of Illinois Bell Telephone Co. (IBT), is the most advantageous to the University.

The system proposed consists of: customer premise equipment; a supporting distribution system to be installed on University premises; and a ten-year digital switching service agreement, with service to be provided by IBT. The system will be implemented through four contractual agreements: (1) an agreement with IBC to provide customer premise equipment, which consists of four SL-1 switching systems manufactured by Northern Telecommunications Inc., to be installed at the Peoria and Rockford campuses, Willard Airport, and the Illini Union, Urbana campus; 16,000 telephones (10,500 single-line and 5,500 multi-line); and two management control systems, at an estimated cost of \$4.2 million; (2) an agreement with IBT to provide a distribution system, which consists of the installation of new building wiring and new cabling between buildings at an estimated cost of \$10.5 million; (3) an agreement with IBT to provide ten years of digital switching service from its central offices and utilizing two DMS-100 systems manufactured by Northern Telecommunications Inc., at an estimated cost of \$14.8 million; and (4) a service contract with IBC as project manager to act as overall coordinator for installation of the system. The ten-year digital switching service is subject to Illinois Commerce Commission approval of certain guarantees concerning services and rates.

The total cost of the system described is estimated to be \$29.5 million with payments due upon cutover and acceptance of the system by the University which are expected to take place in April 1987 (\$19.5 million) and June 1986 (\$10 million).

To obtain financing for the project, a request for proposals for a ten-year lease-purchase agreement between the University and a lessor was issued on a public competitive basis. Based upon an evaluation of the responses received, the proposal from Bear, Stearns & Co. of New York is the most advantageous to the University. This financing plan requires 19 semiannual payments of approximately \$2.236 million beginning October 1, 1987, for a total project and financing cost to the University estimated at \$42.5 million over the period of the agreement. The payment required each fiscal year is less than the amount now expended by the University for its present, equivalent telecommunication services (local service).

The lease-purchase agreement will contain a purchase option for the customer premise equipment as well as the distribution system, either of which can be exercised by the University during the term of the contract at a specified price, if the University wishes to acquire title before the end of the ten-year period.

With the concurrence of the appropriate administrative officers, I request that the comptroller and the secretary be granted authority to execute the necessary documents as required: (1) to execute and assign, as needed, the four contracts to implement the IBC proposal as described to Bear, Stearns & Co.; and (2) to enter into a ten-year, lease-purchase agreement as described with Bear, Stearns & Co. for the leasing of the telecommunications system.

It is expected that the execution of the contracts will be performed jointly by the University and the Department of Central Management Services which has statutory authority to approve the procurement of telecommunications equipment and services for all agencies of the State.

Funds will be included in the University's budget request for Fiscal Year 1987 to meet the ordinary and contingent expenses of the University for this project and will be included in the operating budget authorization request for each succeeding fiscal year. The lease-purchase agreement is subject to the availability of funds.

On motion of Mrs. Gravenhorst, authority was given as requested by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Amendment of Purchase Agreement and Lease-Purchase of Magnetic Resonance Imager System, Chicago

(27) On October 20, 1983, the board approved a contract with the General Electric Company for the acquisition (\$1.75 million) and installation (\$1.5 million) of a Magnetic Resonance Imager (MRI) System. On September 20, 1984, the board approved an increase in installation costs of not more than \$250,000. The system has been installed and is currently being tested. No payments have been made to General Electric under the current purchase agreement. The chancellor at Chicago now recommends that the equipment acquisition portion of the agreement (\$1.75 million payable upon acceptance of the system by the University), be amended and financed through a lease-purchase arrangement.

Lease-purchase proposals received from six companies were reviewed and evaluated by the hospital. The proposal submitted by General Electric Company is the most economical for the University. This proposal calls for monthly payments by the University of \$34,610 beginning December 1, 1985, through November 30, 1990. The University will acquire title to the equipment at the end of the five-year period.

The attached table compares the cash expenditures by fiscal year if the purchase is done in one year and if, as recommended, it is done through a lease-purchase arrangement with General Electric. (The table is filed with the secretary of the board for record.)

There is a modest savings in the lease-purchase method over the five-year period, when discounted at 8 percent and when Medicare capital pass-through reimbursement is included. In addition, with the full impact of changed patient-care reimbursement systems expected to be felt in this fiscal year, the five-year payment plan provides greater flexibility to the hospital in managing its working capital.

Funds for the lease-purchase payments required for FY 1986 are available in the Hospital Income Fund and will be included in the hospital's operating budget to be submitted to the board in future years. The agreement is subject to the availability of funds.

Installation costs will be paid from the Hospital Income Fund.

The vice president for business and finance concurs with the chancellor's recommendation.

I recommend approval.

On motion of Mrs. Gravenhorst, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Purchases

(28) The president submitted, with his concurrence, a list of purchases recommended by the directors of purchases and the vice president for business and finance.

The purchases were 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 \$ 197 889 62

From Institutional Funds

Recommended 6 692 756 81

Grand Total \$6 890 646 43

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. A copy is being filed with the secretary of the board for record.

On motion of Mrs. Gravenhorst, the purchases recommended were authorized by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; no, none.)

Comptroller's Monthly Report of Contracts Executed

(29) The comptroller submitted the November 1985 report of contracts. The report included contractual agreements for payments to the University and contracts in amounts up to \$50,000, to be paid by the University. A copy of this report is filed with the secretary.

This report was received for record.

Quarterly Report of the Comptroller

(30) The comptroller presented his quarterly report as of September 30, 1985.

This report was received for record. A copy has been filed with the secretary of the board.

Report of Investment Transactions through October 15, 1985

(31) The comptroller presented the investment report as of October 15, 1985.

Transactions under Finance and Audit Committee Guidelines

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
Sales:				
9/26	1 900 shares	First Data Resources common stock	\$ 32 284 26 \$	71 725 00
9/26	2 400 shares	Santa Fe Southern Pacific common stock	58 428 45	76 905 43
9/26	800 shares	Sperry Corporation common stock	35 082 51	39 434 68
10/7	\$ 29 000	Ford Motor Credit demand notes	29 000 00	29 000 00
10/9	4 000 shares	Chevron common stock.....	134 801 35	155 755 80
10/10	\$ 145 000	Ford Motor Credit demand notes	145 000 00	145 000 00

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
Purchases:				
9/26	2 300 shares	Philip Morris common stock.....	5.20%	\$ 176 996 50
9/26	\$ 11 000	Ford Motor Credit demand notes....	7.65	11 000 00
10/1	6 000	Chevron demand notes.....	7.97	6 000 00
10/1	24 000	Quaker Oats demand notes.....	7.41	24 000 00
10/3	285 000	Ford Motor Credit demand notes....	7.66	285 000 00
10/9	97 000	Chevron demand notes.....	7.80	97 000 00
10/9	59 000	Quaker Oats demand notes.....	7.49	59 000 00
10/10	4 100 shares	Schlumberger Limited common stock	3.41	144 258 50

Transactions under Comptroller's Authority

Sales:

8/1	\$ 900 000	Federated Trust for U.S. Treasury Obligations	\$ 900 000 00	\$ 900 000 00
8/1	463 678	Federated Trust for U.S. Treasury Obligations	463 678 14	463 678 14
8/12	99 882	Federated Trust for U.S. Treasury Obligations	99 882 34	99 882 34
8/15	100 118	Federated Trust for U.S. Treasury Obligations	100 117 66	100 117 66
9/18	1 000	Tenneco demand notes....	1 000 00	1 000 00
9/23	100 000	U.S. Treasury bills due 12/5/85	96 888 89	95 598 81
9/24	340 000	Ford Motor Credit demand notes	340 000 00	340 000 00
9/24	365 000	U.S. Treasury bills due 10/31/85	342 195 89	362 374 03
9/25	3 000	Eli Lilly demand notes.....	3 000 00	3 000 00
9/25	1 600 000	U.S. Treasury bills due 10/17/85	1 590 422 02	1 593 184 89
9/25	1 600 000	U.S. Treasury bills due 10/31/85	1 584 494 22	1 588 880 00
9/26	1 000 000	Ford Motor Credit demand notes	1 000 000 00	1 000 000 00
9/27	75 000	Federal Farm Credit 10.65 percent bonds due 1/20/93..	74 648 44	73 640 63
9/27	30 000	Federal Farm Credit 10% percent bonds due 9/1/87...	30 000 00	30 075 00
10/2	2 700 000	U.S. Treasury bills due 10/17/85	2 683 837 15	2 692 237 50
10/2	1 500 000	U.S. Treasury bills due 11/14/85	1 470 885 83	1 487 637 50
10/2	900 000	U.S. Treasury bills due 11/21/85	870 852 00	891 350 00
10/7	1 700 000	U.S. Treasury bills due 11/21/85	1 644 942 67	1 685 188 75
10/8	1 600 000	U.S. Treasury bills due 11/21/85	1 548 181 33	1 586 272 00
10/8	1 000 000	U.S. Treasury bills due 12/5/85	968 889 38	988 609 44
10/8	1 200 000	U.S. Treasury bills due 12/19/85	1 175 327 87	1 183 008 00
10/9	2 500 000	U.S. Treasury bills due 12/19/85	2 448 599 72	2 465 091 67

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
10/10	\$1 200 000	U.S. Treasury bills due 1/9/86	\$1 171 876 67	\$1 178 160 00
10/10	1 300 000	U.S. Treasury bills due 12/19/85	1 273 271 86	1 281 875 83
10/10	3 000 000	U.S. Treasury bills due 12/26/85	2 902 270 00	2 953 543 33
Purchases:				
7/5	\$ 8 003	Federated Trust for U.S. Treasury Obligations	7.43%	\$ 8 002 50
7/9	967	Federated Trust for U.S. Treasury Obligations	7.43	967 10
7/15	11 640	Federated Trust for U.S. Treasury Obligations	7.43	11 640 00
7/25	200 000	Federated Trust for U.S. Treasury Obligations	7.43	200 000 00
7/25	152 538	Federated Trust for U.S. Treasury Obligations	7.43	152 537 51
7/25	1 650 000	Federated Trust for U.S. Treasury Obligations	7.43	1 650 000 00
7/25	290 000	U.S. Treasury bills due 9/26/85.....	6.83	286 574 38
8/1	120 000	U.S. Treasury bills due 12/19/85.....	7.38	116 654 00
8/1	155 000	U.S. Treasury bills due 1/16/86.....	7.56	149 719 67
8/1	240 000	U.S. Treasury bills due 2/20/86.....	7.65	230 080 07
8/1	240 000	U.S. Treasury bills due 3/20/86.....	7.71	228 681 00
8/1	245 000	U.S. Treasury bills due 4/17/86.....	7.79	231 991 73
8/1	155 000	U.S. Treasury bills due 5/15/86.....	7.85	145 868 22
8/1	105 000	U.S. Treasury bills due 6/12/86.....	7.97	98 155 31
8/1	175 000	U.S. Treasury bills due 7/10/86.....	8.05	162 528 14
8/8	100 000	U.S. Treasury 8½ percent notes due 6/30/87	8.93	99 250 00
8/8	100 000	U.S. Treasury 9½ percent notes due 8/15/88	9.41	100 218 75
8/15	98	Federated Trust for U.S. Treasury Obligations	7.41	98 25
8/15	434	Federated Trust for U.S. Treasury Obligations	7.41	434 06
9/10	78 394	Federated Trust for U.S. Treasury Obligations	7.03	78 394 00
9/16	374	Federated Trust for U.S. Treasury Obligations	7.03	373 79
9/16	1 229	Federated Trust for U.S. Treasury Obligations	7.03	1 229 17
9/16	299 000	Chevron demand notes.....	7.92	299 000 00
9/16	57 000	Chevron demand notes.....	7.92	57 000 00
9/16	4 500 000	U.S. Treasury bills due 4/17/86.....	7.69	4 304 040 00
9/17	2 800 000	U.S. Treasury bills due 5/15/86.....	7.81	2 661 493 33
9/18	1 000	Ford Motor Credit demand notes....	7.79	1 000 00
9/18	2 700 000	U.S. Treasury bills due 10/17/85....	6.94	2 684 992 50
9/18	1 000 000	U.S. Treasury bills due 12/19/85....	7.21	981 906 67
9/19	4 000 000	U.S. Treasury bills due 1/16/86.....	7.35	3 905 064 44
9/19	600 000	U.S. Treasury bills due 2/20/86.....	7.53	581 263 33
9/19	300 000	U.S. Treasury 10% percent notes due 11/30/86	8.23	306 187 50
9/20	3 000 000	U.S. Treasury bills due 3/20/86.....	7.55	2 890 193 34

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
9/23	\$ 299 000	Chevron demand notes.....	7.97%	\$ 299 000 00
9/24	100 000	General Motors Acceptance demand notes	7.85	100 000 00
9/26	3 000 000	U.S. Treasury bills due 12/19/85....	7.10	2 951 140 00
9/27	4 300 000	General Electric Credit 6½ percent commercial paper due 9/30/85.....	6.50	4 300 000 00
9/27	2 000 000	U.S. Treasury bills due 2/27/86.....	7.36	1 939 333 33
9/27	2 000 000	U.S. Treasury 15% percent notes due 10/15/88	9.30	2 320 000 00
9/30	125 000	U.S. Treasury 15% percent notes due 10/15/88	9.40	144 648 44
10/3	80 000	U.S. Treasury 13% percent notes due 8/15/89	9.93	90 535 00
10/3	722 000	Texaco Financial Services 7½ percent commercial paper due 10/4/85.....	7.50	722 000 00
10/4	722 000	Quaker Oats demand notes.....	7.41	722 000 00
10/4	40 000	Quaker Oats demand notes.....	7.41	40 000 00
10/11	2 000 000	U.S. Treasury bills due 6/12/86.....	7.78	1 899 824 44

On motion of Mrs. Gravenhorst, this report was approved as presented.

Lease of Out-Patient Clinic Space, Continental Plaza Apartments, Chicago

(32) The chancellor at Chicago has recommended that the University contract with the Urban Service and Management Group, Inc., to lease 11,375 square feet of space at Continental Plaza Apartments, 7600 South Racine, Chicago, for the period December 1, 1985, through November 30, 1992. This space will house a University Hospital out-patient clinic serving the residents of the Continental Plaza complex (which contains a 164-unit apartment building for the elderly and 128 townhouses for families) and the surrounding community.

It is contemplated that the ambulatory care facility would serve a portion of the 200,000 population residing within a two-mile radius of Continental Plaza. Primary and secondary care in internal medicine, pediatrics, and obstetrics and gynecology would be provided a clientele expected to generate 18,000 patient visits per year at the site and additional days at the University Hospital when inpatient treatment is required.

The lease will be at a rate of \$193,375 per year, at a base rental of \$7.73 per square foot plus construction build-out costs not to exceed \$9.27 per square foot amortized over twenty years. The total annual rental would not exceed \$17 per square foot per year. The lessor will construct the clinic space to the specifications of the University, at the standards of the lessor, and at the expense of the lessor. The University would have the right to extend this lease for three additional periods of five years each. A rent increase of four percent is provided for on the fourth, eighth, twelfth, and twentieth anniversaries of the commencement date of the initial term or any extension thereof. The University will pay for utilities, cleaning, and moveable equipment.

It is planned that 4.5 FTE physicians and 11.5 FTE support staff will be required to operate the clinic at the level necessary to accommodate 18,000 patient visits per year. Annual revenues associated with the servicing of this patient base are expected to be sufficient to meet all operating costs of the facility, including the lease-payment, staff salaries, utility costs, operation and maintenance costs, and other routine operating expenses.

Funds are available in the Medical Service Plan operating budget for Fiscal Year 1986. Funds for the estimated cost of this seven-year lease will be sequestered

in a special Medical Service Plan account committed to lease payments in future years. University payments under this lease are conditional upon the availability of funds.

The vice president for business and finance concurs.

I recommend approval.

On motion of Mrs. Gravenhorst, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Howard, Mr. Logan, Mr. Madden, Mrs. Shepherd; no, none; absent, Miss Smith, Governor Thompson.

(The student advisory vote was: Aye, Mr. Becker, Mr. Lamm; 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.

DEGREES CONFERRED

The secretary presented for record the following summary of degrees conferred on candidates at the Urbana-Champaign campus on October 15, 1985.

Summary

Graduate Degrees

Doctor of Philosophy.....	241
Doctor of Education.....	6
Doctor of Musical Arts.....	6
<i>Total, Doctors</i>	(253)
Master of Arts.....	32
Master of Science.....	114
Master of Accounting Science.....	1
Master of Architecture.....	1
Master of Business Administration.....	3
Master of Computer Science.....	3
Master of Education.....	6
Master of Extension Education.....	1
Master of Fine Arts.....	1
Master of Landscape Architecture.....	1
Master of Music.....	2
Master of Social Work.....	1
Master of Urban Planning.....	4
<i>Total, Masters</i>	(170)
<i>Total, Graduate Degrees</i>	423

Professional Degrees

College of Veterinary Medicine	
Doctor of Veterinary Medicine.....	1
<i>Total, Professional Degrees</i>	1

Undergraduate Degrees

College of Agriculture	
Bachelor of Science.....	10
College of Applied Life Studies	
Bachelor of Science.....	7

College of Commerce and Business Administration	
Bachelor of Science.....	16
College of Communications	
Bachelor of Science.....	1
College of Education	
Bachelor of Science.....	4
College of Engineering	
Bachelor of Science.....	7
College of Fine and Applied Arts	
Bachelor of Fine Arts.....	1
Bachelor of Music.....	1
Bachelor of Science.....	1
<i>Total, College of Fine and Applied Arts.....</i>	(3)
College of Liberal Arts and Sciences	
Bachelor of Arts.....	29
Bachelor of Science.....	19
<i>Total, College of Liberal Arts and Sciences.....</i>	(48)
<i>Total, Undergraduate Degrees.....</i>	96
<i>Total, Degrees Conferred October 15, 1985.....</i>	520

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

President Shepherd called attention to the schedule of meetings for the next three months: January 16, 1986 (Annual Meeting), Chicago; February 13, Urbana-Champaign; March 13, Chicago. There is no meeting scheduled for December 1985.

(The January date was changed from the date previously approved, January 9.)

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

NINA T. SHEPHERD
President