

MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

May 8, 1986



The May meeting of the Board of Trustees of the University of Illinois was held in Chicago Room C, Chicago Illini Union, Chicago campus, Chicago, Illinois, on Thursday, May 8, 1986, beginning at 10:00 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, Miss Ann E. Smith. Governor James R. Thompson was absent. Mr. Kevin K. Lamm, nonvoting student trustee from the Chicago campus, was present. Mr. Scott L. Becker, nonvoting student trustee from the Urbana-Champaign campus, was absent.

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.

Acquisition of Land and Easements from Delta Phi Fraternity, Urbana

(1) On July 18, 1985, the Board of Trustees authorized the employment of an architect to renovate the Ice Arena at the Urbana campus. The project as developed by the architect/engineer includes the housing of specialized equipment to maintain the skating surface. After extensive review of alternatives, the architect has indicated that the most acceptable solution is to construct a small addition to the west of the existing building, on land owned by the Delta Phi Fraternity, 1004 South Fourth Street, Champaign.

The location will enhance interior circulation and preserve the exterior architectural character of the Ice Arena. The land required is located in the southeast corner of the fraternity's property and is presently used for parking and outdoor recreation. The parcel is an area of 21 feet by 45 feet.

The fraternity and the University employed Randy Johnson, Springfield, to appraise the property to be acquired, including damages to the remainder property and easements. In Mr. Johnson's opinion, the total value of the parcel and damage to the remainder is \$50,000, plus \$6,000 for the temporary construction easement. The fraternity which is in a "special use" category will suffer significant damage by the taking of this parcel since essential space for parking is reduced. The damages and the effect on the future financial viability of the fraternity account for a significant portion of the cost to the University of this parcel.

However, the University will avoid additional construction costs (\$25,000), offsetting a share of these damages, and eliminating undesirable aesthetic and building setback consequences.

The president of the University, with the concurrence of the appropriate administrative officers, recommends that the property described be acquired, together with the necessary construction and access easements, at a total cost of \$56,000.

Funds are available from the proceeds of the Series 1985 Auxiliary Facilities System Bond Issue.

On motion of Mr. Logan, this recommendation was approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Logan, Mr. Madden, Mrs. Shepherd, Miss Smith; no, Mr. Howard; absent, Governor Thompson. (Mr. Hahn asked to be recorded as not voting.)

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

Authorization to Acquire Property at 1007 West Springfield Avenue, Urbana

(2) The last remaining privately owned property on Springfield Avenue between Goodwin Avenue and Gregory Street is 1007 West Springfield Avenue, Urbana. It is located east of the Astronomy Building and is required for a future building site in accord with the approved north campus master plan.

The owners have advised that they intend to demolish the building on the property and build an apartment complex, and they indicate the property is worth \$150,000 if the University wishes to purchase it. The University officers have received the following appraisals: J. Lloyd Brown, \$82,500 and Kenneth Cunningham, \$81,000, and seek to initiate negotiations with the owners to acquire the property within the appraisals. If the owners are unwilling to sell within the appraised value, authorization will be needed to acquire the property through condemnation.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends adoption of the following resolution authorizing acquisition of the property at a price within the appraisals received by the University or the amount determined in eminent domain proceedings.

Funds for the acquisition are available from private gift funds in the Office of the President.

Resolution

Be It, and It Hereby Is, Resolved, Found, and Declared by the Board of Trustees of the University of Illinois, a body corporate and politic and a public corporation of the State of Illinois, that the real estate described in Exhibit A,¹ attached and incorporated herein by reference, is needed by the University of Illinois, a higher education institution established and supported by the State of Illinois, for an academic building and related facilities and projects on the north campus for faculty, students, and staff members of the University of Illinois for the conduct of the educational functions of the University of Illinois; for the further expansion of the educational facilities of said University of Illinois for purposes incidental to and necessary for educational functions conducted by said University of Illinois; and to enable said University of Illinois to discharge its duty to the people of said State for public use, and that funds are available to the University for the purchase of said land for said educational purposes.

Be It, and It Hereby Is, Further Resolved, Found, and Declared that the Vice President for Business and Finance or his designee of the University of Illinois is authorized to acquire the described real estate and continue negotiations and acquisition for and on behalf of the University of Illinois with the owner(s) of the real estate described in Exhibit A for the purchase thereof by the University.

Be It, and It Hereby Is, Further Resolved, Found, and Declared that in the event the Vice President for Business and Finance or his designee is unable to agree with the owner(s) of said real estate as to the compensation to be paid therefore, then the University Counsel is authorized to institute condemnation proceedings for the benefit of the University of Illinois for the acquisition of said real property for the educational and other purposes hereinabove described; the University Counsel is authorized to institute said proceedings at the cost and expense of the University of Illinois; to engage special legal counsel(s) to institute condemnation proceedings in the name of the Board of Trustees of the University of Illinois for the purpose of acquiring title to and possession of said real estate in accordance with the eminent domain laws of the State of Illinois.

Be It, and It Hereby Is, Further Resolved, Found, and Declared that this Resolution shall take effect and be in full force from and after its passage.

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

¹ Lot Three (3) and all of Lot Four (4), except the East Sixty-Five (65) feet thereof, in Block Three (3) of the Urbana Railroad Company's Addition to the City of Urbana, as per Plat recorded in Deed Record 10, at page 242, in the County Recorder's Office of Champaign County, Illinois, situated in the City of Urbana, in the County of Champaign, and State of Illinois.

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

Delegation of Authority to Acquire Real Estate, Urbana

(3) Major private developments have been constructed on sites bordering the Urbana campus and seriously affect future campus development. Other properties are likely to be used for private development; these are improved with older residences, most of which have been converted for student housing purposes, and a few older commercial properties. Within the area of the north campus master plan, approximately sixty properties, or three-fourths of the privately-owned parcels, are most highly-valued for the land itself. In addition, six other key properties, with improvements of lesser value, are located in areas where the University has large holdings. Any one of these properties could be developed to a higher and better use.

During the last five months, the following activities have occurred in the approved north campus area: construction has begun on a new apartment building, two contiguous lots have been sold for development purposes, and a third property has been announced for development by its owner. Acquisition of the latter (1007 West Springfield Avenue, Urbana) is being recommended to the Board of Trustees, and a recommendation concerning the acquisition of the two lots will be submitted later.

It is not possible always to know of private development plans before a new building is under contract for construction. Recent land acquisition and development activity emphasizes the urgent need for an approved program of land acquisition in the area of the north campus master plan and elsewhere within the border of the campus. While funds are available occasionally, frequently the University is unable to purchase private property when desired. With the prospect of even greater growth, an effort now is being made to identify sources of funds to implement a land acquisition program. In the current situation, it seems wise for designated officers to have the authority to negotiate quickly with owners and within appraisals and to declare the University's intention to acquire the property.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends, with regard to properties that are subject to further development and within the campus boundary indicated on the attached map,¹ that:

(1) All of the owners be notified at an appropriate time of the University's interest in acquiring the property.

(2) That the president or his designee be authorized, subject to the availability of funds, to acquire property at a price within University appraisals when it becomes available for purchase, or is to be redeveloped, and to inform the owner that the University staff will recommend that the Board of Trustees acquire the property through condemnation proceedings.²

(3) The board delegate to its Executive Committee the authority to approve acquisitions by condemnation.

¹ (The map is filed with the secretary of the board for record.)

The general outline of the north and east campus boundaries as indicated on the map is as follows: Beginning at the southeast corner of University Avenue and Wright Street, east to Harvey Street, south to Springfield Avenue, east to Gregory Drive, south to Green Street, east to Lincoln Avenue, south to Oregon Street, west to a point midway between Gregory Drive and Goodwin Avenue, south to Nevada Street, east to a point slightly short of Lincoln Avenue, south one-half block, east to Lincoln Avenue, then south to Gregory Drive.

The west boundary: Beginning at the southeast corner of University Avenue and Wright Street, south on Wright Street to Springfield Avenue, west to Sixth Street, south to a point midway between Healey Street and Green Street, east to Wright Street, south on Wright Street past Green Street, west to Sixth Street, south to John Street, west off map, east midway between John Street and Daniel Street, south on Sixth Street and west on Daniel Street off map. (In addition to excepting the large parcel of land owned by several churches and sororities between Daniel, Wright, Armory and Sixth Streets, the general line described is also interrupted with various enclaves and irregularities.)

² Periodic reports of the properties acquired will be made to the Board of Trustees.

The proposed plan of the campus boundary north of Green Street is consistent with the north campus master plan approved by the Board of Trustees on April 10, 1986. A master plan for the campus south of Armory Avenue to St. Mary's Road is to be presented to the Board of Trustees in July. When planning for the remainder of the campus is authorized, and a complete campus master plan is approved by the Board of Trustees, the boundary of the campus south of Green Street may change.

It was made clear that the authority requested would be exercised only as needed; otherwise, normal procedures for handling the acquisition of real estate would be followed.

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

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

Report of Searches Underway

President Ikenberry asked for reports on the status of searches for senior officers. In Urbana, final interviewing is now underway for the vice chancellor for academic affairs and the vice chancellor for research. A search for the dean of the College of Commerce and Business Administration is near closure. In the case of the executive director of the University of Illinois Foundation, a selection now has been made and the appointment will be announced at the forthcoming meeting of the Foundation.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 11:20 a.m. for meetings of the Finance and Audit Committee and the Buildings and Grounds Committee.

After adjournment for lunch, the board reconvened as a Committee of the Whole to receive a report from Vice President Weir and members of his staff outlining preliminary considerations in the development of the operating budget request for Fiscal Year 1988. Background information was presented in the major budget categories: continuing and programmatic components; resource matching requirements; and special services/funding requirements. The tentative dollar figures now being considered amount to an incremental increase of \$43.5 million (7.9 to 8 percent of the estimated 1987 operating budget base). This figure assumes compensation increases of 9 percent (5 percent salary, 2 percent to close the salary gap, and 2 percent for benefit improvements); general cost increases of 4.5 percent; utilities, 7 percent; library price increases, 5 percent; and \$1.3 million for operation and maintenance of new areas and facilities. A second presentation will be made in June concerning new programs. The complete preliminary recommendation, including the capital request, will be presented in July with final action proposed in September.

MINUTES APPROVED

The press proof of the minutes of the Board of Trustees' meeting of February 13, 1986, were approved on motion of Mr. Howard as were the minutes, in manuscript, of the April 10, 1986, meeting. (The April submission was made to accommodate a request under the Freedom of Information Act from an attorney representing some of those arrested in connection with the April meeting of the board.)

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

Action, Illinois Senate Appropriations Committee

President Ikenberry reported action by the Senate Appropriations Committee reducing the University's appropriation bill by some 1 percent (approximately \$4,500,000), in anticipation that projected State revenues will be lower than expected. The reduction is offset somewhat by an allowance made for funds needed for required payments for medicare for new employees (\$620,000). Overall, the president noted, the reduction applied to higher education is lower than in other sectors of State government. Senate leaders have indicated that if the revenue situation improves, the reductions could be restored later.

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. 4 through 18 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

(4) 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 nine 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 this provision of the law. The names of the candidates are filed with the secretary.

The Committee on Accountancy, pursuant to Section 1300.160(d) of the Regulations, also recommends that the certificate of certified public accountant be awarded to thirty-six candidates who wish to transfer the examination credit earned by passing the uniform examination in another state and who have fulfilled all

¹ University Senates Conference: Pierson J. Van Alten, professor of anatomy, Health Sciences Center, Chicago campus; Urbana-Champaign Senate Council: Ian D. Westbury, professor of secondary education in the Curriculum Laboratory and in the Department of Secondary Education; Chicago campus Senate: Stanley K. Shapiro, professor and head of the Department of Biological Sciences, University Center.

other legal requirements under Sections 1, 2, and 3 of the Illinois Public Accounting Act of 1983. The names of the candidates are filed with the secretary.

I concur in these recommendations.

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

Head, Department of Medical-Surgical Nursing, Chicago

(5) The chancellor at Chicago has recommended the appointment of Dr. Marjorie J. Powers, presently professor of medical-surgical nursing and acting head of the department, as professor of medical-surgical nursing on indefinite tenure and head of the department, College of Nursing, and clinical chief of medical-surgical nursing, University Hospital, effective June 1, 1986, on a twelve-month service basis, at an annual salary of \$68,000.

Dr. Powers will succeed Dr. Carolyn E. Carlson who resigned August 31, 1984.

This recommendation is made with the advice of a search committee¹ and after consultation with all 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 Sociology, Chicago

(6) The chancellor at the Chicago campus has recommended the appointment of Anthony M. Orum, presently professor of sociology at the University of Texas at Austin, as head of the Department of Sociology, beginning January 1, 1987, and as professor of sociology on indefinite tenure, beginning September 1, 1986, on an academic year service basis, at an annual salary of \$59,000.

Dr. Orum will succeed Robert L. Hall who has served as acting head of the department since September 1, 1985. Dr. Hall will return to full-time teaching.

This recommendation is made with the advice of the search committee,² and after consultation with the dean of the college and members of the departmental faculty. The vice president for academic affairs concurs in this recommendation.

I recommend approval.

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

Head, Department of Internal Medicine, College of Medicine at Urbana-Champaign

(7) The chancellor at Chicago has recommended the appointment of Dr. Ralph A. Nelson, presently professor of clinical science (nutrition and metabolism) in the Department of Internal Medicine, College of Medicine at Urbana-Champaign, as professor of internal medicine on indefinite tenure, on 62 percent time, and head of the department,³ on 16 percent time, beginning May 21, 1986, on a twelve-month service basis, at an annual salary of \$87,000.

¹ Felissa L. Cohen, professor of medical-surgical nursing, College of Nursing, associate professor in the Center for Genetics, College of Medicine at Chicago, and departmental affiliate in pediatrics, College of Medicine at Peoria, *chair*; Frances C. Barge, assistant professor of maternal-child nursing and coordinator of continuing education, College of Nursing; Nicholas J. Cotsonas, Jr., professor of medicine and physician surgeon, College of Medicine at Chicago; Cheryl L. Cox, associate professor of public health nursing; Gayle Erjavac, assistant director of nursing, Surgical Nursing, University Hospital; Mi Ja Kim, professor of medical-surgical nursing and associate dean for research, College of Nursing; James M. Malloy, director, University Hospital and Clinics; and Rose Suhayda, staff specialist and assistant professor of medical-surgical nursing.

² John W. C. Johnstone, professor of sociology, *chair*; William P. Bridges, associate professor of sociology; Mary L. Fennell, associate professor of sociology; Charles L. Gruder, professor and chairperson of psychology; Thomas A. Regulus, assistant professor of sociology; Mark Rodeghier, graduate student in sociology; Mildred Schwartz, professor of sociology; and R. Stephen Warner, associate professor of sociology.

³ Dr. Nelson has been acting head of the department since May 1, 1986.

Dr. Nelson 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.

Head, Department of Pediatrics, College of Medicine at Urbana-Champaign

(8) The chancellor at Chicago has recommended the appointment of Dr. M. Kathleen Buetow, presently clinical associate professor of pediatrics, College of Medicine at Urbana-Champaign, as clinical associate professor of pediatrics, on 22 percent time, and head of the department¹ on 28 percent time, effective May 21, 1986, on a twelve-month service basis, at an annual salary of \$30,000.

Dr. Buetow 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.

This recommendation is made with the advice of a search committee² and after consultation with all members of the department and with the dean of the College of Medicine. The vice president for academic affairs concurs.

I recommend approval.

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

Chairperson, Department of Anthropology, Chicago

(9) The chancellor at the Chicago campus has recommended the appointment of Jack H. Prost, presently associate professor of anthropology and biological sciences and acting chairperson of the Department of Anthropology, as chairperson of the Department of Anthropology, beginning September 1, 1986, on an academic year service basis. An appropriate salary adjustment will be submitted with the Fiscal Year 1987 budget proposal.

Dr. Prost will continue to hold the rank of associate professor of anthropology and of biological sciences on indefinite tenure.

This recommendation 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 Mr. Forsyth, this appointment was approved.

Appointments to the Faculty

(10) 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.

¹ Dr. Buetow has been acting head of the department since May 1, 1986.

² Terry F. Hatch, associate professor of clinical pediatrics, College of Medicine at Urbana-Champaign, *chair*; William L. Daniel, associate professor of genetics, College of Medicine at Urbana-Champaign; Ronald H. Deering, clinical assistant professor of pediatrics, College of Medicine at Urbana-Champaign; Albert C. England, III, assistant professor of medicine in internal medicine, College of Medicine at Urbana-Champaign; Patricia J. O'Morchoe, professor of pathology and of anatomical sciences, and physician surgeon, College of Medicine at Urbana-Champaign; William E. Sorlie, associate professor of clinical sciences and acting associate dean for educational services, College of Medicine at Urbana-Champaign.

- 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

ROBERT D. FELNER, professor of psychology, beginning August 21, 1986 (A), at an annual salary of \$47,000.

Chicago

- ELMER W. KONEMAN, associate professor of pathology (clinical), on 83 percent time, clinical associate professor of medical laboratory sciences, on 10 percent time, and physician surgeon, on 7 percent time, College of Medicine at Chicago, beginning April 1, 1986 (AY83;NY17), at an annual salary of \$75,000.
- DALE M. LARSON, assistant professor of obstetrics and gynecology, on 80 percent time, and physician surgeon, on 20 percent time, College of Medicine at Chicago, beginning June 1, 1986 (1Y80;NY20), at an annual salary of \$92,000.
- DAVID R. WILLCOX, assistant professor of chemical engineering, beginning April 1, 1986 (1), at an annual salary of \$35,000.

Administrative Staff

- ELAINE B. BATTLES, associate development director, College of Engineering, Urbana, beginning March 1, 1986 (NY), at an annual salary of \$35,000.
- CHARLES W. DOERING, development officer, College of Engineering, Urbana, beginning April 15, 1986 (NY), at an annual salary of \$55,000.
- FRANK K. TUCK, director of accounting, Office of Business Affairs, Urbana, beginning April 1, 1986 (NY), at an annual salary of \$57,000.
- M. E. TUMBLESON, associate dean for research, College of Veterinary Medicine, on 70 percent time, assistant director of Agricultural Experiment Station, on 30 percent time, and professor of veterinary biosciences, Urbana, beginning April 1, 1986 (NY;AY), at an annual salary of \$75,000.

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

Sabbatical Leaves of Absence, 1986-87

(11) On motion of Mr. Forsyth, fourteen sabbatical leaves of absence recommended by the chancellors at the two campuses were granted. These leaves will be included in an annual compilation of 1986-87 sabbatical leaves of absence to be made a part of the board *Proceedings*.

Increases in Application Fees, Urbana (Request for Confirmation)

(12) Increases in the application fees (from \$20 to \$25 for domestic applicants

and from \$20 to \$35 for foreign applicants) have been approved and implemented by the Urbana campus effective for applicants for spring 1987 admission.

The recommendation should have been reviewed by the University Planning Council prior to submission to the Board of Trustees for action, but through inadvertence this was not done. Therefore, it is requested that the trustees confirm this action.

The income from these increased fees has been designated for the addition of professional staff in international admissions; the development of a data system for undergraduate and graduate admissions; improved publications available for students; and the establishment of an office in Chicago to serve prospective Urbana students.

Accordingly, the president of the University recommends that the Board of Trustees confirm the establishment of the new application fees as described above.

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

Agreement with Teleconnect, Inc.

(13) The chancellor at Urbana has recommended approval of an agreement with Teleconnect Company, Inc., of Cedar Rapids, Iowa, a private telephone company, which has proposed locating some of its equipment on the Urbana campus. The agreement would allow Teleconnect to construct a transmitting tower and a small, adjacent equipment building in proximity to the WILL-TV broadcasting studio and microwave tower and satellite-receiving antenna at 1108 West Main Street, Urbana.

In return, the University would be allowed access to the company's digital system at the lowest rate charged to any user on the system and would receive a small fund to underwrite the cost of broadcasting programming on the University's radio and television stations. In addition, the University would be allowed the use of the tower for the mounting of WILL transmitting antennas, a savings to the University of \$100,000 in future tower construction and maintenance costs.¹

Teleconnect will bear all costs of constructing and maintaining the tower and adjacent equipment building. The agreement requires no expenditure of University funds.

The vice president for business and finance concurs in the recommendation. I recommend approval.

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

Amendment of the General Rules Concerning University Organization and Procedure [References to Executive Vice President and Vice President for Administration]

(14) References to an "executive vice president" and a "vice president for administration" remain in several places in the *General Rules*. No officer of the University presently carries either title. Most of the references appear in Article II, Business Organization and Policies, and nearly all clearly fall within the purview of the present vice president for business and finance under changes in the central administration of the University approved by the board in October 1982.

Two of the references require special attention:

(1) Article II, Section 7, of the *General Rules*, Patents on Inventions, names the "executive vice president" the chairman of the University Patent Committee.

¹ Studies indicate the need for a higher WILL microwave tower to overcome the effects of two decades of tree growth in the 28-mile path between the studio and the transmitting site.

² The title "vice president for administration" was in use from 1975-80; that of "executive vice president" from 1980-82.

In accordance with the 1982 trustee action, it is recommended that this reference be changed to "vice president for academic affairs."

(2) Article II, Section 2(a) prescribes a duty for the "executive vice president" which, under the present organization, also more properly belongs to the vice president for academic affairs. Because the rest of Section 2 falls within the purview of the vice president for business and finance, it is recommended that among the changes in Section (2), subsection (a) be replaced by subsection (d) as indicated.

All other references to either "executive vice president" or "vice president for administration" are recommended for change to "vice president for business and finance."

The University Senates Conference has also recommended that these references be changed to conform to current organizational practice.

I recommend approval.

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

General Rules Concerning University Organization and Procedure¹

ARTICLE II. BUSINESS ORGANIZATION AND POLICIES

SEC. 2 THE [EXECUTIVE] VICE PRESIDENT *FOR BUSINESS AND FINANCE*

The [Executive] Vice President *for Business and Finance* shall:

[(a) Make recommendations to the President on resource allocation and long-range financial plans.]

[(d)] (a) Be the general business officer of the University and be responsible for the business functions of all campuses of the University.

(b) Devise and install suitable systems for the administrative functions of the University.

(c) Designate the place and manner in which administrative records shall be maintained.

Amendment of the General Rules Concerning University Organization and Procedure [Patents and Copyrights]

(15) The following proposed revisions to Sections 5[b], 7, 8, 9 and 10[c] of the *General Rules* represent a significant effort to improve the University's policies and administration pertaining to intellectual property.

Led by the University Committee on Patents and Copyrightable Works, the effort to revise the patent provisions has involved faculty committees, faculty inventors, industrial advisory committees, and the professional invention management staffs of the Central Administration and both campuses. Previous actions have included a survey of University inventors, preliminary revisions in copyright policy, renegotiation of the master technology transfer agreement with University Patents, Inc., and transfer of selected administrative responsibilities from a centralized office to the offices of the vice chancellors for research.

The revisions of patent policies are intended to improve the effectiveness of the University's efforts to transfer technology and ideas to the public sector and to stimulate increased collaboration with industry. Generally, the new policy abandons the prescriptive emphasis of previous policies and permits a broader and more flexible range of options for transferring University-owned inventions. The new policy also provides greater incentives for faculty and staff to participate actively

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

by increasing the inventor's share of royalty return, encourages timely decisions on the disposition of disclosed inventions, and provides an appeal process before a committee with faculty representation. It streamlines administrative assignments and procedures and permits them to change in response to changing needs with the approval of the president.

The policies on copyrights were reformulated recently and adopted by the board on July 21, 1983. The changes proposed here reflect desirable alterations based upon experience with the reformulated policies.

Both the proposed new Sections 5[b], 7, 8, 9 and 10[c] and the sections they supersede are attached for review and comparison.¹ Both senates have approved these changes. The University Committee on Patents and Copyrightable Works and the vice president for academic affairs have recommended their adoption, effective immediately. As approved, they would constitute University policy covering all University-owned inventions and copyrightable works regardless of when they were disclosed or created. Invention royalties which are received after the board adopts these new policies shall be shared with inventors in accordance with the provisions of the new Article II, Section 7[f]. Whether an inventor receives 50 percent or 25 percent of the cumulative net income as provided in Section 7[f] shall be determined by the cumulative net income received on the invention since it was first disclosed to the University.

I concur.

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

General Rules Concerning University Organization and Procedure

ARTICLE II. BUSINESS ORGANIZATION AND POLICIES

SEC. 5. RESEARCH GIFTS, GRANTS, AND CONTRACTS

(b) Contracts for research shall specify that the results of scientific research conducted by the University, including inventions and discoveries, are the property of the University, to be used for the benefit of the University and the public, but the sponsoring agency may receive preferential consideration in the disposition of the invention or discovery as provided in Article II, Section 7(e).

SEC. 7 INVENTIONS AND DISCOVERIES

(a) Objectives. The University recognizes that inventions and discoveries (hereinafter "inventions"²) may result from the activities of University employees in the course of their duties or through the use of University facilities, funds, or resources. It is the University's policy that such inventions shall be administered so as to be brought into practical use for public benefit at the earliest possible time. In the development of its technology, the University's objectives are to encourage and facilitate such development by all means appropriate to a publicly supported institution and to advance the respective interests of the University, its research sponsors, and its inventors.

(b) Ownership. Except as otherwise specified by the University in writing, inventions shall belong to the University if conceived or reduced to practice: (1) by a University employee as a result of the employee's duties; or, (2) through the use, by any person, including a University employee, of University resources such as facilities, equipment, funds, or funds under the control of or administered by the University.

In the event there is a question about an invention as to whether the University has an ownership claim, the invention should be disclosed to the University. Such disclosure is without prejudice to the inventor's ownership claim. In determining ownership interest in an invention, a designated official may determine that the University has no property interest in the invention because its

¹ The text that follows is the final version as approved by the Board of Trustees.

² For purposes of this policy, the definition of an "invention" includes "any device, process, material, plant, product, or other innovation."

conception and reduction to practice was unrelated to the inventor's University duties, involved only insignificant use of University resources (such as office space or libraries normally available to all faculty and staff) or for such other reasons as may be set forth in the guidelines. The inventor will receive a written statement as to the University's property interest. Such decisions shall be reported to the Board of Trustees on a periodic basis, but in no event less than once a year.

The University may also accept an offer to assign ownership in an invention or other technology which does not meet the foregoing conditions provided that such action is determined to be consistent with the University's objectives in the development of technology. Inventions so accepted shall be administered in a manner consistent with the administration of other University-owned inventions.

(c) Disclosure. Employees and others who conceive inventions or reduce them to practice as provided in paragraph (b) shall promptly and fully disclose each invention to the University and describe the circumstances under which it was conceived or reduced to practice.

(d) Disposition. The University shall have the sole right to determine the disposition of University-owned inventions subject to any prior contractual obligations to external sponsors. Such disposition shall be in a manner which, in the judgment of the University, is in the best interests of the University, its inventors, its research sponsors, and the public.

After evaluation of an invention and review of applicable contractual commitments, the University may develop the invention through licensing, may release the invention to the sponsor of the research under which it was made, may release the invention to its inventors(s), or may take such other actions as are consistent with its objectives regarding inventions.

(e) Preferential consideration for sponsors of research. Research agreements with private sponsors shall provide that all inventions which are conceived or reduced to practice by University employees as a part of the sponsored research shall belong to the University. The sponsor may receive an option to license such inventions on terms to be negotiated, said option to be exercised within a specified period following the disclosure of an invention or the filing of a patent application. When the nature of the proposed research allows identification of a specific area of technology or application which is of interest to the sponsor, the University may accept research agreements with terms which entitle the sponsor to specific commercial rights within the defined field of interest. Otherwise, the specific terms of licenses and rights to commercial development shall be based on negotiation between the sponsor and the University at the time of exercise of an option by the sponsor and shall depend on the nature of the invention and its application, the relative contributions of the University and the sponsor to the work, and the conditions deemed most likely to advance the commercial development and acceptance of the invention. In all cases where exclusive licensing is deemed appropriate, such licensing agreements shall require diligent commercial development of the invention by the licensee.

(f) Distribution of income. When income is received by the University from a University-owner invention, all payments or obligations directly attributable to patenting, marketing, licensing, protecting or administering the invention shall first be deducted from such income. The income remaining after such deductions is defined as net income.

The inventor shall receive 50 percent of the first \$200,000 of cumulative net income from each invention and 25 percent of cumulative net income thereafter. The remaining net income shall be allocated in support of the University's research programs.

In cases of multiple inventors, the inventors' share shall be divided among the co-inventors as they shall mutually agree at the time of formal assignment of the invention to the University. Should the inventors fail to agree mutually on a divi-

sion, the University shall determine the division. In cases where several inventions are licensed under a single licensing agreement, the University shall determine and designate the share of net income to be assigned to each invention.

(g) Relations with inventors.

(1) The University will inform inventors as to its decisions regarding inventions which they have disclosed. Should the University decide to abandon development of a University-owned invention, ownership will be assigned to the inventor(s), subject to the rights of sponsors and to the retention of a nonexclusive, royalty-free license to practice the invention for University purposes.

(2) The University may require inventors to execute an assignment and related documents necessary to further the patenting and development of an invention and to cooperate with the University in such activities. The inventor's obligation to assign rights to the University is subject to the provisions of the Illinois Employee Patent Act, which provides in part:

"A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time unless:

(a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development; or

(b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of the State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this subsection."

(3) Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with University policy or with the University's contractual commitments. Such employees should make their University obligations known to others with whom they make such agreements and should provide other parties to such agreements with a statement of University policies on inventions and discoveries.

SEC. 8. ADMINISTRATION OF INVENTIONS AND DISCOVERIES

(a) Administrative responsibility. The President shall designate the University officers and offices responsible for the administration and disposition of inventions and discoveries, with primary responsibility delegated to campus officers particularly for such matters as the disposition of inventions (Sections 7[b], 7[d]), preferential terms for research sponsors (Section 7[e]), and resolving disputes among co-inventors (Section 7[f]). Licenses and options for licenses may be granted in the name of the Board of Trustees of the University of Illinois when approved by the President or his designee and executed as are other University contracts.

(b) Administrative guidelines and procedures. General guidelines and procedures for the administration of inventions and discoveries shall be established by the President in consultation with the University Intellectual Property Committee and the campuses. Detailed operational guidelines and procedures for the administration of campus-based responsibilities shall be established by each campus.

(c) University Intellectual Property Committee. The University Intellectual Property Committee shall be appointed annually by the President. The Committee shall consist of a faculty representative from each campus appointed by the Chancellor with the advice of the Research Board and Graduate College Executive Committee on that campus and, unless otherwise designated by the President, of

the Vice Chancellor for Research on each campus, the Vice President for Academic Affairs, the Vice President for Business and Finance, and the University Counsel. The Committee shall make recommendations to the President regarding procedures, guidelines, and responsibilities for the administration and development of inventions and such other matters as the President shall determine. The Committee shall report periodically to the Board of Trustees and the President on inventions disclosed and the disposition thereof.

(d) Exceptions to policy. Recommendations for exceptions to the provisions of Section 7 of this Article shall be made by the Intellectual Property Committee to the President for presentation to the Board of Trustees.

(e) Appeals. Subject to rules and procedures developed by the University Intellectual Property Committee, a University inventor may appeal to the Committee to seek resolution of complaints or questions regarding the matters contained in or authorized by Sections 7 and 8.

(f) Timeliness. It is the intent of the University that inventions once disclosed by the inventors, will be handled in a timely and expeditious manner by the designated persons on each campus and within the Central Administration. With this end in mind, an inventor with an invention under consideration will be put in contact with an appropriate administrator who will monitor the progress of the invention through the patent process. Appeals (Section 8[e]) on the basis of timeliness may be made by either the inventor or by this administrator.

SEC. 9. COPYRIGHTS

(a) Introduction. The policy of the University with regard to copyrightable works is intended to foster the traditional freedoms of the University's faculty, staff and students in matters of publication, through a fair and reasonable balance of the equities among authors, sponsors, and the University. At the same time, it is intended to ensure that copyrightable materials in which the University has a legitimate interest are utilized in a manner consistent with the public interest.

(b) Ownership. Ownership in copyrightable works produced by authors who are University staff members or students shall remain with the authors except in the following situations where such rights of ownership as it may require shall vest with the University:

(1) The terms of a University agreement with an external party require the University to hold or transfer ownership in the copyrightable work, or

(2) Works expressly commissioned in writing by the University, or

(3) Works created as a specific requirement of employment or as an assigned University duty. Such requirements or duties may be contained in a job description or an employment agreement which designates the content of the employee's University work. If such requirements or duties are not so specified, such works will be those for which the topic or content is determined by the author's employment duties and/or which are prepared at the University's instance and expense, that is, when the University is the motivating factor in the preparation of the work.

In a particular employment situation, if an author is uncertain about the ownership of the works referred to in this paragraph (b), before undertaking the assignment the author shall be entitled to request in writing and to receive a clarifying written statement from the author's department head or supervisor.

When the University commissions the preparation of a copyrightable work by an author who is not a University staff member or student, the contract with such author shall specify that the author convey by assignment such rights as are required by the University.

With respect to copyrightable works owned by the University pursuant to this paragraph (b), the authors may be required to execute such documents as are necessary to vest ownership in such works in the University or its designee. Authors

who produce works for which ownership vests in the University pursuant to this paragraph (b) shall warrant that such works do not infringe any preexisting copyright.

(c) Sponsored Works. A sponsor's right to use or own a work prepared under its sponsorship will be determined by the provisions of its contract with the University.

(d) Licensing. As provided in paragraph (b), copyrightable works developed by University staff or students using University resources usually and customarily provided (such as office space, library facilities, or regular salary) are owned by the authors. Such works need not be licensed to the University. Copyrightable works developed with use of University resources over and above those usually and customarily provided shall be owned by the authors but licensed to the University on a royalty-free basis for use in its internally administered programs of teaching, research and public service. All expenses incidental to such licensed use shall be borne by the University.

(e) Copyright Registration and Notice. In general, only those University-owned works which have an income potential or which the University intends to develop, use, or publicly circulate should be protected by copyright notice. Such copyright notice should be composed and affixed in accordance with United States Copyright Law.

The responsibility for determining the need for copyright protection and recommending copyright registration of a University-owned work shall rest with the department head or supervisor where the work was prepared. Such recommendation shall be forwarded through the dean or equivalent officer to the office responsible for the registration of copyrights. The registration procedure for the University is a centrally administered responsibility, which may be delegated by the President.

(f) Student Works. Unless subject to the provisions of paragraph (b) or provided otherwise by written agreement, copyrightable works prepared by students as part of the requirements for a University degree program are deemed to be the property of the student and are subject to the following provisions:

(1) The original records of an investigation for a graduate thesis or dissertation are the property of the University but may be retained by the student at the discretion of the student's major department.

(2) The University shall have, as a condition of the degree award, the royalty-free right to retain and use a limited number of copies of the thesis, together with the right to require its publication for archival use.

(g) Administration.

(1) University Press Publications. The University Press shall be responsible for copyright registration of works owned by the University and published by the Press, and for administering contracts with its authors. Such contracts shall define the rights and obligations of the author and the University, and shall be processed as are other University contracts. A copy of the printed agreement currently in use by the Press shall be made available upon request.

(2) Other Copyrightable Works. The procedures and responsibilities for maintaining records for copyright registration, royalty collection and distribution, marketing, and such other actions as are appropriate, including, but not limited to assignment with respect to copyrightable works shall be established by the President. All contracts for the marketing of copyrightable works shall be executed in accordance with Article II, Section 4.

(h) Distribution of income. Except in unusual circumstances, the University will distribute fifty percent (50%) of the net income received from the marketing

of University-owned copyrightable works to the authors(s) of such works. When a particular case involves unusual circumstances, as determined by the department head or supervisor of the unit where the work is performed and by appropriate campus officers, such matters will be reviewed by the University Intellectual Property Committee, which will make recommendations to the President. Net income is gross income received by the University less expenses attributable to copyright registration, marketing, or other requirements for use and sale of materials outside the University. After deduction of the authors' shares, the remaining net income will be allocated as determined by the President, who may seek the advice of the University Intellectual Property Committee.

(i) Compliance with the Copyright Act. The Copyright Act and implementing regulations specify numerous conditions on the reproduction and use of works protected by copyright and provide penalties for non-compliance. These regulations address such matters as photocopying, public broadcast programs and various other practices. University units whose activities involve any such regulated usage are responsible for knowing applicable regulations, monitoring their continuing evolution, and conducting their programs in full compliance with the applicable laws and regulations.

Certain University units provide services to users which involve the transmission, communication, or duplication of materials protected by copyright but where the ultimate use of the materials is not subject to supervision by the service unit. Service supervisors in such circumstances shall inform all service users of laws and regulations applicable to such usage by means of posted notices, bulletins, or other appropriate methods. The responsibility to avoid infringement of the copyright extends to all individuals who use such material.

(j) The PLATO System. The PLATO¹ System is a computer-based educational system developed at the University of Illinois and originally covered, wholly or in part, by the claims of U.S. Patent Number 3,405,457. The term "PLATO System" shall also include any successor systems or enhancements thereof developed, conceived, or proposed by the Computer-based Education Research Laboratory of the University. The copyright provisions applicable to lessonware or software using the University PLATO System are as follows.

Unless otherwise agreed in writing, all PLATO Authors granted access to any University PLATO System, all Participating Institutions,² and all Joint Venture Institutions³ shall grant to the University an irrevocable, nonexclusive, royalty-free license to copy, use and distribute any and all lessonware, software, or related auxiliary materials which are developed as a result of such access without restriction in connection with its internally administered programs of teaching, research and public service. All expenses incidental to such copy and use shall be borne by the University.

Except for the foregoing nonexclusive license grant requirement, which shall supersede Section 9[d], the University policy with respect to copyrightable PLATO lessonware or software shall be the same as for other copyrightable works. Ownership by the University in lessonware or software developed prior to March 17, 1983, shall remain in effect, except as may be otherwise specified by written agreement between the author and the University.

SEC. 10. COMMERCIAL TESTS

(c) In all cases where commercial testing using University equipment or facilities is permitted to be undertaken by individual members of the faculty of the

¹ Control Data Corporation has acquired the exclusive rights from the University to use the name PLATO.

² Participating Institution: any external institution or organization leasing or purchasing at full cost one or more terminals connected to the University of Illinois PLATO System. Joint Venture Institution: as above, except costs are shared between the institution or organization and the University.

University on their own time and responsibility, it should be clearly understood by the agency requesting such tests that the tests are not to be considered as cooperative research investigations and that the University, as an institution, assumes no responsibility for the results obtained. Ownership rights in data and results from such commercial testing, including resulting inventions or discoveries, shall be specified in writing as part of the agreement covering the proposed work. Absent such specification, ownership rights shall belong to the University. The name of the University of Illinois shall not be used in publicity concerning the products tests, without its permission.

Return of Rights in Invention (Report for Information)

(16) On July 18, 1985, the Board of Trustees approved the recommendation of the Patent Committee that the University release its rights in the invention, *Hybrid Cell Immunotherapy of Malignant Disease* (Cohen), to the sponsor of the work leading to the invention, the National Institutes of Health. It had been determined that the invention was not licensable in the near future because it required extensive development. The committee recommended release so that the inventor, Dr. Edward Cohen, professor of microbiology and immunology, Chicago campus, could continue development by obtaining rights from NIH. However, NIH declined to grant Dr. Cohen's petition for release, initiating filing for a patent in its own name instead. NIH agreed to return rights to the University and to permit the University to license the invention to Dr. Cohen for continued development. A patent application has now been filed on behalf of the University. A conflict of interest exception has been approved by the president to permit the University to grant a license to a company controlled by Dr. Cohen, Hybrid Cell Research and Technology, Inc. Rights in the invention were returned from NIH to the University, thus reversing the July 18, 1985, action of the board. Negotiations now are underway for the University to grant a license to Dr. Cohen's company to develop and commercialize the invention.

This report was received for record.

Recommendation of the University Patent Committee

(17) The University Patent Committee recommends that the action described below be taken with regard to an invention made at the University of Illinois. Background information concerning this case has been sent to the members of the Board of Trustees.

Unicollet — Josef Schreckeis, instrument maker, and Gerard P. Murphy, mechanical engineer, Department of Physics, Chicago, inventors.

University Patents, Inc., has agreed to release its rights to the University so that ownership of the invention could be assigned to the inventors. Extensive licensing and marketing efforts were undertaken prior to this release and have been unsuccessful. The inventors, their department head, the Graduate College at the Chicago campus, and the Patent Committee concur in the findings and recommend that the University release its rights in this invention to the inventors, with retention of shop rights and a provision that should the inventors subsequently license or sell the invention, they would return an amount to the University sufficient to reimburse UPI for its documented, out-of-pocket costs incurred in filing for protection of the invention.

I recommend approval.

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

**Memorandum of Understanding,
University Communications, Inc., Urbana
(Delegation of Administrative Authority)**

(18) The Board of Trustees approved a Memorandum of Understanding between the University and University Communications, Inc. (UCI) on May 16, 1985. This memorandum was brought to the board to call attention to certain potential conflicts of interest. Modifications to the memorandum are needed which do not bear upon conflict of interest. Normally, authority to effect such modifications is delegated to administrators through the *General Rules Concerning University Organization and Procedure* and the Servicing Agreement with University Patents, Inc. However, due to language in the original Memorandum of Understanding, unless the board delegates authority to administrators to modify or amend the memorandum, the board must authorize each change.

It is recommended that the board authorize that this agreement be treated like any other such agreement so long as the conflict of interest aspects are not changed. In this particular instance, the modifications are necessary to clarify language and to reflect final negotiations, none of which affect the disclosed potential conflicts of interest.

The chancellor at Urbana has recommended approval of this delegation of authority. The vice president for business and finance approves.

I concur.

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

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda items nos. 19 through 32 inclusive. The recommendations were individually discussed but acted upon at one time.

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

**University of Illinois Auxiliary Facilities Revenue
Refunding and Improvement Bonds, Series 1986**

(19) As indicated in the item approved by the board on April 10, 1986, the reduction in interest rates since the Series 1984 Auxiliary Facilities System Revenue Bonds were issued has been such that it is in the best interest of the system to sell a new series of bonds, Series 1986, that will provide funds: (a) for the advanced refunding of a portion of the Series 1984 bonds; and (b) for the improvement of the system by the addition and/or enhancement of facilities. Since April, the comptroller, with the assistance of bond counsel and representatives of the underwriters, has taken the various steps necessary to prepare for the sale of bonds. If the board further approves the actions recommended below, such sale could be consummated shortly. However, it should be noted that the magnitude of the financial advantage is highly sensitive to the interest rates at the time of sale. Thus, the sale of the Series 1986 bonds may be delayed well beyond May 8, 1986, to such time as it is prudent to act.

At a later date the board will be requested to approve the specific additions and/or enhancements to the system, called the "project" in the Preliminary Official Statement. A number of alternatives are being considered at both campuses, including, but not limited to, acquisition of property for surface parking and/or parking structures, and acquisition of property for future recreation sites and renovation of existing facilities.

The president, with the concurrence of the appropriate administrative officers, recommends the following:

1. Approval of the Official Statement for the Board of Trustees of the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 1986 (Refunding and Improvement) (the "Bonds").¹
2. Adoption of a Resolution authorizing and providing for the issuance of the bonds, and supplementing resolutions duly adopted by the Board of Trustees of the University of Illinois dated September 20, 1984, and June 20, 1985.¹
3. Approval of the Bond Purchase Agreement with John Nuveen & Co. Incorporated and Stifel, Nicolaus & Company Incorporated, as representatives of the purchasers, wherein the purchasers, jointly and severally, agree to purchase from the board and the board agrees to sell to the purchasers all (but not less than all) of the bonds, dated as of their date of issuance and delivery, in an aggregate original principal amount as determined by the comptroller, maturing no later than April 1, 2009, and bearing interest at a rate or rates such that the gross debt service of the system after the issuance of Series 1986 bonds will not exceed its current amount in any Fiscal Years 1987 through 2009.²
4. Approval of the Escrow Agreement with the First National Bank of Chicago, Chicago, Illinois, to serve as Escrow Agent, as defined in the Bond Resolution.¹
5. Authorization of the First National Bank of Chicago, Chicago, Illinois, to be the depository for the construction fund defined in the Resolution referred to in paragraph (2).
6. Approval of the Contract for Professional Services with Chapman and Cutler to serve as bond counsel in connection with the issuance of the bonds.¹
7. Authorization for the comptroller of the board to give notice of the advance refunding by the board of certain outstanding revenue bonds of the board payable from the net revenues of the Auxiliary Facilities System of the University of Illinois.
8. Ratification and confirmation of all actions taken or to be taken by the officers and members of the board in connection with the sale and delivery of the bonds to the purchasers.
9. That the comptroller and other authorized officers of this board be and they are hereby authorized and empowered to do and perform such other acts and things and to make, execute, and deliver all such other instruments and documents on behalf of this board as may be by them deemed necessary or appropriate to comply with, or to evidence compliance with, the terms, conditions, or provisions of the Official Statement, the Bond Resolution, the Escrow Agreement, and the Contract of Purchase and all acts and things whether heretofore or hereafter done or performed by and of the officers of this board which are in conformity with the intents and purposes of these resolutions shall be and the same are hereby, in all respects, ratified, confirmed, and approved.

On motion of Mr. Howard, these recommendations were approved by the following vote: Aye, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr.

¹ A copy is filed with the secretary of the board for record and the appropriate officers of the board are hereby authorized and directed to execute the same in the name and on behalf of the board in substantially the form presented to this meeting, or with such changes as may be approved by the officer or officers of the board executing the same, his, or their execution thereof to constitute conclusive evidence of the board's approval of all changes from the form thereof presented to this meeting; provided, however, that if any such changes constitute a substantial change in the form thereof presented to this meeting, they shall first be approved by the Executive Committee of the board, to which authority for such approval is delegated by the board.

² A copy has been filed with the secretary of the board for record.

Hahn, Mr. Howard, Mr. Madden, Mrs. Shepherd, Miss Smith; no, none; absent, Governor Thompson. (Mr. Logan asked to be recorded as not voting.)

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

**Agreement with Servants United Foundation (Mercy Division)
(Exception to the General Rules)**

(20) The Servants United Foundation (Mercy Division), a nonprofit organization of Urbana, and the University propose to jointly support research in biomedical applications of nuclear resonance. Paul Lauterbur, director of research, magnetic resonance imaging, and professor of medical information sciences, and M. Joan Dawson, associate professor, College of Medicine at Urbana-Champaign, will conduct the research.

Support totaling \$2,950,000 for salaries, fringe benefits, equipment, and buildings for research will be provided. Of this amount, the University's obligation is \$1,700,000, and the Foundation has committed \$1,250,000.

The agreement with the Foundation provides that the University will own all inventions, discoveries, and other developments arising from the research under the agreement. However, should such developments result in a license to a third party for intellectual property arising from the research, the University agrees to share net royalty income after deduction of expenses directly attributable to protecting and administering the invention and the share allocated to the inventor(s) under the University's standard distribution formula in proportion to the relative amount of support provided by the University and the Foundation under the agreement. The University's acceptance of these royalty sharing arrangements requires an exception to Article II, Section 7(d) of the *General Rules Concerning University Organization and Procedure*.

Because of the cooperative nature of this venture, the Colleges of Medicine at Chicago and at Urbana-Champaign and the vice chancellor for research at Urbana have agreed that the proposed royalty sharing terms are appropriate in the present case and recommend approval. The chancellor at the Urbana campus and the University Patent Committee concurs.

I recommend approval.

On motion of Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Contract, Lighting Fixtures Services, FY 1987, Chicago

(21) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$354,018 to Planned Lighting, Inc., and Imperial Lighting Maintenance Company, a joint venture, Chicago, on its base bid plus acceptance of Additive Alternate No. 1 to provide lighting-fixture services in selected buildings at the Chicago campus during Fiscal Year 1987.

The base bid includes relamping and washing in 53 buildings and a specified number of hours for service calls. Calls will be undertaken as ordered by the Physical Plant Department by means of contract work orders charged against this project.

The contract amount may be increased or reduced based on the number of service calls ordered in accord with unit prices specified in the contract documents.

Funds will be included in the Chicago Physical Plant institutional funds budget authorization request to be submitted to the Board of Trustees for FY 1987. The award of the contract is subject to the availability of these funds.

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

Additive Alternate No. 1 is for the purchase and replacement of 1,500 damaged lamp lenses.

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

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

Contracts for Minor Building Alterations and New Construction, Chicago

(22) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of the following cost-plus contracts for minor building alterations, repairs, and new construction work at the Chicago campus for the period July 1, 1986, through June 30, 1987. The contractors bid on percentages to be added to an estimated volume of material, labor, and subcontracts. The award in each case is to the low bidder.

	<i>Percent for Material</i>	<i>Percent for Labor</i>	<i>Percent for Subcontracts</i>	<i>Total Estimated Fee Payments</i>
General				
J. L. Burke Contracting, Chicago	3.5	44.5	4.75	\$ 96 625
Plumbing				
Hanley Mechanical, Inc., Chicago	8	67	5	55 500
Mechanical				
Soderlund Brothers, Inc. Oak Lawn	5	56	0	89 000
Ventilation				
Blackhawk Industries, Inc., Chicago	2	52	2	54 000
Electrical				
Gurtz Electrical Engineering Co., Inc., Chicago	5.94	55	2.97	117 455
Roofing				
Frank Staar & Sons, Inc., Glenview	10	115	2	120 400
Mechanical Insulation				
Nelson Insulation Co., Wauconda	5	58	4	28 000

Funds as required will be authorized by a contract work order which will be charged against funds allocated for each project.

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

It is also recommended that the comptroller be authorized to approve work orders under these contracts for projects whose costs do not exceed the limits established by the Illinois Purchasing Act.

On motion of Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Contracts for Minor Building Alterations, Repairs, and New Construction, Urbana

(23) On April 18, 1985, the Board of Trustees approved the award of cost-plus contracts for minor building alterations, repairs, and new construction at the Urbana-Champaign campus for the fiscal year ending June 30, 1986, with an option to extend the contracts from July 1, 1986, through June 30, 1987, under the same terms and conditions.

The president of the University, with the concurrence of the appropriate administrative officers, recommends that the option described now be exercised.

The Operation and Maintenance Division at the Urbana-Champaign campus has recommended the exercise of the option since the work performed by each of the contractors for the eight divisions of work has been of high quality and a review indicates that the option price would be more favorable than the probable bid price.

Funds as required will be authorized by a contract work order which will be charged against funds allocated for each project.

On motion of Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Contract, Fire Alarm System, Illinois Street Residence Halls, Urbana

(24) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$199,254 to Coleman Electrical Service, Inc., Mansfield, the low bidder, to install a new central fire-alarm system in the Illinois Street Residence Halls at the Urbana campus.

The new system will consist of a central microprocessor fire alarm control panel with smoke detectors installed in corridors and other spaces and in individual dwelling units. The new system will provide additional safety.

Funds are available from the Auxiliary Facilities System Repair and Replacement Reserve Account and the restricted funds operating budget of the Urbana campus Housing Division.

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

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

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

Contract, Fire Alarm System, IMPE Building, Urbana

(25) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$129,750 to Coleman Electrical Service, Inc., Mansfield, the low bidder on its base bid, to install a new microprocessor-type central fire-alarm system in the Intramural-Physical Education Building, Urbana. The improved system will meet fire alarm codes.

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

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

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

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

Contract, Zuppke Field Lighting, Phase II, Urbana

(26) In 1975, the Athletic Association completed the first phase of a lighting system for Zuppke Field, Memorial Stadium. Installation of additional lighting was planned but, due to cost factors, was not completed. The work completed provided a level of lighting acceptable for football practice and other nighttime use, but inadequate for color television broadcasting.

Based upon a consultant's recommendation, the Board of Directors of the Athletic Association, on April 18, 1986, authorized an allocation of \$153,493 to increase Zuppke Field's illumination to a recommended level for color television broadcasting. This will result in doubling the number of existing lamps.

In order to provide for the completion of the work prior to the evening games scheduled in September 1986, it will be necessary to award a construction contract prior to the June 12 meeting of the Board of Trustees. (Bids are presently scheduled to be received May 15, 1986.)

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the project be approved, that the allocation be confirmed by the Board of Trustees, and that the Athletic Association be requested to remit that amount to the University. It is further recommended that the comptroller be authorized to award a construction contract to the lowest responsible bidder for the additional lighting, provided that the total of the bid received does not exceed the amount authorized for construction (estimated at \$138,000). The results of the bidding will be reported to the board at its meeting in June.

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

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

Contract, Chilled Water System, Residence Halls, Urbana

(27) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$120,200 to A & R Mechanical Contractors, Inc., Urbana, the low bidder, on its base bid (plus acceptance of Alternates 1 through 4).¹ The project is to install an underground chilled-water system cross connection between Florida Avenue and Pennsylvania Avenue Residence Halls, Urbana.

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

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

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

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

Contracts, Water Resources Building, Urbana

(28) The president of the University, with the concurrence of the appropriate administrative officers, recommends award of the following contracts for remodeling the Water Resources Building for the use of the National Center for Supercomputing Applications at the Urbana campus. The work will provide 20,000 square feet of space suitable for computers, offices, and laboratories. The space will accommodate visiting scientists, local users, and staff. The award in each case is to the low bidder on its base bid.

<i>Division I — General</i>	<i>Base Bid</i>
McDowell Builders, Inc., Danville	\$269 633
<i>Division II — Plumbing</i>	
Able Mechanical Contractors, Inc., Homer	23 750
<i>Division III — Heating, Piping, Refrigeration, and Temperature Control</i>	
R. H. Bishop Company, Champaign	255 962
<i>Division IV — Ventilation and Air Distribution</i>	
A & R Mechanical Contractors, Inc., Urbana	98 700
<i>Division V — Electrical</i>	
Downtown Electric Incorporated	222 271
<i>Total</i>	<u>\$870 316</u>

Funds for this project are available in the Fiscal Year 1986 institutional funds budget of the Operation and Maintenance Division at the Urbana campus.

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

(A proposal was received from A & R Mechanical Contractors, Inc., Urbana, on its base bid of \$146,500 for heating, piping, refrigeration, and temperature control work (Division III). The firm notified the University of an error in its

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

bid and requested permission to withdraw it since, due to the error, it could not fulfill its contractual obligation without suffering economic hardship. University officers have determined that there is demonstrable evidence that the bidder made a bona fide error in the preparation of the bid, that the error will result in a substantial loss to the bidder, and recommended that the bidder be allowed to withdraw his bid. The university counsel has advised that, under these circumstances, the University's regulations allow the University to permit the withdrawal.)

On motion of Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Employment of Architects/Engineers (By the Capital Development Board), Digital Computer Laboratory Addition, Urbana, and Engineering Research Facility, Chicago

(29) The Eighty-fourth General Assembly appropriated \$1.1 million from the Build Illinois bond fund for planning an addition to the Digital Computer Laboratory at the Urbana campus. Some 60,000 net assignable square feet for office, classroom, and instruction and research laboratory space will be provided.

In addition, the General Assembly appropriated \$2.4 million from the Build Illinois bond fund for planning an Engineering Research Facility at the Chicago campus. The facility will provide approximately 65,000 net assignable square feet for laboratories, offices, and classrooms for the Departments of Mechanical Engineering and Civil Engineering, Mechanics, and Metallurgy.

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: (1) employ Holabird & Root, Chicago, for professional architectural and engineering services for the Digital Computer Laboratory project; and (2) employ the firm of Hansen Lind Meyer, Chicago, to provide the professional architectural and engineering services for the Engineering Research Facility project.

The professional fee for each firm will be negotiated by the Capital Development Board in accordance with its procedure.

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

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

Lease of Space, Chicago

(30) The chancellor at Chicago has recommended that the University contract with "Riceland" (a California limited partnership) and American Development Corporation to lease 6,440 square feet of space in the Rice Building, 815 West Van Buren Street, Chicago, for the period August 1, 1986, through June 30, 1991. The space will provide offices for the faculty and staff of the Center for Urban Economic Development, Voorhees Center, Art Study Collection, Citylab, other faculty of the College of Architecture, Art, and Urban Planning, and staff of the Technology Commercialization Program.

The lease will be at a base rate of \$57,960 per year, a unit cost of \$9 per square foot, subject to an annual increase of 5 percent. The base rate includes janitorial services and all utilities except electrical services. The lessor will remodel the space to the specifications of the University at the standards of the lessor and at the expense of the lessor.

These programs now are housed in temporary leased space which is inadequate to meet the needs of the units. The lease of this space will be terminated upon occupancy of the new space, before August 1, 1986. A search of campus space has failed to identify any suitable options.

Funds to support the agreement are included in the appropriation bill of the General Assembly to meet the ordinary and contingent expenses of the University for Fiscal Year 1987. These funds will be included in the Chicago campus budget request to be submitted to the Board of Trustees. The agreement is subject to the availability of funds for FY 1987 and each subsequent fiscal year.

The vice president for business and finance has recommended approval.

I concur.

On motion of Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Utility Easement to General Telephone Company

(31) The General Telephone Company has requested an easement for the installation of buried cable along land known as Hunter Farm No. 5 located in Macoupin County. The easement area is parallel to the road right-of-way. The University's farm manager has confirmed that the easement will not disturb tillable land or other farm activities, and the company will be responsible for repairing any damage as a result of the installation.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends the adoption of the following resolution authorizing the easement.

Resolution

Be It, and It Hereby Is, Resolved by The Board of Trustees of the University of Illinois, a public corporation of the State of Illinois, that the Comptroller and the Secretary of this Corporation be, and they hereby are, authorized to execute, acknowledge, and deliver in the name and on behalf of this Corporation such instruments of conveyance, contract, or other document or documents as to them may seem necessary or desirable in order to grant to General Telephone Company of Illinois, an Illinois Corporation, hereinafter referred to as "Company," its successors and assigns, the right and easement to construct, operate, patrol, and maintain its communication line over and across the land hereinafter specifically described which said land is included in the public highway, to form a part of a communication system to be owned by the said Company in Macoupin County, Illinois. Company shall agree to repair any damage caused to property of this Corporation by the construction, reconstruction, operation, patrolling, maintenance, renewal, or removal of said telephone communications cable, and to indemnify the University and its representatives and tenants from liability in connection with its activities; the term of said easement to be for such period as the easement may be used for the above-described purposes, but upon the discontinuation of use of or abandonment of said telephone communications cable, said easement to thereupon cease and determine without necessity of re-entry or demand; the rights and ease-

ment granted to be limited to the extent that this public corporation has the present right and capacity to grant the same. The right-of-way easement shall be over the following-described property.

Situated in the State of Illinois, the County of Macoupin and only on the road right-of-way bordering lands described as follows:

On road right-of-way bordering on the South side of the West one-half (W ½) of the Northwest quarter (NW ¼) of Section Twelve (12), Township Twelve North (T12N), Range Seven West (R7W) of 3rd Principal Meridian.

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

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

Purchases

(32) 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	\$ 22 348 00
-------------------	--------------

From Institutional Funds

Recommended	3 362 804 59
-------------------	--------------

<i>Grand Total</i>	\$3 385 152 59
--------------------------	----------------

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 Mr. Howard, 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, Miss Smith; no, none; absent, Governor Thompson.

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

Comptroller's Monthly Report of Contracts Executed

(33) The comptroller submitted the May 1986 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

(34) The comptroller presented his quarterly report as of March 31, 1986. A copy has been filed with the secretary of the board.

This report was received for record.

Report of Investment Transactions through April 15, 1986

(35) The comptroller presented the investment report as of April 15, 1986.

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
Transactions under Finance and Audit Committee Guidelines				
Sales:				
3/18	\$ 3 000	Ford Motor Credit demand notes	\$ 3 000 00	\$ 3 000 00
3/19	100 shares	Philip Morris common stock	8 226 08	10 898 88
3/19	\$ 77 000	General Motors Acceptance demand notes	77 000 00	77 000 00
3/20	100 shares	Philip Morris common stock ...	8 226 08	11 092 63
3/20	\$ 10 000	Ford Motor Credit demand notes	10 000 00	10 000 00
3/21	100 shares	Philip Morris common stock ...	8 226 08	11 692 61
3/21	\$ 30 000	Ford Motor Credit demand notes	30 000 00	30 000 00
3/21	35 000	General Motors Acceptance demand notes	35 000 00	35 000 00
3/24	46 000	General Motors Acceptance demand notes	46 000 00	46 000 00
3/25	200 shares	Philip Morris common stock	16 452 16	23 785 40
3/25	\$ 4 000	General Motors Acceptance demand notes	4 000 00	4 000 00
3/26	25 000	Quaker Oats demand notes	25 000 00	25 000 00
3/27	76 000	Quaker Oats demand notes	76 000 00	76 000 00
4/2	2 000	General Motors Acceptance demand notes	2 000 00	2 000 00
4/3	12 000	Quaker Oats demand notes	12 000 00	12 000 00
4/10	3 400 shares	Union Electric common stock ..	43 203 26	83 875 19
Purchases:				
3/19	100 shares	Essex Chemical common stock	2.41% \$	2 906 00
3/19	1 200 shares	MCI Communications common stock	-0-	15 570 00
3/19	2 000 shares	MCI Communications common stock	-0-	25 909 60
3/19	800 shares	Union Pacific common stock	3.34	43 107 20
3/20	400 shares	Union Pacific common stock	3.35	21 515 20
3/21	2 200 shares	Circle K common stock	2.01	54 626 00
3/21	400 shares	Union Pacific common stock	3.31	21 780 80
3/24	2 800 shares	MCI Communications common stock	-0-	35 350 00
3/24	200 shares	Union Pacific common stock	3.29	10 942 20
3/25	1 800 shares	MCI Communications common stock	-0-	22 386 60
3/25	100 shares	Union Pacific common stock	3.28	5 481 00
3/26	1 100 shares	MCI Communications common stock	-0-	13 714 25
3/26	200 shares	Union Pacific common stock	3.28	10 987 00
3/27	2 700 shares	MCI Communications common stock	-0-	34 305 29
3/27	600 shares	MCI Communications common stock	-0-	7 650 00
3/27	600 shares	Union Pacific common stock	3.33	32 422 80
3/28	100 shares	MCI Communications common stock	-0-	1 299 75
4/3	100 shares	Essex Chemical common stock	2.41	2 899 61
4/4	400 shares	Essex Chemical common stock	2.41	11 598 68
4/10	\$ 84 000	Phibro-Salomon demand notes	7.30	84 000 00

Transactions under Comptroller's Authority

Sales:				
3/17	1 140 shares	Hanover Insurance common stock	\$ 61 275 00	\$ 72 105 00

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
3/17	\$ 5 000	Ford Motor Credit demand notes	\$ 5 000 00	\$ 5 000 00
3/17	15 000	General Motors Acceptance demand notes	15 000 00	15 000 00
3/17	67 000	Phibro-Salomon demand notes	67 000 00	67 000 00
3/17	1 000 000	U.S. Treasury bills due 7/10/86	962 746 10	978 884 72
3/17	1 000 000	U.S. Treasury bills due 8/7/86	965 670 44	973 545 00
3/19	1 000	Eli Lilly demand notes	1 000 00	1 000 00
3/19	4 000 000	U.S. Treasury bills due 8/7/86	3 862 681 78	3 896 286 67
3/24	236	Champaign National Bank liquid cash	235 58	235 58
3/24	50 000	Chevron demand notes	50 000 00	50 000 00
3/25	295 338	Federated Trust for U.S. Treasury Obligations	295 337 59	295 337 59
3/25	701 000	General Motors Acceptance demand notes	701 000 00	701 000 00
3/25	1 916 000	Phibro-Salomon demand notes	1 916 000 00	1 916 000 00
3/25	4 000 000	U.S. Treasury bills due 8/7/86	3 862 681 78	3 902 800 00
3/26	4 000	Ford Motor Credit demand notes	4 000 00	4 000 00
3/28	40 000	U.S. Treasury bills due 2/19/87	37 662 78	37 564 44
3/28	15 000	U.S. Treasury bills due 12/26/86	14 315 83	14 193 38
4/2	100 000	Federated Trust for U.S. Treasury Obligations	100 000 00	100 000 00
4/3	6 000	Chevron demand notes	6 000 00	6 000 00
4/3	1 150 000	General Motors Acceptance demand notes	1 150 000 00	1 150 000 00
4/3	215 000	U.S. Treasury 7% percent notes due 11/15/87	216 410 83	216 948 44
4/3	100 000	U.S. Treasury 12% percent notes due 5/31/86	103 437 50	100 781 25
4/4	113 000	Ford Motor Credit demand notes	113 000 00	113 000 00
4/7	2 500 000	Ford Motor Credit demand notes	2 500 000 00	2 500 000 00
4/11	4 357 000	Chevron demand notes	4 357 000 00	4 357 000 00
4/14	30 000	U.S. Treasury bills due 5/22/86	29 137 60	29 806 83
Purchases:				
2/5	\$ 20	Federated Trust for U.S. Treasury Obligations	7.21% \$	20 00
2/6	16	Champaign National Bank liquid cash	7.29	15 72
2/13	27	Champaign National Bank liquid cash	7.29	27 02
2/13	828	Federated Trust for U.S. Treasury Obligations	7.21	827 48
2/14	1 453	Champaign National Bank liquid cash	7.29	1 452 79
2/19	10 300	Federated Trust for U.S. Treasury Obligations	7.21	10 300 00
3/5	24	Champaign National Bank liquid cash	7.29	24 04
3/6	21	Champaign National Bank liquid cash	7.29	20 89
3/7	1 294	Champaign National Bank liquid cash	7.29	1 293 97
3/7	2 135	Federated Trust for U.S. Treasury Obligations	7.09	2 134 57
3/10	106	Federated Trust for U.S. Treasury Obligations	7.09	106 45

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
3/10	\$ 500 000	Chevron demand notes	7.30%	\$ 500 000 00
3/10	3 500 000	General Motors Acceptance 7.05 percent commercial paper due 3/11/86 ..	7.05	3 500 000 00
3/11	500 000	General Motors Acceptance demand notes	7.30	500 000 00
3/11	3 000 000	General Motors Acceptance 7 percent commercial paper due 3/12/86	7.00	3 000 000 00
3/12	3 000 000	Westinghouse Credit 7½ percent commercial paper due 3/13/86	7.20	3 000 000 00
3/13	3 000 000	Ford Motor Credit demand notes ...	7.10	3 000 000 00
3/17	3 000	General Motors Acceptance demand notes	7.30	3 000 00
3/17	1 000	Quaker Oats demand notes	6.70	1 000 00
3/18	120 000	U.S. Treasury bills due 12/26/86 ...	6.96	113 774 00
3/20	240 000	Federated Trust for U.S. Treasury Obligations	7.09	240 000 00
3/20	2 940 000	Bankers Trust New York 7 percent commercial paper due 3/21/86	7.00	2 940 000 00
3/20	40 000	U.S. Treasury bills due 2/19/87	6.65	37 662 78
3/20	170 000	U.S. Treasury bills due 3/27/86	5.00	169 834 72
3/20	1 050 000	U.S. Treasury bills due 8/28/86	6.73	1 019 336 21
3/20	85 000	U.S. Treasury bills due 9/11/86	6.61	82 354 24
3/20	15 000	U.S. Treasury bills due 12/26/86 ..	6.12	14 315 83
3/21	675	Federated Trust for U.S. Treasury Obligations	7.09	674 58
3/21	130 000	Federated Trust for U.S. Treasury Obligations	7.09	130 000 00
3/21	295 000	Chevron demand notes	7.30	295 000 00
3/21	729 000	General Motors Acceptance demand notes	7.30	729 000 00
3/21	1 916 000	Phibro-Salomon demand notes	7.30	1 916 000 00
3/21	2 500 000	General Motors Acceptance 7 percent commercial paper due 3/24/86	7.30	2 500 000 00
3/25	60 000	U.S. Treasury bills due 9/18/86	6.30	58 197 00
3/26	60 000	Chevron demand notes	7.30	60 000 00
3/27	2 700 000	U.S. Treasury bills due 10/30/86 ...	6.66	2 595 840 00
3/28	1 000	Eli Lilly demand notes	6.90	1 000 00
3/31	400 000	Chevron demand notes	7.30	400 000 00
3/31	68 000	Ford Motor Credit demand notes ...	7.10	68 000 00
3/31	80 000	General Motors Acceptance demand notes	7.30	80 000 00
3/31	127 000	Quaker Oats demand notes	6.70	127 000 00
3/31	1 000 000	Phibro-Salomon demand notes	7.30	1 000 000 00
3/31	3 000 000	General Motors Acceptance 7.60 percent commercial paper due 4/1/86 ..	7.30	3 000 000 00
3/31	3 000 000	U.S. Treasury bills due 1/22/87	6.66	2 843 827 50
4/1	20 000	Seaway National Bank 7.10 percent certificate of deposit due 4/1/87	7.10	20 000 00
4/1	3 000 000	U.S. Treasury bills due 2/19/87	6.73	2 828 562 50
4/2	6 000	Chevron demand notes	7.30	6 000 00
4/2	58 000	Ford Motor Credit demand notes ...	7.10	58 000 00
4/3	20 000	Highland Community Bank 7.12 percent certificate of deposit due 4/1/87 ..	7.12	20 000 00
4/3	694 000	Chevron demand notes	7.30	694 000 00
4/3	113 000	Ford Motor Credit demand notes ...	7.10	113 000 00
4/3	670 000	Quaker Oats demand notes	6.70	670 000 00
4/3	529 000	Phibro-Salomon demand notes	7.30	529 000 00
4/3	3 650 000	U.S. Treasury bills due 11/28/86 ...	6.55	3 497 823 39
4/4	2 828 000	Westinghouse 6.65 percent commercial paper due 4/7/86	6.65	2 828 000 00
4/7	35 000	Phibro-Salomon demand notes	7.30	35 000 00

<i>Date</i>	<i>Number</i>	<i>Description</i>	<i>Cost/Yield</i>	<i>Amount</i>
4/11	\$ 226 000	General Motors Acceptance demand notes	7.30%	\$ 226 000 00
4/11	4 102 000	Phibro-Salomon demand notes	7.30	4 102 000 00
4/14	75 000	U.S. Treasury bills due 9/18/86	6.05	73 073 48
4/14	2 000 000	U.S. Treasury bills due 10/2/86	6.13	1 943 380 00
4/15	918 000	General Motors Acceptance 6½ per- cent commercial paper due 4/16/86 .	7.30	918 000 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, terminations, leaves of absence, and retirements. A copy of the report is filed with the secretary.

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

President Shepherd called attention to the schedule of meetings for the next few months: June 12, Urbana-Champaign; July 10, Chicago; September 11, Urbana-Champaign; October 9, Urbana-Champaign.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

NINA T. SHEPHERD
President