

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

September 11, 1986



The September meeting of the Board of Trustees of the University of Illinois was held in the General Lounge, Illini Union, Urbana, Illinois, on Thursday, September 11, 1986, beginning at 8:05 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. The following non-voting student trustees were present: Mr. Mark R. Filip, Urbana-Champaign campus; Mr. Edward C. Starkeson, Chicago campus.

Also present were President Stanley O. Ikenberry; Dr. Morton W. Weir, vice president for academic affairs; 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; Mr. Bernard T. Wall, treasurer, and Dr. Earl W. Porter, secretary.

(Dr. Donald N. Langenberg, chancellor, University of Illinois at Chicago, was absent and was represented by Dr. Alexander M. Schmidt, vice chancellor for health services, Chicago campus.)

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.

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 1 and 2 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Report of the Executive Committee (Meeting of August 7, 1986)

(1) Pursuant to the Illinois statutes and to the authority granted in the *Bylaws* of the Board of Trustees of the University of Illinois, the Executive Committee of the Board of Trustees met at 9:35 a.m., Thursday, August 7, 1986, in Room 213 of the Chicago Illini Union, Chicago campus, Chicago, Illinois. The following members of the committee were present: Mrs. Nina T. Shepherd, *Chairwoman*, and Miss Ann E. Smith. Mrs. Galey S. Day was absent.

Also present were Edward C. Starkeson, student trustee, Chicago campus; Donald K. Coe, director, University Office of Public Affairs; Timothy E. Madigan, legal counsel, Urbana-Champaign campus; Richard L. Margison, associate vice president for business and finance; and Earl W. Porter, secretary of the Board of Trustees.

Executive Session

Chairwoman 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 Miss Smith and approved unanimously.

The committee considered the following recommendations of the President of the University regarding the acquisition of real property. Messrs. Madigan and Margison provided background information on each of the recommendations.

Authority to Utilize "Quick-Take" Legislation

(1) The Board of Trustees was advised at its meeting of July 10, 1986, of the necessity to authorize the utilization of "quick-take" legislation in order to acquire critical parcels of property on the north campus at Urbana. On advice of counsel, it was felt best to delay adoption of the necessary resolutions until after the governor signed the legislation into law. He has now done so.

The chairwoman of the Executive Committee has found it necessary to transact this business before the next regular meeting of the board. Therefore, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the Executive Committee, pursuant to the authority granted to it under Article IV of the *Bylaws* of the Board of Trustees, adopt the attached resolutions.¹

¹ The same resolution applies to all properties shown in Exhibit A.

On motion of Miss Smith, the resolutions were adopted by the following vote: Aye, Mrs. Shepherd, Miss Smith; no, none; absent, Mrs. Day.

Resolution

Whereas, the Board of Trustees of the University of Illinois, by Resolutions adopted on March 13, 1986, found and declared that the real estate described in Exhibit "A" attached hereto and incorporated herein by reference to be needed for educational purposes of the University as recited in said Resolutions, copies of which are attached as Exhibit "A" and incorporated herein by reference; and

Whereas, the University was unable to agree with the owners and parties interested in said real estate as to the compensation to be paid therefore and a complaint for condemnation was filed on March 24, 1986, and all negotiations for the acquisition for said real estate have proven unsuccessful; and

Whereas, the Board of Trustees has adopted a schedule for the execution of approved projects for north campus expansion, the project for which said real estate is required, a copy of which schedule is attached hereto as Exhibit "B" and incorporated herein by reference; and

Whereas, the Board of Trustees has determined that it is necessary to take such real estate by November 1, 1986, in order to comply with the schedule.

Now, Therefore, It Hereby Is Resolved, Found, and Declared by the Executive Committee for and on behalf of the Board of Trustees of the University of Illinois pursuant to Article IV of the *Bylaws* of the board, as follows:

1. The negotiations for the acquisition for the real estate described in Exhibit "A" have proven unsuccessful.
2. The schedule described in Exhibit "B" is hereby adopted as the schedule for the execution of the north campus expansion project.
3. That it is necessary in order to comply with the schedule adopted that the real estate described in Exhibit "A" be acquired by November 1, 1986.
4. That our attorneys be and are hereby authorized and directed to institute proceedings to acquire the said real estate in the manner provided in Sections 7-103 through 7-112 of the Code of Civil Procedure, as amended, commonly referred to as "quick-take."

Resolution Authorizing Condemnation of Property

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, 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.

Exhibit A

The following properties are covered by the preceding resolution. All properties are located in Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois.

The North Half of Lot 5 in Block 42 (having a street address commonly known as 308 North Romine)

Lot 3 in Block 42 (having a street address commonly known as 1305 West Clark)

Lot 10 in Block 41 (having a street address commonly known as 403 North Mathews and 1302 Clark Streets)

Tract I: All of Lot 1 except the North 82 feet in Block 42 and Tract II: The North 82 feet of Lot 1 (having a street address commonly known as 305 North Mathews and 1301 West Clark Streets)

Lot 7 and the West 2 feet of Lot 8 in Block 42 (having a street address commonly known as 1308-13-10 West Main)

Lots 2 and 3 and the East 55 feet of Lot 4 all in Block 41 (having a street address commonly known as 1303-1309 West University)

Exhibit B

Construction Schedule

| <i>Project</i> | <i>Timetable for Start of Construction</i> |
|-----------------------------------|--------------------------------------------|
| Beckman Institute | November 1, 1986 |
| Microelectronics Center — Phase 1 | March 1, 1987 |
| Central Utilities Facility | March 1, 1987 |

Authorization to Acquire Properties by Settlement of Condemnation Proceedings, Urbana

(2) On March 13, 1986, the Board of Trustees authorized the acquisition of twelve properties through purchase or condemnation which are needed for the Beckman Institute and other related projects in the north campus

at Urbana. The authorization granted authority to settle within appraisals received by the University or at the amount determined in condemnation proceedings.

Owners of six of the properties have agreed to settle the condemnation suits. It is the belief of the university counsel and the Office for Capital Programs that some of the six remaining suits can be settled if authority is received to exceed the high University appraisal by up to ten percent. It is believed that settlement within this range will reduce the ultimate costs of acquisition associated with eminent domain. The university counsel has advised that exceeding the highest appraised value by not more than ten percent is consistent with the law.

The chairwoman of the Executive Committee has found it necessary to transact this business before the next regular meeting of the board. Therefore, the president of the University, with the concurrence of the appropriate administrative officers, recommends that authorization be granted to acquire each of the remaining properties which are identified in Exhibit A attached hereto at a price not to exceed ten percent of the high appraisal received by the University.

Funds for the acquisition of the properties are being provided by private gift funds through the University of Illinois Foundation and from funds appropriated by the State of Illinois.

On motion of Miss Smith, this recommendation was approved by the following vote: Aye, Mrs. Shepherd, Miss Smith; no, none; absent, Mrs. Day.

Exhibit A

| <i>Common Street Address</i> | <i>Legal Description</i> |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1305 West Clark Street, Urbana, Illinois | Lot 3 in Block 42 of the Seminary Addition to Urbana, Illinois, situated in Champaign County, Illinois. |
| 308 North Romine Street, Urbana, Illinois | The North Half of Lot 5 in Block 42 of Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois. |
| 403 North Mathews and 1302 West Clark, Urbana, Illinois | Lot 10 in Block 41 of the Seminary Addition to Urbana, situated in Champaign County, Illinois. |
| 305 North Mathews Avenue and 1301 West Clark Street, Urbana, Illinois | Tract I: All of Lot 1 except the North 82 feet in Block 42 of the Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois. Tract II: The North 82 feet of Lot 1 in Block 42 of the Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois. |
| 1308-1310 West Main Street, Urbana, Illinois | Lot 7 and the West 2 feet of Lot 8 in Block 42 in Seminary Addition to Urbana, situated in Champaign County, Illinois. |
| 1303-1309 West University Avenue, Urbana, Illinois | Lots 2 and 3 and the East 55 feet of Lot 4 all in Block 41, of Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois. |

Exchange of Property, Urbana

(3) In order to acquire certain parcels of land essential to begin construction this fall on the north campus at Urbana, a complex property transaction has evolved. The board in May authorized a portion of this transaction; however, additional authority is required to perfect it.

The chairwoman of the Executive Committee has concluded that consideration of this matter is urgent and cannot await the next regularly scheduled meeting of the board. Therefore, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the committee, under Article IV of the board *Bylaws*, adopt the attached resolutions, reaffirm the authority previously granted by the board, and authorize those additional acts necessary to complete this transaction.

On motion of Miss Smith, these recommendations were approved by the following vote: Aye, Mrs. Shepherd, Miss Smith; no, none; absent, Mrs. Day.

Resolution Authorizing the Exchange of Property Located at 505 South Busey Avenue, Urbana, Illinois, for Green Property at 1203, 1205, 1207, and 1209 West Main Street, and 207 North Goodwin Avenue, Urbana, Illinois

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 secretary of this public corporation be, and they hereby are, authorized and directed to execute, acknowledge, and deliver, in the name of, and on behalf of, this public corporation, a Warranty Deed and such other documents in connection therewith as they may deem to be necessary or desirable in order to convey title to the following described property; viz:

The East 90 feet of Lots 13, 14, and 15 in Campbell & Kelley's Addition to Urbana, situated in the City of Urbana, Champaign County, Illinois.

commonly known as 505 South Busey Avenue, Urbana, Illinois, to Lois D. Green, upon such terms and conditions as said comptroller and secretary may deem to be necessary or desirable and in consideration of Lois D. Green conveying title to the following described property to this public corporation and paying to this public corporation the sum of three hundred thousand dollars (\$300,000); viz:

The South Fifty-seven (57) feet of Lot One (1) in Block Fifty (50) of the Seminary Addition to Urbana, Champaign County, Illinois.

Lot 2 in Block Fifty (50) in the Seminary Addition to Urbana, situated in the City of Urbana, in Champaign County, Illinois.

Lot 3 in Block Fifty (50) in the Seminary Addition to Urbana, Champaign County, Illinois, in the City of Urbana, in Champaign County, Illinois.

Lot 4 in Block Fifty (50) of Seminary Addition to Urbana, situated in the City of Urbana, County of Champaign, State of Illinois.

commonly known as 1203, 1205, 1207, and 1209 West Main Street, and 207 North Goodwin Avenue, Urbana, Illinois.

**Resolution Authorizing the Exchange of Property Located at 1203
and 1205 West Main Street, Urbana, Illinois, for Krauss Property
at 1304 and 1306 West Clark Street, Urbana, Illinois**

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 secretary of this public corporation be, and they hereby are, authorized and directed to execute, acknowledge, and deliver, in the name of, and on behalf of, this public corporation, a Warranty Deed and such other documents in connection therewith as they may deem to be necessary or desirable in order to convey title to the following described property; viz:

Lot 2 in Block Fifty (50) in the Seminary Addition to Urbana,
situated in the City of Urbana, in Champaign County, Illinois,

and

Lot 3 in Block Fifty (50) in the Seminary Addition to Urbana,
situated in the City of Urbana, in Champaign County, Illinois,

which properties are commonly referred to as 1203 and 1205 West Main Street, Urbana, Illinois, to Fred Krauss, George Roth, Jack Monkman, Arthur Traugott, and Greg Langan, or their nominee, hereafter referred to as "Krauss," upon such terms and conditions as said comptroller and secretary may deem to be necessary or desirable and in consideration of Krauss conveying title to the following described property to this public corporation and paying to this public corporation the sum of twenty-seven thousand five hundred dollars (\$27,500); viz:

Lots 8 and 9 in Block 41 of Seminary Addition to Urbana,
situated in the City of Urbana, in Champaign County, Illinois,

commonly known as 1304 and 1306 West Clark Street, Urbana, Illinois.

The business of the meeting having been concluded, the Executive Committee adjourned.

EARL W. PORTER

Clerk

ANN E. SMITH

NINA T. SHEPHERD

Chairwoman

On motion of Mr. Howard, this report was ratified and accepted 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. Filip, Mr. Starkeson; no, none.)

**Rescission of Action and Sale of Residence in Fairfield, Illinois
(Estate of John H. Rapp)¹**

(2) On October 10, 1985, the Board of Trustees authorized the sale of a residential property in Fairfield, Illinois, at a price of \$25,000 that was a part of the John H. Rapp estate. Prior to the time of closing, the property was damaged as a result

¹ John H. Rapp died in 1982, leaving an estate with an estimated fair market value of approximately \$600,000, with assets consisting of farmland in Ohio, a land contract, residential property in Fairfield, Illinois, and other personal property to the University for the purpose of providing scholarships to students selected by the College of Law.

of freezing weather conditions causing the plumbing to rupture and creating extensive damage to the interior. As a result, the contract purchaser decided not to complete the purchase.

The property has been reappraised by two real estate appraisers from Fairfield at \$10,000 by Terry Weedman and \$10-12,000 by Raymond Samford. Over an eight-month period, the University has received just one offer to purchase the property at a price of \$10,000, an offer valid through September 30, 1986.

The vice president for business and finance has recommended that the Board of Trustees rescind its action of October 10, 1985, and approve this sale of the residential property for \$10,000 to Wayne County Bank & Trust Company, Fairfield, Illinois, as trustee.

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. Filip, Mr. Starkeson; no, none.)

Status Report, North Campus Land Acquisition Program, Urbana

In the fall of 1985, the Board of Trustees authorized the acquisition of land east of Illinois Field for the Beckman Institute and related projects. The approved site included 19 privately-owned building structures under 15 separate ownerships plus approximately 2.3 acres of streets and alleys. Subsequently, options to purchase were secured to purchase four buildings at a total cost of \$241,500. In March 1986, condemnation suits were filed on the balance of the privately-owned properties. As a result of negotiations and prior to going to trial, ten additional buildings were acquired through settlement agreements at a total cost of \$1,764,800. During August 1986, two condemnation suits for three buildings were tried in the Circuit Court and the jury awards totaled \$280,075. Furthermore, at this meeting, a recommendation is being submitted to the Board of Trustees to compensate the City of Urbana \$415,000 for vacating rights-of-way (streets and alleys) to the University. All of these costs total approximately \$2.7 million.

Two properties remain to be acquired to complete the land acquisition program. One property is set for trial on October 14. With regard to the final property located at 1303-09 West University Avenue, attorneys for the University have had difficulty in setting a trial date as a result of numerous requests and motions by the owner's attorney. Since construction of the Beckman Institute project cannot begin without this property, a quick-take hearing has been scheduled on October 2, to acquire this property under the provisions of the legislation granted to the University.

Other Matters

In addition, the trustees received reports from the administrative officers with regard to matters of pending litigation and status reports and issues

involved in continuing labor negotiations with a number of bargaining units.

Finally, the trustees received a brief report about a matter pending before a committee of the National Collegiate Athletic Association.¹

There being no further business, the executive session adjourned and the board convened in open session at 10:30 a.m.

UNIVERSITY INVESTMENT POLICY, SOUTH AFRICA

(3) President Ikenberry presented the following statement followed by the resolution and recommendation presented below. The statement is as follows:

President Shepherd, Chairman Day, Members of the Board, and the University community:

As we have developed investment policy for the University over the last several years, including our policy in regard to U.S. corporations doing business in South Africa, we have stressed we would continue to review and reassess the policy as conditions in South Africa and elsewhere changed. Indeed, some factors have changed over the years, and our policy has evolved to reflect those changes.

For this University and many of our peers, as well as for U.S. corporations doing business in South Africa, the Principles as promulgated by the Reverend Leon Sullivan have served as a guide against which responsible corporate and University actions have been measured. Although not an official part of the Fourth Amplification of the Sullivan Principles, Reverend Sullivan stated in 1985 that if apartheid were not statutorily abolished by May 1987, U.S. companies should withdraw operations from South Africa. Among other conditions, this declaration calls for a reassessment of University policy.

While many things have changed over the years, including both changes in investment policy and changes in the way in which corporations have conducted their operations in South Africa, others, have not. The lack of change is most apparent in the absence of significant progress toward the elimination of apartheid by the government of South Africa. There is no clear plan for an end to apartheid, nor is there a clear prospect that shortly one will be developed; there is no timetable; and there are no negotiations between and among the contending factions. One can point to isolated instances of progress, but the broad sweep of events in South Africa has continued to deteriorate over the last several years. Violence escalates — black against black, white against black, black against white. For citizens of South Africa and for companies that do business there, the prospect for evolutionary change — the fundamental goal toward which the Sullivan Principles and U.S. corporations have been dedicated — becomes more remote.

Outside of South Africa, however, conditions continue to change. U.S. policy toward South Africa is now in a period of flux, reflecting the mounting frustration of the American people. The Congress of the United States has before it now two different proposals for changing U.S. policy. There seems little doubt that shortly the president of the United States will be presented with legislation further limiting U.S. corporate involvement in South Africa.

Leaders of European nations have been conducting a similar reassessment. There is no consensus about what should be done — indeed there appears to be a growing sense of pessimism that anything of genuine significance can be

¹ On the previous afternoon, September 10, meetings of the Committee on Academic Affairs (in which a presentation was made concerning the College of Law) and of the Committee on Buildings and Grounds were held. In the latter instance, the trustees, in addition to taking other actions of record in committee, received a detailed presentation of the south campus master plan.

done by governments or by corporations to improve the long-term prospects in South Africa.

In the face of this mounting frustration, there has been a noticeable shift in the policies of state governments and other institutional investors, most notably the recent action by the University of California, followed shortly thereafter by the State of California. Involving in the aggregate more than \$11 billion in stock holding in U.S. corporations doing business in South Africa, the California divestment actions would take place over a three-year period, ending in 1990. So far, 15 states and 39 municipalities have enacted such laws, including Connecticut, New Jersey, and Massachusetts.

The number of universities adopting full divestment policies has continued to grow. Several AAU universities recently have adopted full divestment policies, including, for example, Duke, the University of Washington, and of course the nine-campus system of the University of California. Six of the Big Ten universities now have such policies in one form or another, including Ohio State, Minnesota, Wisconsin, Michigan, Michigan State, and Iowa.

It is possible that the recent actions in California and elsewhere may trigger an escalation in the adoption of full divestment policies by states and other institutional investors over the next year, particularly as we approach the May 1987 deadline identified by Reverend Sullivan.

It is difficult to assess the response to these developments by American corporations with operations in South Africa. Many companies have worked not only to improve working conditions and to increase the numbers of black and colored employees in managerial and supervisory roles, but have also worked openly in opposition to apartheid laws and toward evolutionary change in South Africa. Where one is able to cite instances of progressive change in South Africa over the last several years, it can in many instances be traced to the actions of these companies and the application of the Sullivan Principles.

At the last meeting of this board, in July 1986, you directed that communications be sent to U.S. corporations in which we hold stock that do business in South Africa. As you requested, we inquired about the corporate outlook for the future. As one reads the responses to our inquiry, it is difficult to detect significant changes in corporate outlook, although one does sense that corporations may see less opportunity for evolutionary change in South Africa than they might have seen two or three years ago.

And, of course, one reads in the press expressions of frustration by corporate leaders such as the heads of IBM and General Motors about the lack of progress toward the elimination of apartheid. Roger Smith, chairman and chief executive officer of General Motors and co-chairman of the U.S. Corporate Council on South Africa, stated, after having met with leaders in South Africa, that he believed, "Our principal area of difference lies in timing. The South African Government's timetable is clearly longer than any of us would like to see and indeed may be so long that world opinion may not permit such a delay." It is, of course, difficult to say how much time is left for evolutionary change, if any, but clearly time is limited.

As corporations and universities reassess their policies and practices, both must take into account not only the changes occurring in South Africa, but the changing conditions in the United States as well. The stock of many corporations is held in significant part by institutional investors. For some companies, recent actions in California alone could result in the sale of hundreds of millions of dollars of their stock. If such policies were to continue to be adopted by other states, as some now believe may be the pattern, the business ramifications will grow.

Weighed against this are relatively small investments in South Africa by most U.S. corporations. For many, the holdings amount to a fraction of one per-

cent of total corporate assets. Moreover, the South African corporate subsidiary may in some instances have a negative, not positive, impact on overall profits.

Under such circumstances, I believe many U.S. corporations will, and are now, reassessing their current position in South Africa. Most simply cannot "walk away" from South Africa, given responsibility to both employees and to stockholders. Alternatives include the sale of the operation to employees who, through a leveraged buyout, would take over, own, and run the business. Some companies may consider sale of the operation to a third party, while others may sell corporate assets to a trust, thereby preserving the option to return to South Africa at some point in the future if and when apartheid is ended.

If one looks back over the last thirty months, the number of corporations leaving South Africa has escalated rapidly. Even a partial list would include recognizable names such as TWA and American Airlines, Illinois Tool Works, Singer, GE, Pepsi, Parker Pen, NAVISTAR, Martin-Marietta, Motorola, General Foods, Dana Corporation, the Carnation Company, Boeing, Atlantic Richfield, and Apple Computers.

Few U.S. corporations are likely to find that their holdings in South Africa are so extensive and/or fundamental to the long-term welfare of the company that it is imperative for the corporation to remain in South Africa.

Only corporations themselves will be able to define what is wisest and what is best in regard to continuing operation in South Africa. But if the basic trends I have outlined continue—that is, an escalation in the number of institutional investors barring investments in U.S. corporations doing business in South Africa, and a continued escalation in the rate of withdrawal from South Africa by U.S. corporations—there may very well be implications for investment policy and fiduciary responsibility.

In time, and in the extreme, fiduciary considerations could become reversed from those of the present. That is, if a company were unable to sell its stock to a growing bloc of institutional investors, this might have a depressing effect on the value of the stock and make the stock a less attractive investment. Action by the State of California makes this otherwise theoretical prospect appear more credible.

Whether or not one believes there may be an eventual reversal in fiduciary theory, it is clear that if the recent increase in the rate of corporate withdrawal from South Africa were to continue, many of the fiduciary concerns of prior years would be diminished. Our analysis suggests the trend of corporate withdrawal from South Africa in all likelihood will continue and even accelerate.

A final shift in fiduciary considerations relates to a concern for the long-term prospects of those U.S. corporations that remain in South Africa. To the extent that corporations that remain are those with the most extensive operations in South Africa and/or those for which the South African business component is most crucial to the overall health of the company, continued deterioration of conditions in South Africa is of greatest concern to those specific corporations.

Responsibility rests on the shoulders of each institutional investor, including members of boards of trustees, to define the proper and fiduciarily sound investment policy. It is clear, however, that as conditions in South Africa change and as there is a response to those changes, fiduciary considerations also will be in a state of flux.

For many, perhaps for most, the moral imperatives remain unclear. Some corporations may decide to remain and continue to work toward evolutionary change in South Africa. Others may conclude that the time may have come to withdraw, and it is not the role of the University to make that judgment.

It is our responsibility, however, to attend to the overall best interests of the University of Illinois. The Board of Trustees has attempted to shape a sound and balanced policy over the years and will continue to do so. Accord-

ingly, I offer for your consideration a resolution for refinements in the University of Illinois investment policy that attempt to take into account the considerations and trends I have outlined.

The resolution is as follows:

Whereas, the Board of Trustees has for many years expressed its abhorrence of the system of apartheid in the Republic of South Africa — a system which disenfranchises the majority population of black Africans and coloreds of their human, political, and economic rights; and

Whereas, the board has pursued its fiduciary responsibility as well as its responsibility to invest University funds in a socially responsible manner by incorporating the principles enunciated by the Reverend Leon Sullivan in its investment policy; and

Whereas, following extensive study, on June 20, 1985, the board strengthened its policy by limiting its investments in U.S. corporations doing business in South Africa to those that have attained the top two performance categories of the Sullivan Principles and required that its primary banks conform with certain criteria prohibiting loans to the government of South Africa and the sale of Krugerrands; and

Whereas, the board took action on July 10, 1986, to direct that communications be sent to U.S. corporations doing business in South Africa and representatives of the governments of the United States and the Republic of South Africa, again expressing abhorrence of apartheid and outlining University policy on investment in corporations doing business in South Africa; and

Whereas, the intransigence of the government of South Africa to abolish apartheid and recognize the fundamental human, political, and economic rights of all of its citizens is causing Congress and the president of the United States to reconsider U.S. policy toward South Africa; and

Whereas, the business risks related to continued operation in South Africa are increasing as social unrest in that country escalates; and

Whereas, the recognition of these risks has prompted increasing numbers of U.S. corporations to cease or diminish business activities in South Africa; and

Whereas, the ability to diversify the investment of University funds in corporations and industries that do not have business ties to South Africa is enhanced by such an exodus; and

Whereas, the ability of U.S. corporations which continue to have business activity in South Africa to attract new capital will be diminished as major institutional investors eliminate such corporations from their portfolios, such investors today include 39 cities, 15 states, and 11 AAU institutions (as many as 100 schools have adopted either partial or total divestiture policies since 1981); and

Whereas, a high standard of fiscal prudence is required when invest-

ing the funds held in trust by the board, such prudence being in contrast with the social and economic volatility occurring in South Africa,

Now, Therefore, the Board of Trustees of the University of Illinois declares:

1. That the rapid deterioration in the stability of the political, economic, and social structure of South Africa, together with the accelerating number of state, university, local, and other institutional investors which have adopted divestment policies may have a negative effect on University investments in corporations doing business in South Africa; and
2. That the Reverend Leon Sullivan, the principal advocate of eliminating apartheid through affirmative involvement in U.S. corporations in South Africa, established a two-year timetable in May 1985 when he stated, "... if Apartheid is not actually and in fact statutorily abolished as a system within the next 24 months [by May 31, 1987], all U.S. companies should withdraw from South Africa. ..."

Now, Therefore, the Board of Trustees resolves and adopts the following amendment to its policy with respect to the investment of University funds in corporations and banks doing business in South Africa:

1. Effective immediately, the University will support the following shareholder resolutions: (1) the withdrawal of that corporation's operations from South Africa; (2) to furnish information regarding corporate activities in South Africa; (3) the termination or prevention of sales to the South African military or police.
2. If the government of South Africa has not statutorily abolished the apartheid system by May 31, 1987, then the University shall, in a sound financial manner, begin to eliminate its investments in U.S. corporations with operations in South Africa, such sale to be concluded not later than December 31, 1988. In addition, effective June 1, 1987, the University shall not make new investments in any U.S. corporation with operations in South Africa.
3. If the government of South Africa has not statutorily abolished the apartheid system by May 31, 1987, and the primary bank has loans with, or is otherwise extending credit to the government of South Africa, then the University shall, in a sound financial manner, withdraw its deposits and terminate its agreements with such primary bank not later than December 31, 1988.
4. The university comptroller shall make quarterly reports on progress in implementing this investment policy and shall advise the board immediately if it should appear that the implementation of this policy might violate the board's fiduciary responsibilities with respect to the prudent investment of University funds.

Mr. Logan moved approval of the recommendation.

The trustees discussed the recommendation at length, presenting a number of salient points. In general, individuals in favor emphasized: its significance solely as an investment policy (as opposed to a moral issue or a foreign policy matter); the importance of respecting advice and recommendations from the president; or that it did in fact represent a desirable moral stance for the University to take.

Objections to the recommendation emphasized that it was not a valid fiduciary step but was laden with political and social aspects; that it was offered in reaction to activities in other states (i.e., California) rather than on its merits for the University; its failure to include a "hold harmless" clause by which the trustees would be protected from liability; and finally, such action would encourage a perception that the trustees have responded to political, social, or other pressures.

Mr. Hahn then proposed amendments to the president's recommendations, viz.: to delete the requirement that the University begin to disinvest by May 31, 1987 (see recommendation no. 2); to retain the second sentence of recommendation 2 but altered to make "immediately effective" a recommendation to make no new investments; and to substitute for recommendation no. 3 the following language:

"Effective immediately, the University shall direct those charged with investing for the University to take into account in managing the University's investments (and using their best professional judgment), the anticipated decline in the value of companies having interest in South Africa."

All other elements of the recommendation would be retained.

The question was called on Mr. Hahn's amendments and the motion to amend was defeated by the following roll call vote: Aye, Mrs. Day, Mrs. Gravenhorst, Mr. Hahn, Mr. Madden; no, Mr. Forsyth, Mr. Howard, Mr. Logan, Mrs. Shepherd, Miss Smith; absent, Governor Thompson.

(The student advisory vote was: Aye, none; no, Mr. Filip, Mr. Starkeson.)

The question then was called on the main motion (Mr. Logan's) to support the recommendation of the president and the motion failed by the following roll call vote: Aye, Mr. Howard, Mr. Logan, Mrs. Shepherd, Miss Smith; no, Mrs. Day, Mr. Forsyth, Mrs. Gravenhorst, Mr. Hahn, Mr. Madden; absent, Governor Thompson.

(The student advisory vote was: Aye, Mr. Filip, Mr. Starkeson; no, none.)

(The board then recessed to complete the meeting of the Committee on Finance and Audit¹ and reconvened at 11:50 a.m. to deal with the following matters.)

¹ Earlier, at a brief meeting of the Finance and Audit Committee, the trustees received testimony in favor of divestiture and other steps that might be taken with regard to South Africa from Vernon Barkstall, executive director of the Urban League of Champaign County.

MINUTES APPROVED

The secretary presented for approval the press proof of the minutes of the Board of Trustees meeting of May 8, 1986, copies of which had previously been sent to the board.

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

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

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

Other Matters

The president spoke briefly on a special event of the previous week, a "DuPage County Day" sponsored in association with the University of Illinois Alumni Association and involving leaders in DuPage County, alumni, staff, faculty and others in the interest of better acquainting the people of DuPage County with the work of the University of Illinois.

OLD AND NEW BUSINESS

Mrs. Shepherd requested brief reports, on a recent meeting of the Board of Higher Education, attended by Trustee Ann Smith on September 3; and on a meeting of the Athletic Association Board of Directors, attended by Student Trustee Mark Filip on July 26, 1986.

She also introduced Mr. Charles P. Wolff of Elgin, a candidate for trustee in the November 1986 general election. Two other candidates (in addition to incumbents Day, Madden, and Shepherd), Mrs. Judith Ann Calder of Chicago and Dr. David McConnell of Dundee, were not present.

Appointments

President Shepherd announced that she had appointed Trustee Gravenhorst to the advisory committee to the West Suburban Regional Academic Consortium; and that she had appointed Student Trustee Starkeson to the following board committees: Academic Affairs; Alumni; Buildings and Grounds; and Student Welfare and Activities; and that the following committee had been added to those on which Student Trustee Mark Filip will serve, Academic Affairs.

Mrs. Shepherd took occasion to install Edward C. Starkeson, who was attending his first meeting as a student trustee.

REGULAR AGENDA

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

¹ University Senates Conference: Martha Friedman, associate professor of library administration, and history and philosophy librarian, Urbana-Champaign campus; Urbana-Champaign Senate Council: Richard Merritt, professor of political science and research professor in the Institute of Communications Research; Edward Lichter, professor of preventive medicine and community health, College of Medicine at Chicago.

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 4 through 6 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Requests for Operating and Capital Appropriations, Fiscal Year 1988

(4) Requests for incremental operating funds and for new capital appropriations for the University of Illinois for Fiscal Year 1988 are presented herewith for action by the Board of Trustees. The accompanying tables and the document "Budget Request for Operating and Capital Funds, Fiscal Year 1988," contain detailed information about each element of the operating and capital budget request for the coming year. (Copies of the complete budget documents are filed with the secretary of the board for record.)

The request for incremental operating funds totals \$74,433,800 and represents a 13.9 percent increase over the University's FY 1987 operating budget from appropriated funds. This total is comprised of \$64,433,800 in incremental funds sought for the budget elements included in all of the University's recent annual operating requests, plus a special addendum to the request, which seeks \$10 million additional support for the University Hospital. The amount sought for the hospital has been increased by \$7 million over that included in the preliminary FY 1988 request presented to the board in July.

Excluding amounts targeted for the hospital, the final FY 1988 operating budget request is nearly identical to the preliminary request, although technical adjustments have been made in several individual items following final action on the University's FY 1987 appropriation legislation. The final request also contains funding for several operation and maintenance projects not included in the preliminary document, along with the addition of a request for academic program funds for the anatomical sciences program at the Urbana-Champaign College of Medicine.

The overall operating budget request for incremental funds is summarized in Table 1. Individual academic programs are identified in Table 2. In addition, the University's request for funds sufficient to meet the statutory requirement for the State Universities Retirement System for FY 1987 is also included, as described in the request document.

The 1988 request for new capital appropriations is summarized in Table 3. Consistent with growing facilities needs presented to the board in July, the FY 1988 request for Capital Development Fund appropriation totals \$57,820,800. The final request is generally consistent with the preliminary data presented in July. The final request includes a project for land acquisition at Urbana-Champaign which was not contained in the preliminary budget, and the WILL Radio-Television building project is included at its full construction cost, rather than as a planning project.

In addition to Capital Development Fund increases for FY 1988, the University seeks appropriations for two initiatives supported within the "Build Illinois" program: \$7,834,000 for the third year of the higher education renovation/rehabilitation program; and \$1,998,100 to complete funding for the construction and remodeling project in the Animal Sciences Laboratory at Urbana-Champaign, approved in FY 1987.

These requests have been prepared by the vice president for academic affairs, based upon the recommendation of the University Planning Council and a review by the University Policy Council.

I recommend approval.

On motion of Mr. Howard, these requests were approved as recommended 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. Filip, Mr. Starkeson; no, none.)

Table 1
Fiscal Year 1988 Operating Budget Request

| | <i>Dollars in Thousands</i> |
|-------------------------------------------------------------|---------------------------------|
| I. Continuing Components | |
| A. Compensation Improvement | \$33 682.0 |
| 1. Annualization of FY 1987 Increases | (3 336.7) |
| 2. FY 1988 Increment (7.0%) | (23 189.7) |
| 3. Fringe Benefits Improvements (2%) | (6 625.6) |
| 4. Medicare Costs | (530.0) |
| B. General Price Increases (4.5%) | 3 257.7 |
| C. Utilities Price Increases (9.45%) | 3 264.8 |
| D. Library Price Increases (12.0%) | 853.6 |
| E. Support Unit Funding | 3 566.4 |
| 1. Operations and Maintenance for New Areas | (1 566.4) |
| 2. Operations and Maintenance Preventive Maintenance | (1 000.0) |
| 3. Other Support Unit Improvements | (1 000.0) |
| <i>Subtotal, Continuing Components</i> | <u>\$44 624.5</u> |
| <i>Percent of FY 1987 Base¹</i> | (8.33%) |
| II. Programmatic Components | |
| A. Expanded/Improved Academic Programs | \$14 690.0 |
| B. Equipment Replacement | 2 000.0 |
| C. Library Program Support | 600.0 |
| <i>Subtotal, Programmatic Components</i> | <u>\$17 290.0</u> |
| <i>Percent of FY 1987 Base</i> | (3.22%) |
| III. Resource Matching Requirements | \$ 2 120.0 |
| <i>Percent of FY 1987 Base</i> | (0.40%) |
| IV. Special Services Funding | |
| A. County Board Matching | \$ 100.0 |
| B. Fire Services Institute | 49.3 |
| C. Division of Services to Crippled Children | 250.0 |
| <i>Subtotal, Special Services Funding</i> | <u>\$ 399.3</u> |
| V. <i>Subtotal</i> | <u>\$64 433.8</u> |
| <i>Percent of FY 1987 Base</i> | (12.03%) |
| VI. Special Addendum, University of Illinois Hospital | \$10 000.0 |
| VII. <i>Grand Total</i> | <u>\$74 433.8</u> |
| <i>Percent of FY 1987 Base</i> | (13.89%) |

¹ FY 1987 Base equals \$535,735.3

Table 2
Fiscal Year 1988 Program Budget Request

| | <i>Chicago</i> | <i>Urbana- Champaign</i> | <i>Central Administration</i> | <i>Total (Dollars in Thousands)</i> |
|---------------------------------------------------------------------------------|------------------|------------------------------|-----------------------------------|---------------------------------------------|
| I. Scientific and Technological Advances | | | | |
| 1. Biotechnology | \$1 085.0 | \$ 500.0 | -0- | \$ 1 585.0 |
| 2. Artificial Intelligence/Cognitive Science | | 500.0 | | 500.0 |
| 3. Surface Chemistry and Catalysis | | 160.0 | | 160.0 |
| 4. Population Genetics | | 200.0 | | 200.0 |
| 5. Biological and Medical Magnetic Resonance | | 250.0 | | 250.0 |
| 6. Rehabilitation Engineering | | 100.0 | | 100.0 |
| 7. Human Factors in Complex System Design | | 100.0 | | 100.0 |
| 8. Environmental Toxicology | | 100.0 | | 100.0 |
| 9. Responding to the Impact of an Aging Society | 320.0 | | | 320.0 |
| 10. College of Medicine Clinical Program at Urbana-Champaign | 125.0 | | | 125.0 |
| 11. Anatomical Sciences at the College of Medicine at Urbana-Champaign | 90.0 | | | 90.0 |
| Subtotal | \$1 620.0 | \$1 910.0 | -0- | \$ 3 530.0 |
| II. Economic and Professional Development | | | | |
| 1. Commerce and Business Administration | \$ 600.0 | \$ 315.0 | | \$ 915.0 |
| 2. Health Administration | 150.0 | | | 150.0 |
| 3. Pacific/Asian Research Center | 175.0 | | | 175.0 |
| 4. Imported Swine Genetic Research | | 250.0 | | 250.0 |
| 5. College of Veterinary Medicine | | 750.0 | | 750.0 |
| 6. College of Communications | | 100.0 | | 100.0 |
| 7. Arms Control, Disarmament, and International Security | | 100.0 | | 100.0 |
| 8. West European Studies | | 100.0 | | 100.0 |
| 9. University Outreach | | | 500.0 | 500.0 |
| 10. Institute for Government and Public Affairs | | | 350.0 | 350.0 |
| Subtotal | \$ 925.0 | \$1 615.0 | \$850.0 | \$ 3 390.0 |

Table 2 (continued)

| | Chicago | Urbana- Champaign | Central Administration | Total (Dollars in Thousands) |
|-------------------------------------------------------|-----------|----------------------|---------------------------|------------------------------------|
| III. Promoting Instructional Excellence | | | | |
| 1. Undergraduate Education | \$1 050.0 | \$1 000.0 | -0- | \$ 2 050.0 |
| 2. Academic Computing | 750.0 | 300.0 | | 1 050.0 |
| 3. Campus Honors Program | | 140.0 | | 140.0 |
| 4. Business, Technology, and Society | | 200.0 | | 200.0 |
| 5. Services to Elementary and Secondary Schools | 190.0 | 100.0 | | 290.0 |
| Subtotal | \$1 990.0 | \$1 740.0 | -0- | \$ 3 730.0 |
| IV. Engineering Revitalization | \$1 500.0 | \$1 700.0 | -0- | \$ 3 200.0 |
| V. Minority Recruitment and Retention | \$ 305.0 | \$ 535.0 | -0- | \$ 840.0 |
| VI. Equipment Replacement | \$1 000.0 | \$1 000.0 | -0- | \$ 2 000.0 |
| VII. Library Improvements | \$ 300.0 | \$ 300.0 | -0- | \$ 600.0 |
| Total | \$7 640.0 | \$8 800.0 | \$850.0 | \$17 290.0 |

Table 3
University of Illinois Fiscal Year 1988 Capital Request Priority List

| Priority | Campus | Project | Budget Category | FY 1988 Request | Cumulative Cost (Dollars in Thousands) | | |
|----------|------------------|------------------------------------------------------------|-----------------|-----------------|----------------------------------------|------------|------------|
| | | | | | University | Chicago | Urbana |
| 1 | C | Clinical Sciences Building | Remd. | \$ 7 883.0 | \$ 7 883.0 | \$ 7 883.0 | |
| 2 | UC | Life Sciences Research Lab. | Plan. | 1 800.0 | 9 683.0 | | \$ 1 800.0 |
| 3 | UC | Utility Infrastructure Upgrade | Util. | 3 689.0 | 13 372.0 | | 5 489.0 |
| 4 | C | Art and Architecture Building Addition .. | Plan. | 667.0 | 14 039.0 | 8 550.0 | |
| 5 | UC | Campus Land Acquisition | Land | 1 500.0 | 15 539.0 | | 6 989.0 |
| 6 | UC | Environmental Sciences Building | Remd./Equip. | 4 250.0 | 19 789.0 | | 11 239.0 |
| 7 | C | Alumni Hall (Phase 2) | Remd. | 4 024.0 | 23 813.0 | 12 574.0 | |
| 8 | UC | Noyes Lab. Remodeling | Plan. | 200.0 | 24 013.0 | | 11 439.0 |
| 9 | UC | English Building Remodeling (Phase 3) .. | Remd. | 3 360.0 | 27 373.0 | | 14 799.0 |
| 10 | C/U ¹ | Administrative Computing Electrical Improvements | Util. | 1 919.0 | 29 292.0 | 14 493.0 | |
| 11 | C | Associated Health Professions | Remd. | 3 900.0 | 33 192.0 | 18 393.0 | |
| 12 | UC | WILL Radio-TV Building | Bldg. | 10 350.0 | 43 542.0 | | 25 149.0 |
| 13 | C | Engineering Science Library Addition | Plan. | 425.0 | 43 967.0 | 18 818.0 | |
| 14 | UC | Federal Research Facility | Site/Equip. | 1 275.0 | 45 242.0 | | 26 424.0 |
| 15 | C | Remodel College of Medicine — West Tower (Phase 1) | Plan. | 414.0 | 45 656.0 | 19 232.0 | |
| 16 | UC | New Commerce Building | Plan. | 1 500.0 | 47 156.0 | | 27 924.0 |
| 17 | C | Health Sciences Center Campus Emergency Distribution | Util. | 1 190.0 | 48 346.0 | 20 422.0 | |
| 18 | UC | Vet. Med. Basic Sciences Building Remodeling | Plan. | 250.0 | 48 596.0 | | 28 174.0 |
| 19 | UC | Campus Landscape Improvements | Site | 150.0 | 48 746.0 | | 28 324.0 |
| 20 | UC | Sanitary Sewer System Upgrade | Plan. | 90.0 | 48 836.0 | | 28 414.0 |
| 21 | C | Remodel Pharmacy Building | Remd. | 2 111.0 | 50 947.0 | 22 533.0 | |
| 22 | UC | Art Painting and Pottery Lab. | Bldg. | 662.0 | 51 609.0 | | 29 076.0 |

Table 3 (continued)

| Priority | Campus | Project | Budget Category | FY 1988 Request | Cumulative Cost (Dollars in Thousands) | | |
|--------------------------------------------|--------|----------------------------------------|--------------------|--------------------|----------------------------------------|------------|------------|
| | | | | | University | Chicago | Urbana |
| 23 | UC | Nuclear Physics Lab. Addition | Plan. | \$ 350.0 | \$51 959.0 | | \$29 426.0 |
| 24 | C | Upgrade Campus Fire Alarm System | Util. | 794.0 | 52 753.0 | \$23 327.0 | |
| 25 | UC | Mechanical Engineering Building | | | | | |
| | | Remodeling | Remd. | 2 950.0 | 55 703.0 | | 32 376.0 |
| 26 | C | College of Business and Continuing | | | | | |
| | | Education Building | Plan. | 850.0 | 56 553.0 | 24 177.0 | |
| 27 | UC | Main Library Remodeling | Plan. | 160.0 | 56 713.0 | | 32 536.0 |
| 28 | UC | Outdoor Instructional/Recreational | | | | | |
| | | Facilities | Site | 85.0 | 56 798.0 | | 32 621.0 |
| 29 | UC | Pilot Training Facility | Bldg./Util. | 932.8 | 57 730.8 | | 33 553.8 |
| 30 | UC | Campus Police Building | Plan. | 90.0 | 57 820.8 | | 33 643.8 |
| <i>Build Illinois Requests¹</i> | | | | | | | |
| | C/UC | Repair and Renovation Program | | | | | |
| | | (Phase 3) | Remd. | 7 834.0 | | | |
| | UC | Completion, Animal/Dairy Science | Bldg./Remd. | 1 998.1 | | | |

¹ Because this project serves the needs of both the Chicago and Urbana-Champaign campuses, the cost may be applied on an equal basis to both. For the purpose of this table, the entire project cost will be included under Chicago.

² Build Illinois projects are non-prioritized.

Annual Operating Budget for Fiscal Year 1987

(5) The University budget for operations for the fiscal year beginning July 1, 1986, is submitted herewith, including recommendations for: (a) academic and administrative appointments beginning August 21, 1986, at Urbana-Champaign and September 1, 1986, at Chicago; and (b) funds for the nonacademic personnel staff on a continuous basis.

For purposes of determining payments for a fractional year of academic service, the academic year at the Chicago campus is defined as September 16 through June 15, and at the Urbana-Champaign campus as August 21 through May 20.

The budget has been prepared by the vice president for academic affairs and the vice president for business and finance based upon recommendations of: (a) the chancellors, after consultation with their respective deans, directors, and other campus officers; and (b) the president of the University. The allocation of funds follows general policies and priorities developed by these reviews and was recommended by the University Planning Council.

Submitted herewith are two budget documents: "Budget Summary for Operations, FY 1986-87," and "Academic Personnel, 1986-87." (Copies of these documents have been filed with the secretary of the board for record.)

I recommend that this budget, covering the allocation of the estimated operating income from all sources for the year beginning July 1, 1986, be approved by the Board of Trustees; and that the president of the University be authorized, in accord with the needs of the University and the equitable interests involved, and within total income as it accrues: (a) to accept resignations; (b) to make such additional appointments as are necessary and to approve the issuance of notices of nonreappointment, subject to the provisions of the University of Illinois *Statutes, General Rules Concerning University Organization and Procedure, and Policy and Rules—Nonacademic*; and (c) to make such adjustments in items included in the budget as are needed, such adjustments to be covered in periodic reports to the Board of Trustees.

On motion of Mr. Howard, the budget was approved, and authority was given as recommended 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. Filip, Mr. Starkeson; no, none.)

Budget, Athletic Association, Fiscal Year 1987, Urbana

(6) The director of intercollegiate athletics has submitted, on behalf of the Board of Directors of the Athletic Association, the proposed budget for 1986-87, which is summarized as follows with comparable budget figures for the preceding year:

| | 1985-86 | 1986-87 |
|-------------------------------------------------------------|-------------|-------------|
| Estimated income from Athletic Association activities | \$8 518 832 | \$9 534 496 |
| Budget allocations | 8 518 832 | 9 534 496 |
| Unallocated budget income | \$ -0- | -0- |

The budget has been reviewed and approved by the chancellor at Urbana, and by the vice president for business and finance.

I recommend that this budget be approved within the limits of funds available, and that the Board of Directors of the Athletic Association be authorized to make such changes and adjustments, including approval of new appointments and

acceptance of resignations, as are necessary within the total income and surplus of the association, provided that the assignment of funds for new projects or non-recurring capital expenditures in excess of \$50,000 shall be presented to the Board of Trustees for approval.

On motion of Mr. Howard, this recommendation was approved and authority was given as recommended 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. Filip, Mr. Starkeson; no, none.)

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 7 through 22 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 (Report for Information)

(7) On August 14, 1986, bond closing occurred on the sale of \$46,635,598 (principal amount) of University of Illinois Auxiliary Facilities Revenue Refunding and Improvement Bonds, Series 1986. The sale of these bonds was authorized by board actions of April 10 and May 8, 1986. The sources and uses of the funds are shown below.

Sources

| | |
|----------------------|-----------------|
| Bond principal | \$46 635 597 90 |
|----------------------|-----------------|

Uses

| | |
|----------------------------------|-----------------|
| Cost of escrow | \$39 913 063 80 |
| Available for improvements | 5 529 915 35 |
| Cost of issuance | 120 000 00 |
| Bond discount | 1 072 618 75 |
| | \$46 635 597 90 |

The majority of the funds, \$39.9 million, has been used to provide an escrow account which is invested to provide for the call and retirement on October 1, 1994, of all Series 1984 bonds dated October 1, 1996, through April 1, 2009. After paying the cost of issuance and the bond discount, the University netted \$5.5 million which is deposited in a construction account for enhancements of the Auxiliary Facilities System. Additional savings of about \$560,000 will occur in 1994, the present value of which is about \$320,000.

The yields on the Series 1986 bonds average 7.80 percent, ranging from 7.30 percent for maturities in 1996 to 8.125 percent for maturities in 2009. The total future debt service of the system, interest and principal combined in each period, is identical to that prior to the issuance of the Series 1986 bonds.

This report was received for record.

Award of Certified Public Accountant Certificates

(8) The Committee on Accountancy recommends that the certificate of certified public accountant be awarded to 1,217 candidates who have passed the uniform written examination on May 7-9, 1986, in Illinois and who have fulfilled all other

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

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 19 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 fourteen candidates who wish to transfer the examination credit earned by passing the uniform examination in another state and who have fulfilled all 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.

Industrial Advisory Board, College of Engineering, Chicago

(9) The chancellor at Chicago, with the advice of the dean of the College of Engineering, has recommended the following appointments and reappointments to the Industrial Advisory Board¹ of the college, for three-year terms effective May 1, 1986.

Appointments

KEITH V. DAVIS, executive vice president, operations staff, Nalco Chemical Company, Oak Brook

DANIEL DEES, deputy director, Office of Program and Planning, Illinois Department of Transportation, Springfield

HARVEY DRUCKER, associate laboratory director, energy, environmental and biomedical research, Argonne National Laboratory, Argonne

CRAIG A. GIPPLE, vice president-network, AT&T Communication, Chicago

GEORGE C. KUHLMAN, partner and manager, services department, Sargent & Lundy, Engineers, Chicago

LARRY G. LARSON, president and chief executive officer, CAI Division and Pacific Optical Division, Recon Optical, Inc., Barrington

WILLIAM H. MUNRO, assistant director, process and computer engineering, Universal Oil Products, Inc., Des Plaines

TED SALTZBERG, senior vice president, director of research and new businesses, communications sector, Motorola, Inc., Schaumburg

Reappointments to Second Term

STEPHEN BAN, vice president, research and development, Gas Research Institute, Chicago

GRADY W. HARRIS, vice president for research and development, Hollister, Inc., Libertyville

Reappointments to Third Term

CLIFFORD N. HALL, vice president, Sundstrand Energy Systems, Sundstrand Corporation, Rockford

S. DAVID HOFFMAN, vice president and general counsel, Underwriters Laboratories, Inc., Northbrook

JAMES W. JOHNSON, vice president, Commonwealth Edison Company, Chicago

KEITH W. McHENRY, vice president, research and development, Amoco Research Center, Amoco Oil Company, Naperville

¹ The board was established in March 1980 with eighteen members. The present membership, including those recommended in this item, is 32.

R. C. PENNY, president and chief executive officer, The Penny Group, Oak Brook
GARY PETERSEN, president, Weltek International, Inc., South Bend, Indiana
IVER PETERSEN, vice president, General Electric Company, Oak Brook
NORMAN A. ROBINS, vice president of research, Inland Steel Company, East Chicago, Indiana

JACK RUTHERFORD, president and chief executive officer, International Consulting Management, Ltd., Chicago

WILLIAM H. WELTYK, vice president, technology, Borg-Warner Corporation, Chicago
I concur in this recommendation.

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

Advisory Committee, College of Pharmacy, Chicago

(10) The chancellor at Chicago has recommended the following appointments to the Advisory Committee for the College of Pharmacy for three-year terms, ending June 30, 1989.

CHARLES GASPAR, R.Ph., director, pharmacy services, West Side Veterans Administration Hospital, Chicago

WALTER OLCHAWA, owner, Oak Forest Pharmacy, Inc., Oak Forest, and Great Valu Pharmacy, Inc., Homewood

YVONNE PEAK, president, Peak Enterprises, Inc., Chicago

Ex-Officio Members for 1986-87

SISTER MARGARET WRIGHT, chairperson, Illinois State Board of Pharmacy

VERNON D. GIDEON, president, Illinois Association of Community Pharmacists

KENNETH GIMMY, president, Illinois Pharmacists Association

LEE SIMON, president, Illinois Council of Hospital Pharmacists

I recommend approval.

(Members of the Advisory Committee whose terms will expire June 30, 1987: Lucio Blanco, Chicago; Thomas K. Denson, Wheaton; JoAnn Hittie, Deerfield. Members whose terms will expire June 30, 1988: Max Hunt, Park Ridge; Thomas Marks, Naperville; and Jerry Redfield, Chicago.)

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

Advisory Council, College of Commerce and Business Administration, Urbana

(11) The chancellor at Urbana, with the advice of the dean of the College of Commerce and Business Administration, has recommended the following new appointments and reappointments to the Advisory Council for the college, the terms to expire at the times indicated.

New Appointments

Term to Expire August 31, 1987

W. C. WIGENROTH, vice president-human resources, Indiana Harbor Works, Inland Steel Company, Chicago

Terms to Expire August 31, 1988

CRAIG HART, president and chief executive officer, Champion Federal Savings & Loan Association, Bloomington

MICHAEL A. HERZBERG, senior vice president, JMB Realty Corporation, Chicago

HAROLD E. HINDSLEY, senior vice president, The Northern Trust Company, Chicago

ROBERT W. R. JACKSON, senior vice president of finance, Central Illinois Public Service, Springfield

DONALD R. JONES, executive vice president and chief financial officer, Motorola, Inc., Schaumburg
LESTER MCKEEVER, managing partner, Washington, Pittman & McKeever, Chicago
TED ROSS, vice president-finance and secretary, Sundstrand Corporation, Rockford
CHARLES B. VAN VORST, president and chief executive officer, Carle Foundation, Urbana

Terms to Expire August 31, 1989

LARRY AUSTERMILLER, partner, Arthur Andersen & Co., Chicago
JUDITH W. MARES, director, benefit finance, General Mills, Inc., Minneapolis, Minnesota
JOHN D. O'BRIEN, vice president-human resources, Borg-Warner Corporation, Chicago

Reappointments

Terms to Expire August 31, 1989

JAMES R. ARNOLD, president of executive search, A. T. Kearney & Company, Inc., Chicago
DAVID L. DIANA, president, Diana Food Stores, Champaign
DAVID A. FEWKES, vice president, general counsel and secretary, A. O. Smith Corporation, Milwaukee, Wisconsin
FREDERICK C. FORD, senior vice president, Draper & Kramer, Inc., Chicago
MILLARD J. GRAUER, president, Chartered Financial Services, Chicago
D. JACK HENSLER, vice president-interior products operating division, Owens-Corning Fiberglas Corp., Toledo, Ohio
HENRY A. JOHNSON, president, Spiegel, Inc., Oak Brook
JOHN E. JONES, vice chairman, CBI Industries, Inc., Oak Brook
ROBERT C. LANPHER III, president, DICKEY-john Corporation, Auburn
THOMAS M. LIPTAK, vice president-management systems and organization, IBM Corporation, Ammonk, New York
JAMES E. MURPHY, senior vice president-communications, Merrill Lynch & Co., Inc., New York, New York
WILLIAM L. NEEDLER, president, William L. Needler & Associates Ltd., Chicago
JOHN W. PAINTER, executive vice president, Eagle-Picher Industries, Inc., Cincinnati, Ohio
DAVID J. PAULUS, senior vice president-government and community affairs, The First National Bank of Chicago, Chicago
ROBERT J. PENN, president, UNR Industries, Inc., Chicago
ROGER L. PLUMMER, vice president-operations, Illinois Bell Telephone Company, Chicago
EARNEST E. ROGERS, president, Rogers Chevrolet Pontiac Buick, Rantoul
GEORGE A. SCHAEFER, chairman, Caterpillar Tractor Co., Peoria
ROBERT D. THORNE, vice president and controller, USG Corporation, Chicago
DEMPSEY TRAVIS, president, Travis Realty, Chicago
CHARLES W. WELLS, executive vice president, Illinois Power Company, Decatur

I concur in this recommendation.

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

Director, School of Human Resources and Family Studies, Urbana

(12) The chancellor at Urbana, after consultation with the dean of the College of Agriculture, has recommended the appointment of Sharon Y. Nickols, presently professor, Department of Housing, Interior Design, and Consumer Studies and coordinator for international programs, College of Home Economics at Oklahoma State University, as director of the School of Human Resources and Family

Studies,¹ beginning September 11, 1986, on a twelve-month service basis at an annual salary of \$70,000.

Dr. Nickols will hold the rank of professor of family and consumer economics on indefinite tenure. She will succeed Dr. Coby B. Simerly who had been serving as acting director.

The nomination is made on the recommendation of a search/advisory committee² and after consultation with faculty members of the school. The vice president for academic affairs concurs.

I recommend approval.

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

Director, School of Music, Urbana

(13) The chancellor at Urbana, after consultation with the dean of the College of Fine and Applied Arts, has recommended the appointment of Austin J. McDowell, as director of the School of Music³ beginning September 11, 1986, on a twelve-month service basis at an annual salary of \$72,500.

Professor McDowell will continue to hold the rank of professor on indefinite tenure. He will succeed Professor Robert E. Bays who retired effective August 20, 1986.

The nomination is made after consultation with the Executive Committee and the faculty of the school. The vice president for academic affairs concurs.

I recommend approval.

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

Head, Department of Biological Chemistry, Chicago

(14) The chancellor at Chicago has recommended the appointment of Dr. Donald A. Chambers, presently professor of biological chemistry and interim head of the department, and professor of molecular biology in the Center for Research in Periodontal Diseases and Oral Molecular Biology, College of Dentistry, as professor and head of the Department of Biological Chemistry, College of Medicine at Chicago, beginning September 12, 1986, on a twelve-month service basis at an annual salary of \$47,350, and director of the Center for Research in Periodontal Diseases and Oral Molecular Biology, College of Dentistry. Dr. Chambers will continue to hold his appointment as professor of molecular biology, on indefinite tenure, in the Center for Research in Periodontal Diseases and Oral Molecular Biology. His total salary will be \$85,500.

Dr. Chambers will succeed Dr. William E. Lands who resigned from the headship on May 5, 1985.

The recommendation is made on the advice of the dean of the College of Medicine after consultation with members of the department.

I recommend approval.

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

¹ She has been acting director since September 1, 1986.

² Donald L. Uchtman, professor of agricultural economics, *chair*; Leann L. Birch, professor of human development in the School of Human Resources and Family Studies and in the Division of Nutritional Sciences; Hilda M. Buckley, associate professor of textiles and clothing in the School of Human Resources and Family Studies; Mary Ann Fugate, Champaign County Extension Adviser, Home Economics Cooperative Extension Services; Linda B. Peterat, assistant professor of home economics education in the Department of Vocational and Technical Education; Mary Frances Picciano-Milner, professor of nutrition in the School of Human Resources and Family Studies and in the Division of Nutritional Sciences; Robert J. Reber, associate professor of nutrition extension in the School of Human Resources and Family Studies; Vicki R. Schram, associate professor of consumer economics in the School of Human Resources and Family Studies; Adria R. Sherman, associate professor of nutrition in the School of Human Resources and Family Studies and in the Division of Nutritional Sciences; Catherine A. Surra, assistant professor of family ecology in the School of Human Resources and Family Studies; Joseph Tobias, acting chairperson, Department of Foods and Nutrition.

³ He has been acting director since August 21, 1986.

Head, Department of Atmospheric Sciences, Urbana

(15) The chancellor at Urbana, after consultation with the dean of the Graduate College, has recommended the appointment of Man-Kin Mak, presently professor of meteorology in the Department of Atmospheric Sciences, as head of the Department of Atmospheric Sciences¹ beginning September 11, 1986, on an academic year service basis at an annual salary of \$51,140.

Dr. Mak will continue to hold the rank of professor on indefinite tenure. He will succeed Professor Yoshimitsu Ogura who asked to be relieved of this administrative assignment.

The nomination is made on the recommendation of a search committee² and after consultation with faculty 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 Ceramic Engineering, Urbana

(16) The chancellor at Urbana, after consultation with the dean of the College of Engineering, has recommended the appointment of David A. Payne, presently professor of ceramic engineering, as head of the Department of Ceramic Engineering³ beginning September 11, 1986, on an academic year service basis at an annual salary of \$72,500.

Dr. Payne will continue to hold the rank of professor on indefinite tenure. He will succeed Professor Clifton G. Bergeron who asked to be relieved of this administrative assignment.

The nomination is made on the recommendation of a search committee⁴ and after consultation with members of the faculty of the department. The vice president for academic affairs concurs.

I recommend approval.

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

Appointments to the Faculty

(17) The following new appointments to the faculty of the rank of assistant professor and above, and certain administrative positions, have been approved since the previous meeting of the Board of Trustees.

Positions in the University are classified in the following categories and are designated in the budget by the symbols indicated.

A — Indefinite tenure

N — Term appointment not eligible to be appointed for an indefinite term and not credited toward probationary period

Q — Initial term appointment for a professor or associate professor

T — Terminal appointment accompanied with or preceded by notice of nonreappointment

W — One-year appointment subject to special written agreement

Y — Twelve-month service basis

¹ He has been acting head since August 21, 1986.

² Chalmers F. Sechrist, Jr., professor of electrical and computer engineering, and associate dean of the College of Engineering, *chair*; Kenneth V. K. Beard, associate professor of meteorology in the Department of Atmospheric Sciences and principal scientist in the State Water Survey; Thomas J. Hanratty, professor of chemical engineering; John E. Walsh, Jr., professor of meteorology in the Department of Atmospheric Sciences.

³ He has been acting head since August 21, 1986.

⁴ Joseph P. Murtha, professor of structural and hydraulic engineering in the Department of Civil Engineering, *chair*; Sherman D. Brown, professor of ceramic engineering; Paul D. Coleman, professor of electrical and computer engineering and in the Coordinated Science Laboratory; Clarence M. Wayman, professor of metallurgical engineering; Gerald P. Wirtz, associate professor of ceramic engineering.

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

- VYTAUTAS BANKAITIS, assistant professor of microbiology, July 21-August 20, 1986 (N), \$3,222, and beginning August 21, 1986 (1), at an annual salary of \$29,000.
- KEVIN G. BARNHURST, assistant professor of journalism, beginning August 21, 1986 (1), at an annual salary of \$37,300.
- ARTHUR J. BAROODY, assistant professor of elementary and early childhood education, August 1-15, 1986 (N), \$1,722, and beginning August 21, 1986 (1), at an annual salary of \$31,000.
- MARCUS Q. BREWSTER, assistant professor of mechanical engineering, beginning August 21, 1986 (1), at an annual salary of \$44,500.
- M. KATHRYN BRINDLE, associate professor of theatre, for two years beginning August 21, 1986 (Q), at an annual salary of \$30,000.
- SUSAN I. COHEN, associate professor of business administration, for three years beginning August 21, 1986 (Q), at an annual salary of \$45,000.
- MARY E. COREY, assistant professor of dance, beginning August 21, 1986 (1), at an annual salary of \$24,100.
- SANKAR P. DUTTA, assistant professor of mathematics, beginning August 21, 1986 (4), at an annual salary of \$33,000.
- JO ANN C. EURELL, assistant professor of veterinary biosciences, beginning August 21, 1986, (1Y), at an annual salary of \$49,000.
- THOMAS E. EURELL, assistant professor of veterinary biosciences, beginning August 21, 1986 (1), at an annual salary of \$36,000.
- ALAN FRISCH, assistant professor of computer science, beginning August 21, 1986 (1), at an annual salary of \$40,000.
- STEPHEN P. GRAND, assistant professor of geology, July 1-August 20, 1986 (N), \$4,741, and beginning August 21, 1986 (1), at an annual salary of \$25,600.
- JAHYUN K. HABOUSH, assistant professor in the Center for East Asian and Pacific Studies, beginning August 21, 1986 (1), at an annual salary of \$25,000.
- WILLIAM J. HABOUSH, professor of mathematics, beginning August 21, 1986 (A), at an annual salary of \$50,000.
- VIOLET J. HARRIS, assistant professor of elementary and early childhood education, beginning August 21, 1986 (1), at an annual salary of \$26,000.
- JAMES W. HAY, assistant professor of speech communication, beginning August 21, 1986 (1), at an annual salary of \$24,000.
- DAVID W. HERTZOG, assistant professor of physics, beginning August 21, 1986 (1), at an annual salary of \$38,000.
- THOMAS W. JACOBS, assistant professor of plant biology, beginning August 21, 1986 (1), at an annual salary of \$29,000.
- FRANCES F. JACOBSON, reference librarian and user education coordinator, and assistant professor of library administration, beginning August 21, 1986 (1Y), at an annual salary of \$21,000.
- LARRY G. JONES, assistant professor of computer science, beginning August 21, 1986 (1), at an annual salary of \$39,000.
- DAVID W. KNAPP, assistant professor of computer science, beginning August 21, 1986 (1), at an annual salary of \$39,000.
- GEORGE KORDAS, associate professor of ceramic engineering, for three years beginning August 21, 1986 (Q), at an annual salary of \$44,000.

- MARK J. KUSHNER, assistant professor of electrical and computer engineering, beginning August 21, 1986 (1), at an annual salary of \$45,000.
- CHRISTOPHER J. LAWRENCE, assistant professor of theoretical and applied mechanics, beginning August 21, 1986 (1), at an annual salary of \$40,000.
- KAREN K. LEONAS, assistant professor of textiles and apparel in textiles, apparel and interior design, beginning August 21, 1986 (1), at an annual salary of \$29,000.
- JURAJ MEDANIC, professor of general engineering and research professor in the Coordinated Science Laboratory, beginning August 21, 1986 (A;N), at an annual salary of \$54,490.
- ROBERT E. MOLYNEUX, assistant professor of library and information science, and director-designate, Library Research Center, beginning August 21, 1986 (1Y;NY), at an annual salary of \$36,000.
- GEORGE E. MONAHAN, associate professor of business administration, beginning August 21, 1986 (A), at an annual salary of \$47,000.
- KATHLEEN J. MOROZ, assistant professor of social work, July 21-August 20, 1986 (N), \$3,222, and beginning August 21, 1986 (1), at an annual salary of \$29,000.
- DON V. MOSES, professor of music, beginning August 21, 1986 (A), at an annual salary of \$48,000.
- STUART N. MUIR, assistant professor of English, and of cinema studies, beginning August 21, 1986 (1;N), at an annual salary of \$24,000.
- NORMAN H. PACKARD, assistant professor of physics, beginning August 21, 1986 (1), at an annual salary of \$40,000.
- GERALD L. RICKOWSKI, assistant professor of agricultural engineering, and in the College of Engineering, beginning August 21, 1986 (1;N), at an annual salary of \$39,000.
- YOUSSEF SAAD, associate professor of mathematics, and senior computer scientist in the Center for Supercomputing Research and Development, beginning August 21, 1986 (A;NY), at an annual salary of \$60,000.
- PETER S. SCHAEFFER, professor of music, for three years beginning August 21, 1986 (Q), at an annual salary of \$42,000.
- PEGGY SHARPE-VALADARES, assistant professor of Portuguese, beginning August 21, 1986 (1), at an annual salary of \$24,000.
- KEITH W. SINGLETARY, assistant professor in food chemistry, Department of Foods and Nutrition, beginning August 21, 1986 (1), at an annual salary of \$28,500.
- ROBERT M. SMITH, assistant professor of veterinary clinical medicine, beginning July 21, 1986 (1Y), at an annual salary of \$46,500.
- REIN J. H. STAAL, assistant professor of political science, beginning August 21, 1986 (1), at an annual salary of \$25,000.
- ROBERT H. TEYKER, assistant professor of crop production-physiology, Department of Agronomy, beginning August 21, 1986 (1), at an annual salary of \$32,000.
- KEITH P. THOMPSON, professor of music, for two years beginning August 21, 1986 (Q), at an annual salary of \$42,000.
- NANCY J. VICK, assistant map and geography librarian and assistant professor of library administration, beginning June 21, 1986 (1Y), at an annual salary of \$21,000.
- STEPHEN WOLFRAM, professor of physics, beginning August 21, 1986 (A), at an annual salary of \$65,000.
- CHARLES D. WRIGHT, assistant professor of English, beginning August 21, 1986 (1), at an annual salary of \$25,000.

Chicago

- DINA BITTON, associate professor of electrical engineering and computer science, beginning September 1, 1986 (A), at an annual salary of \$44,000.

- CARYN CHRISTENSEN, assistant professor of health professions education, Center for Educational Development, beginning August 1, 1986 (1Y), at an annual salary of \$27,000.
- MARG E. CULLER, associate professor of mathematics, statistics, and computer science, beginning September 1, 1986 (A), at an annual salary of \$40,000.
- PRUDENCE W. DALRYMPLE, health sciences librarian and assistant professor, Library, beginning September 1, 1986 (1Y), at an annual salary of \$35,000.
- PEDRO J. DEL NIDO, assistant professor of surgery, on 75 percent time, and physician surgeon, on 25 percent time, College of Medicine at Chicago, beginning July 1, 1986 (1Y75;NY25), at an annual salary of \$95,000.
- ZIA DURRANI, assistant professor of anesthesiology, on 60 percent time, and physician surgeon, on 40 percent time, College of Medicine at Chicago, beginning July 1, 1986 (1Y60;NY40), at an annual salary of \$100,000.
- JODY M. ENDERS, assistant professor of French, beginning September 1, 1986 (1), (on leave of absence without pay for the academic year 1986-87), at an annual salary of \$22,000.
- GREGORY GRUENER, assistant professor of neurology, College of Medicine at Chicago, beginning July 1, 1986 (1Y), at an annual salary of \$60,000.
- NANCY GUERRA, assistant professor of criminal justice, beginning September 1, 1986 (1), at an annual salary of \$24,000.
- GEORGE HOGANSON, assistant professor of pediatrics, on 64 percent time, and physician surgeon, on 36 percent time, College of Medicine at Chicago, and assistant professor in the Center for Genetics, beginning July 1, 1986 (1Y64;NY36;N), at an annual salary of \$80,000.
- ALFRED L. HOROWITZ, assistant professor of radiology, on 51 percent time, and physician surgeon, on 49 percent time, College of Medicine at Chicago, beginning August 1, 1986 (1Y51;NY49), at an annual salary of \$108,000.
- PEI HSU, assistant professor of mathematics, statistics, and computer science, beginning June 11, 1986 (2) (on leave of absence without pay for the academic year 1986-87), at an annual salary of \$30,000.
- JESSE JOAD, assistant professor of pediatrics, on 82 percent time, and physician surgeon, on 18 percent time, College of Medicine at Chicago, beginning August 1, 1986 (1Y82;NY18), at an annual salary of \$55,000.
- STEPHEN R. KELSO, assistant professor of biological sciences, July 1-August 31, 1986 (N), \$6,889, and beginning September 1, 1986 (1), at an annual salary of \$31,000.
- LANCE A. LAMBERT, assistant professor of pediatric dentistry, beginning August 1, 1986 (1Y), at an annual salary of \$36,000.
- MARC A. LAPPE, professor of humanistic studies, for three years beginning August 1, 1986, and director of the Humanistic Studies Program beginning August 1, 1986 (QY;NY), at an annual salary of \$70,000.
- STEPHEN M. LASLEY, assistant professor of neurochemistry, College of Medicine at Peoria, beginning July 1, 1986 (WY), at an annual salary of \$36,000.
- TIMOTHY H. MASSEY, assistant professor of orthopaedics, on 67 percent time, and physician surgeon, on 33 percent time, College of Medicine at Chicago, beginning July 1, 1986 (1Y67;NY33), at an annual salary of \$68,000.
- ANTHONY G. ROEBER, associate professor of history, beginning September 1, 1986 (A), at an annual salary of \$31,500.
- LAURA J. SCHENK, assistant professor of psychiatry, on 76 percent time, and physician surgeon, on 24 percent time, College of Medicine at Chicago, beginning July 1, 1986 (1Y76;NY24), at an annual salary of \$60,000.
- PETER T. SCHLAKE, assistant professor of anesthesiology, on 60 percent time, and physician surgeon, on 40 percent time, College of Medicine at Chicago, beginning July 1, 1986 (1Y60;NY40), at an annual salary of \$90,000.

- MARY C. SCHOLTZ, assistant professor of pediatric dentistry, on 60 percent time, beginning July 14, 1986 (1Y60), at an annual salary of \$20,000.
- NICHOLAS I. SHEPHERD-BARRON, assistant professor of mathematics, statistics, and computer science, beginning September 1, 1986 (3) (on leave of absence without pay for the academic year 1986-87), at an annual salary of \$32,000.
- ZBIGNIEW SLODKOWSKI, associate professor of mathematics, statistics, and computer science, beginning September 1, 1986 (A), at an annual salary of \$38,000.
- ELLEN C. SMITH, assistant professor in the School of Public Health, beginning August 1, 1986 (1Y), at an annual salary of \$42,000.
- ELLIOTT M. SOGOL, assistant professor of pharmacy administration, beginning June 16, 1986 (1Y), at an annual salary of \$35,500.
- JAMES W. SPAIN, assistant professor of pharmacology in biomedical sciences, College of Medicine at Rockford, beginning October 1, 1986 (1Y), at an annual salary of \$32,000.
- MICHAEL M. STANISIC, assistant professor of mechanical engineering, beginning September 1, 1986 (1), at an annual salary of \$37,000.
- RAGHURAM TADEPALLI, assistant professor of marketing, beginning September 1, 1986 (1), at an annual salary of \$40,000.
- ELEANOR D. TOLSON, associate professor of social work, beginning September 1, 1986 (A), at an annual salary of \$35,000.
- GREGORY F. WETZEL, assistant professor of electrical engineering and computer science, beginning September 1, 1986 (1), at an annual salary of \$37,000.
- HSI-YUAN H. YANG, assistant professor of anatomy, beginning September 1, 1986 (1), at an annual salary of \$32,000.

Administrative Staff

- AIDA A. BAHRAWY, assistant professor of public health nursing, on 50 percent time, and assistant dean of the College of Nursing, on 50 percent time, Chicago, beginning August 1, 1986 (NY), at an annual salary of \$48,000.
- ARTHUR W. CATRAMBONE, associate executive vice chancellor, Chicago, beginning September 1, 1986 (NY), at an annual salary of \$81,000.
- EDYTHE S. ELLISON, associate professor of nursing, and associate dean of academic affairs, College of Nursing, Chicago, beginning August 18, 1986 (AY;NY), at an annual salary of \$65,000.
- JOEL E. HERCIK, director for business and financial operations, Urbana, beginning August 21, 1986 (NY), at an annual salary of \$65,390.
- LINDA M. HOWARD, director of continuing learning and professional development, College of Nursing, Chicago, beginning August 1, 1986 (NY), at an annual salary of \$33,400.
- JUDITH S. LIEBMAN, acting vice chancellor for research, acting dean of the Graduate College, and professor of operations research in the Department of Mechanical and Industrial Engineering, Urbana, beginning August 21, 1986 (N;A), at an annual salary of \$53,890 on an academic year service basis with an administrative increment of \$1,000 per month until a permanent vice chancellor for research and dean of the Graduate College is appointed.
- RICHARD G. LIM, associate director-operations, Office of Planning and Resources Management, and associate vice chancellor for health services, Chicago, beginning July 1, 1986 (NY), at an annual salary of \$61,500.
- DIANE E. McGRATH, assistant director of educational services, College of Medicine at Peoria, beginning August 1, 1986 (NY), at an annual salary of \$44,000.

- SUSAN G. NIXON, assistant to the university director of public affairs, beginning July 14, 1986 (NY80), at an annual salary of \$35,000.
- MALCOLM I. PAGE, director of ambulatory care, University of Illinois Hospital, on 70 percent time; associate dean for clinical affairs, on 30 percent time, and visiting professor of clinical medicine, College of Medicine at Chicago, beginning September 1, 1986 (NY), at an annual salary of \$112,000.
- HAROLD G. POINDEXTER, assistant vice president for business affairs, beginning August 21, 1986 (NY), at an annual salary of \$69,850.
- SUSAN R. WEIL, associate hospital director and chief financial officer, University of Illinois Hospital, Chicago, beginning July 7, 1986 (NY), at an annual salary of \$85,000.

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

Nonsalaried Faculty, 1986-87, Health Sciences Center, Chicago

(18) On recommendation of the chancellor at Chicago, I have approved appointments and reappointments to the nonsalaried faculty of the Colleges of Associated Health Professions, Dentistry, Medicine, Nursing, and Pharmacy, the School of Public Health, and the Center for Educational Development, Chicago campus, for the academic year 1986-87, beginning September 1, 1986. The appointments are filed with the secretary of the Board of Trustees and his office will issue the usual notices of appointment.

The following is a summary of the number of appointments in each unit. The total number of persons is 3,386, of whom 128 are *emeritus*.

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

College of Associated Health Professions

| | |
|---------------------------------------|----|
| Biocommunication Arts | 15 |
| Medical Laboratory Sciences | 54 |
| Medical Record Administration | 17 |
| Medical Social Work | 6 |
| Nutrition and Medical Dietetics | 7 |
| Occupational Therapy | 50 |
| Physical Therapy | 56 |

205

Center for Educational Development

27

College of Dentistry

| | |
|---------------------------|----|
| Administration | 38 |
| Histology | 2 |
| Oral Diagnosis | 4 |
| Oral Pathology | 2 |
| Oral Surgery | 9 |
| Orthodontics | 2 |
| Pediatric Dentistry | 4 |
| Periodontics | 2 |
| Prosthodontics | 8 |
| Radiology | 1 |

72

*College of Medicine***College of Medicine at Chicago**

| | |
|------------------------------------------------|---------------------|
| Anatomy | 6 (2) ¹ |
| Anesthesiology | 61 (2) |
| Biological Chemistry | 4 (1) |
| Dermatology | 40 (4) |
| Family Practice | 42 |
| Genetics, Center for | 2 |
| Medicine | 527 (27) |
| Microbiology and Immunology | 1 (1) |
| Neurology | 29 (3) |
| Neurosurgery | 14 (2) |
| Obstetrics and Gynecology | 135 (11) |
| Ophthalmology | 100 (5) |
| Orthopaedics | 52 (3) |
| Otolaryngology-Head and Neck Surgery | 47 (7) |
| Pathology | 43 (5) |
| Pediatrics | 139 (18) |
| Pharmacology | 4 |
| Physical Medicine and Rehabilitation | 22 (1) |
| Physiology and Biophysics | 7 |
| Preventive Medicine and Community Health | 21 |
| Psychiatry | 164 (5) |
| Radiology | 67 (1) |
| Surgery | <u>221 (12)</u> |

1 748 (110)

College of Medicine at Peoria

| | |
|------------------------------------------------|----------------|
| Basic Sciences | 6 (1) |
| Dermatology | 2 (1) |
| Family Practice | 101 (3) |
| Medicine | 66 |
| Neurosciences | 5 |
| Obstetrics and Gynecology | 13 |
| Pathology | 17 (1) |
| Pediatrics | 46 |
| Preventive Medicine and Community Health | 4 |
| Psychiatry and Behavioral Medicine | 18 |
| Rehabilitation Medicine | 8 |
| Radiology | 14 (1) |
| Surgery | <u>86 (4)</u> |

386 (11)

College of Medicine at Rockford

| | |
|---------------------------------|----------------|
| Administration | 3 |
| Biomedical Sciences | 7 |
| Family Medicine | 28 (1) |
| Medicine | 62 |
| Obstetrics and Gynecology | 22 |
| Pathology | 6 |
| Pediatrics | 6 |
| Psychiatry | 13 |
| Surgery | <u>71 (1)</u> |

218 (2)

¹ Emeritus standing.

College of Medicine at Urbana-Champaign

| | |
|--------------------------------------------|-----|
| Family Practice | 56 |
| Internal Medicine | 131 |
| Medical Humanities & Social Sciences | 3 |
| Obstetrics and Gynecology | 26 |
| Pathology | 18 |
| Pediatrics | 33 |
| Psychiatry | 28 |
| Surgery | 136 |

431

College of Nursing

| | |
|--------------------------------|----|
| General Nursing | 17 |
| Maternal-Child Nursing | 42 |
| Medical-Surgical Nursing | 20 |
| Psychiatric Nursing | 13 |
| Public Health Nursing | 17 |

109

College of Pharmacy

| | |
|-----------------------------------------------------------------------------------------|-----|
| Administration (Program for Collaborative Research in Pharmaceutical Sciences) | 3 |
| Medicinal Chemistry and Pharmacognosy | 5 |
| Pharmaceutics | 3 |
| Pharmacy Administration | 1 |
| Pharmacy Practice | 105 |

117

School of Public Health

73 (5)

Grand Total

3 386 (128)

Revisions to Policy and Rules — Nonacademic

(19) The University Office of Personnel Administration has completed the update and revision to *Policy and Rules — Nonacademic*. It has undergone extensive reviews by both campus Personnel Services Offices, the University Nonacademic Employees Advisory Committee, and the Office of University Counsel.

Since Board of Trustees' approval is required for all policy changes, a summary is attached. This summary describes the new format and the reasons for the proposed policy changes. (The appendices referred to in the summary were mailed to members of the Board of Trustees previously and have been filed with the secretary of the board for record.)

The vice president for business and finance recommends approval of the proposed policy changes effective immediately.

I concur.

On motion of Mr. Forsyth, these revisions of the *Policy and Rules — Nonacademic* were approved as recommended.

Summary

Policy and rules relating to compensation and working conditions of non-academic employees were first approved by the Board of Trustees July 1, 1945. Since that time it has undergone significant revisions resulting in reprinting five times. Periodic amendments required due to changes in State and Federal laws and/or operating procedures have been made; however, no comprehensive revision to *Policy and Rules — Nonacademic* has been made since 1976.

This project was undertaken approximately two and one-half years ago by the University Office of Personnel Administration with the four following objectives:

1. To make the new manual a more accurate reflection of personnel operations;
2. To clarify those policies and rules which have been inconsistently interpreted;
3. To insure that legal requirements are accurately stated; and
4. To make the manual more "user-friendly."

The new manual has been completely reorganized. It has been divided into sections which reflect major personnel functions. Each section addresses one or more subjects, each having a single University policy followed by University rules given individual topic names in addition to discrete numbers. All University regulations pertaining to the same topic immediately follow the University rules for that topic. It is believed that this organization of information will make it easier for managers and employees to locate answers to their questions, will enable personnel staff to readily recognize problem areas and permit easier identification of the policy and rules changes needed when laws affecting nonacademic employment are passed or modified. Overall, the new format makes the new manual more user-friendly.

The current *Policy and Rules—Nonacademic* has a preface which has been rewritten for the proposed version. The proposed preface includes the application of *Policy and Rules—Nonacademic* and maintenance procedures in addition to general information regarding the constitution of policies, rules, and regulations and the approvals necessary for changing each.

Since Board of Trustees' approval is necessary for all policy changes, a Summary of Policy Changes (Appendix A) is attached. For ease in recognizing the proposed changes, the summary is arranged with the current chapter policies shown on the left and the corresponding proposed policies on the right. Underlining and overstrikes on the right denote additions and deletions to the present policies.

A review of the Summary of Policy Changes shows that no revisions are proposed for the policies in current Chapters II, IV, VIII, and XIII other than format changes occasioned by the manual's reorganization. Chapters IX and XI policies have no substantive wording changes but major sections have been removed from the policies and designated as University rules (in some cases incorporating existing rules) to conform with the intent to have more general policy statements with the rules addressing specific items. The first modification of the Classification and Compensation, Chapter III, policy was the addition of "established" to reflect actual conditions. The second change permits the president to authorize alternate meritorious salary programs for step-plan employees.

The policy changes identified for Chapters VI, VII, and X are primarily for clarification but do include some substantive revisions. For instance, Chapter X policy has been rewritten as two policies instead of one for clarity, but a statement regarding closing of the University on holidays has been changed due to legal concerns. In Chapter VI, Conduct and Discipline, a policy statement on sexual harassment was added but a paragraph on political activities was moved without content change to a rule. A statement also had to be added to Chapter VII, Grievances, to exclude negotiated employees from the *Policy and Rules—Nonacademic* grievance procedure unless the grievance procedure is specifically incorporated in the collective bargaining agreement. This addition was recommended by legal counsel in light of the provisions of the Illinois Educational Labor Relations Act.

As the Summary of Policy Changes indicates, the negotiations policy of Chapter V was also subjected to content revisions due to the advent of the Illinois

Educational Labor Relations Act. Extensive legal review of the Act, its provisions and impact on University operations form the basis of the proposed policy. Appendices B, C, and D represent compilations of the Summary of Policy Changes (Appendix A).

Chapter XII policy has also undergone major changes in that references to specific University offices and outside agencies for information has been deleted but a new policy for State and University insurance programs, including reference to workers' compensation and unemployment compensation, has been added. That part of the current policy relating to sick leave was moved to separate policy (Policy 10) and certain provisions relating to Public Act 83-976, which provides for sick leave pay-out upon retirement or termination of employment from the University under certain conditions, were either deleted, moved to rules, or revised after consultation with legal counsel.

Also identified in the Summary of Policy Changes are proposed new policies which do not currently exist. Chapter I, proposed Policy 1, existed with respect to rules and regulations but did not include a policy statement approved by the Board of Trustees. It appeared appropriate to have a policy statement delegating authority for personnel administration, including compensation systems, to the president. Proposed Policies 3 and 18 apply to subjects not addressed in the current *Policy and Rules — Nonacademic*. These subjects, Position Classification and Official Personnel Records, represent major areas of concern from both operating and legal perspectives and, as such, need written University-wide standards that can only be attained through inclusion in *Policy and Rules — Nonacademic*.

Renaming of the Water Resources Building, Urbana

(20) In September, the State Water Survey will completely vacate the Water Resources Building at 605 East Springfield Avenue in Champaign. Remodeling of this facility is already underway to accommodate the staff, visitors, and industrial partners of the National Center for Supercomputing Applications.

The staff of the National Center has requested that the Water Resources Building be renamed to reflect better the use now to be made of the facility. Although occupants and programs may change over time, it appears that the building will normally be used to house some segment of the computer programs of the University. The name "Computing Applications Building" has been proposed.

The director and staff of the National Center, the acting dean of the Graduate College, and the chancellor of the Urbana-Champaign campus concur with this proposed new designation.

I recommend approval.

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

Easement to Illinois Bell Telephone

(21) The Illinois Bell Telephone Company has requested an easement along the north border of the Brownstown Agronomy Research Center, a facility of the College of Agriculture, in Fayette County. The easement is for a new fiber optic cable between Kinmundy and Vandalia.

The required easement is 20 feet wide along the south side of Illinois Route 185, for a distance of 1,320 feet. The north edge of the easement will be at the right-of-way and will fall in the border strip surrounding a number of experimental plots but will not affect the plots themselves.

Illinois Bell will pay \$1,320 (\$1.00/foot) for the easement and will pay for damages, should there be any.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the easement described be granted and that the Board of Trustees adopt the following resolution.

**Resolution Granting Easement Along North Border of Brownstown
Agronomy Research Center in Fayette County, Illinois**

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 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 Illinois Bell Telephone Company, an Illinois Corporation, hereinafter referred to as "Company," its successors, and assigns, the right and easement to construct, operate, patrol, and maintain its communication lines including the necessary underground cables, wires, conduits, splicing boxes, surface terminals, markers and appurtenances upon, under, and across the land hereinafter specifically described, to form a part of a communication system to be owned by said Company in Fayette County, Illinois, to other lands and structures located beyond the land hereinafter described, and with the right of access to said land hereinafter described. 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 easement 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 and bordering Illinois Route 185, viz:

The Right-of-Way Easement Being More Particularly Described as Twenty (20) Feet Wide and One Thousand Three Hundred Twenty (1320) Feet \pm in Length, Located South of Adjoining to and Parallel with the South Right-of-Way line of Illinois Route 185.

In Part of the East One Half ($\frac{1}{2}$) of the Northeast Quarter ($\frac{1}{4}$) of Section Twenty-Two (22), Township Six (6) North, Range Two (2), East of the Third Principal Meridian, Fayette County, State of Illinois.

On motion of Mr. Forsyth, this recommendation was approved and the foregoing resolution adopted.

**Authorization to Participate in the Common Fund for
Short Term Investments**

(22) The Common Fund is a nonprofit organization founded in 1971 by the Ford Foundation to provide investment management services exclusively for educational institutions.

The Common Fund for Short Term Investments includes 700 participating educational institutions with invested assets of about \$2.5 billion. Big Ten institutions participating include Iowa, Michigan, Michigan State, Minnesota, and Northwestern. The fund invests in short-term obligations such as U.S. Treasury bills, obligations of U.S. government agencies, certificates of deposit, commercial paper, Euro-dollar CD's, and repurchase agreements. Liquidity is provided on the same day so long as the withdrawal request is made prior to 2:00 p.m. Investment management and administrative costs are about .19 of one percent of the quarterly average daily collected balance.

Over the past ten calendar years, the fund has outperformed all commercial money market funds and the average 90-day Treasury bill rate. It has produced

an average annual rate of return during this period of 10.32 percent, compared with a 9.63 percent average for all commercial money market funds, and a 9.68 percent average for 90-day Treasury bills. In Fiscal Year 1985-86, the fund provided participants with a higher rate of return than all commercial money market funds listed in Donoghue's Money Fund Report.

Although an overall review of the University's investment program is currently being conducted, it is believed that the University should participate in the Common Fund because of its excellent performance record. Accordingly, the Finance and Audit Committee recommends that the board authorize the use of the Common Fund for Short Term Investments for investment of current funds and perhaps some of the short-term investments in other fund groups. Currently, the University has approximately \$86 million of current funds invested; \$55 million in a group of pooled funds and \$31 million separately invested.

The committee also recommends that the board adopt the following resolution authorizing the opening of an account in the Common Fund for Short Term Investments.

I concur.

Resolution

Be It Resolved that the comptroller of the Board of Trustees of the University of Illinois is authorized to invest such funds or securities as may from time to time be determined by the Board of Trustees in The Common Fund for Short Term Investments.

Be It Further Resolved that the comptroller is also authorized to enter into a Trust Agreement with the Philadelphia National Bank for the purpose of arranging for the management of that portion of University of Illinois funds which are normally invested in short-to-intermediate term, fixed-dollar securities. The comptroller in his discretion may from time to time deposit such funds with the Philadelphia National Bank with the understanding that the Bank will invest these funds in The Common Fund for Short Term Investments under the terms set forth in the Plan dated September 9, 1974. The persons named below are authorized in respect of this institution's investments under said Trust Agreement to make deposits and withdrawals, to give instructions to and otherwise effect transactions with the Philadelphia National Bank.

| <i>Name</i> | <i>Office</i> |
|-----------------|-------------------|
| L. Rea Jones | Investment Office |
| John W. Tolar | Investment Office |
| Olline Taylor | Investment Office |
| Nancy Underwood | Investment Office |

Be It Further Resolved that the secretary is hereby directed to file with the Bank a certified copy of this resolution and a list of the persons named in Paragraph 2 above together with specimens of their signatures; and that this resolution shall amend or supersede any prior resolutions concerning the subject matter hereof to the extent inconsistent herewith and that this resolution shall continue in full force and effect until amended, superseded, or rescinded by further resolution and written notice thereof has been received by the Bank.

On motion of Mr. Forsyth, this recommendation was approved and the foregoing resolution was adopted.

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 23 through 38 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Amendment, University of Illinois Statutes (Article XIII, Section 3)

(23) The campus senates have approved a minor wording change in Article XIII, Section 3, of the University of Illinois *Statutes*, as shown below (new material is in italics; deleted material is in brackets).

I concur.

Article XIII. Section 3. ANNUAL REPORTS

On or before the first day of September in each year, each dean and director, and the chief executive officer of each department or equivalent unit on each campus, shall make to the chancellor an annual report, treating fully the work of the college, school, institute, division, or department. Any of these officers may make reports or advance suggestions at any time and shall report to the chancellor and to the president whenever requested to do so. [University administrative officers] *Officers of the Central Administration of the University* and chancellors shall make such reports as the president shall require.

On motion of Mrs. Smith, this amendment 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. Filip, Mr. Starkeson; no, none.)

Assignment of National Defense/Direct Student Loans

(24) Under Federal regulations, defaulted notes in the National Defense and Direct Student Loan (NDSL) programs may be assigned to the Federal government for collection after the institution has followed certain prescribed "due diligence" collection procedures. The Board of Trustees has approved the assignment of defaulted notes several times over the last few years.

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

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

The vice president for business and finance has recommended the assignment of defaulted NDSL notes on which reasonable collection efforts have been made by the University in the following maximum amounts:

| | |
|-------------------------------|-----------------------|
| Chicago campus | \$402 200 (372 loans) |
| Urbana-Champaign campus | 71 000 (72 loans) |

I recommend approval.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Renewal of Agreement, University of Illinois Foundation

(25) On November 18, 1982, the Board of Trustees adopted revised guidelines governing certain fiscal procedures, including those between the University and University-related organizations. The University of Illinois Foundation asked to be designated a University-related organization as provided in the guidelines and authorized a basic agreement, effective June 30, 1983, with the Board of Trustees for that purpose. The Foundation desires to renew this agreement for Fiscal Year 1987.

Under the agreement, the Foundation will provide fund-raising services and other assistance to attract private gift funds to support University programs. The Foundation agrees to accept and administer such gifts according to terms specified by the donor, to inform the University of all gifts received for the benefit of the University, and to apply the same in accord with the terms of the gift or, as in the case of all undesignated gifts, as the University may determine. The Foundation will also provide management and supervisory services for the maintenance of donor records on the University's Alumni-Foundation Information System (AFIS). Beginning in FY 1987, the Foundation will assess a service fee to all gifts as a means to support some of its private gift fund-raising operations.

To partially support the annual operating costs of the program and services described, the agreement provides for the payment by the University of an amount not to exceed \$1,000,000¹ for FY 1987, contingent upon the availability of funds. Payments will be made during the course of the year based upon actual costs incurred. In addition, the University will continue to provide support through the Office of Development for the maintenance of donor records and other fund-raising support functions. For FY 1987 the level of support will approximate \$975,000.² Certain routine business and financial services (e.g., investment, accounting) will be provided to the Foundation as needed. The agreement also provides the Foundation with access to the University's AFIS for the purpose of conducting fund-raising activities. The University will provide approximately \$100,000 to support such access.

In addition to this agreement, a separate rental agreement will be developed regarding office space occupied by the Foundation in University facilities. Reimbursement to the University for the lease of this space will be described in this rental agreement.

The agreement will be effective July 1, 1986, through June 30, 1987, subject to termination by either party with ninety days written notice to the other party.

Funds to support the agreement are included in the State appropriated funds budget of the University Office of Development and in the University's budget request for FY 1987 being presented to the Board of Trustees. The agreement is subject to the availability of such funds. The vice president for business and finance has recommended execution of the agreement as described.

I concur.

On motion of Miss Smith, 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.

¹ The contract amount for FY 1986 was \$1,000,000.

² The contract amount for FY 1986 was \$730,000.

(The student advisory vote was: Aye, Mr. Filip, Mr. Starkeson; no, none.)

Contract for Lithotripsy Services, Chicago

(26) The chancellor at the Chicago campus has recommended approval of a contract with Northwestern Memorial Hospital to provide lithotripsy¹ services to University of Illinois Hospital patients in return for appropriate reimbursement from the hospital. The professional component of lithotripsy services provided by Northwestern will be billed to the patient or financial sponsor by the Kidney Stone Center, in which University of Illinois physicians participate.

University of Illinois Hospital patients will be treated at Northwestern and then transferred back to the hospital. For its services, Northwestern will bill the hospital at negotiated rates on a monthly basis. The hospital, in turn, will bill the patients and appropriate third-party payors.

Anticipated volume, charges, and collections are displayed on the attached table. (A copy of the table is filed with the secretary of the board for record.)

The contract will be renewable on an annual basis as long as charges to the hospital do not exceed a ten percent increase in any given year.

The vice president for business and finance concurs.

I recommend approval.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Contracts for Remodeling, Student Residence Hall; and Site Correction Work, Chicago Illini Union, Chicago

(27) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of the following contracts at the Chicago campus: (1) to remodel the second floor lounge and north wing of the Student Residence Hall for two meeting rooms; and (2) for site correction work at the Chicago Illini Union. The award in each case is to the low base bidder, plus acceptance of the indicated alternates.²

Division I — General

Flodstrom Construction Co., Inc.,

| | | |
|-----------------|--------------|-----------|
| Deerfield | Base bid ... | \$130 539 |
| | Alt. G-2 ... | 37 199 |

\$167 738

Division IV — Ventilation, Air

Conditioning, and Temperature Control

| | | |
|----------------------------------------|--------------|--------|
| Hanley Mechanical, Inc., Chicago | Base Bid ... | 41 000 |
|----------------------------------------|--------------|--------|

Division V — Electrical

| | | |
|------------------------------------|--------------|--------|
| Berwyn Electric Co., Chicago | Base Bid ... | 44 400 |
| | Alt. E-1 ... | 8 900 |

53 300

| | |
|--------------------|------------------|
| Total | \$262 038 |
|--------------------|------------------|

The meeting rooms in the residence hall will be separated by a folding wall to allow the space to be used as one large meeting room with a capacity of 110.

¹ Lithotripsy is a process using sound waves to break up kidney stones.

² Alternates G-2 and E-1 apply to site correction work for the Union.

The work includes remodeling the former housing office for a parking office and converting other space in the north wing to reception, conference, and office space for Auxiliary Services.

The site correction work for the Union includes removal of deteriorated brick walls, repair of membrane waterproofing, installation of removable precast concrete seating slabs, and regrading of grassy mound area.

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 Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Contracts to Upgrade Chemical Engineering Building, Phase III, Chicago (and Report of Rejection of Bids)

(28) On January 17, 1985, the Board of Trustees approved the award of contracts totaling \$520,395 for the first phase of a project to upgrade the R. W. Hunt Building (currently the Chemical Engineering Building) at the Chicago campus. The work involved installing wet laboratories, replacement of the roof, and electrical and mechanical improvements of the entire structure.

On September 12, 1985, the board approved contracts totaling \$670,313 for the second phase. This work involved remodeling to accommodate eight new wet laboratories and offices, installation of a water still, and replacement of the boiler and windows.

Bids for four divisions of work for the third phase of remodeling in the building were received on August 12, 1986. The bids for Division II, IV, and V are reasonable and within the architect's estimate.¹ The low bid for Division I (general work) exceeded the architect's estimate. Pursuant to the provisions of Article II, Section 4(k) (2) of the *General Rules Concerning University Organization and Procedure*, the bids for Division I were rejected, and the president reports their rejection.

The president, with the concurrence of the appropriate administrative officers, now recommends award of the following contracts to remodel the second floor and entrance lobby, and to perform exterior tuckpointing. The award in each case is to the low bidder on its base bid, with the exception of Division I, which will be accomplished by using the University's in-house forces.

| | |
|--------------------------------------------------------|------------------|
| <i>Division II — Plumbing</i> | <i>Base Bid</i> |
| Bert C. Young & Sons Corporation, Bellwood | \$ 24 985 |
| <i>Division IV — Ventilation</i> | |
| Hanley Mechanical, Inc., Chicago | 61 000 |
| <i>Division V — Electrical</i> | |
| S & M Electric, Inc., Chicago | 41 578 |
| | <u>\$127 563</u> |
| <i>Division I — General</i> (in-house personnel) | 209 437 |
| <i>Total</i> | <u>\$337 000</u> |

¹ Division III (mechanical work) does not apply to this project.

Funds are available from Fiscal Year 1987 State appropriated funds and Institutional Funds budget of the Chicago Physical Plant.

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

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Contracts, Parking Control Facility, Parking Lot No. 9, Chicago

(29) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of contracts as shown below for the construction of a parking control facility (traffic building) for the new parking lot facility recently constructed at the northeast corner of Harrison and Morgan Streets, Chicago campus. The award in each case is to the low base bidder.

This project consists of construction of a one-story, 266 square foot masonry building with entry drives, parking lot control gates, sidewalks, curbing, and storm and sanitary sewer connections. The project is the second phase of the recently completed 350-space parking lot no. 9 which, consistent with campus goals, will provide an 18-hour-per-day attendant parking information center to support the requirements of University Hall; Behavioral Sciences Building; Education, Communications, and Social Work Building; Alumni Hall; and the Pavilion. Construction will begin in September and is scheduled to be completed by December 1986.

The contracts are as follows:

| <i>Division I — General</i> | <i>Base Bid</i> |
|--------------------------------------------------------------|------------------|
| Certified Midwest Construction, Inc., Berwyn | \$144 500 |
| <i>Division II — Plumbing</i> | |
| G. F. Connelly Co., Inc., Chicago | 21 961 |
| <i>Division III — Heating, Refrigeration and Ventilation</i> | |
| The Heat Engineering Company, Countryside | 3 829 |
| <i>Division V — Electrical</i> | |
| Premier Electrical Construction Co., Chicago | 51 601 |
| <i>Total</i> | <u>\$221 891</u> |

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

Funds for this project are available from the proceeds of the Series 1985 Auxiliary Facilities Revenue Bond issue.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

**Report of Contract Award and Increase in Project Budget,
Swanlund Building Addition, Urbana**

(30) On July 10, 1986, the Board of Trustees authorized the comptroller to award construction contracts to the low bidders in each division for the construction of an addition to the Swanlund Administration Building at the Urbana campus if the bids did not exceed the funds available within the approved project budget of \$1.85 million. On June 12, 1986, the board awarded a contract for \$133,900 to Kurland Steel Company, Urbana, for structural steel fabrication and delivery.

On July 31, 1986, the comptroller acted to award the following contracts:

Division I — General

| | | | |
|---------------------------------------|--------------|-------------|-------------|
| English Brothers Company, Champaign . | Base Bid ... | \$1 125 800 | |
| | Alt. G-1 ... | 17 000 | |
| | | | \$1 142 800 |

Division II — Plumbing

| | | | |
|--------------------------------|--------------|--|--------|
| Dodson Plumbing, Heating & Air | | | |
| Conditioning, Pontiac | Base Bid ... | | 80 559 |

Division III — Heating

| | | | |
|---------------------------------|--------------|--|--------|
| Nogle & Black Mechanical, Inc., | | | |
| Champaign | Base Bid ... | | 83 470 |

Division IV — Ventilation

| | | | |
|-------------------------------------|--------------|--|---------|
| R. H. Bishop Company, Champaign ... | Base Bid ... | | 125 700 |
|-------------------------------------|--------------|--|---------|

Division V — Electrical

| | | | |
|------------------------------------|--------------|--|-------------|
| Berner Electric, Bloomington | Base Bid ... | | 141 880 |
| | | | \$1 574 409 |

| | | | |
|-----------------------------------|--|--|---------|
| (Structural Steel Contract) | | | 133 900 |
|-----------------------------------|--|--|---------|

| | | | |
|--------------------|--|--|--------------------|
| Total | | | \$1 708 309 |
|--------------------|--|--|--------------------|

Alt. G-1 is for acceptance of assignment of all divisions to the general work contractor.

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

As a result of the low bids received and contracts awarded, the approved project budget of \$1.85 million does not provide funds for an adequate construction contingency. Nor does it allow for the completion of the interior portion of the sixth floor conference room/staff lounge and the installation of the required counters and cabinets in the workrooms of the new fourth and fifth floors.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the project budget be increased by \$150,000 to provide a sufficient contingency and allow for the described work to be included in the current construction contract.

Funds are being provided through the University of Illinois Foundation from a private gift provided by Mrs. Maybelle Swanlund.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

South Campus Master Plan, Urbana

(31) On February 13, 1986, Sasaki Associates, Inc., Watertown, Massachusetts, was employed to undertake a master plan of the south campus. The completed plan establishes a physical framework for the growth of the south campus to St. Mary's Road within which both near and long-term building projects can be accommodated. The plan also provides a guide for sites for future buildings as well as open spaces, landscaping, parking, and circulation patterns.

The plan focuses most specifically on the site needs of two major building projects authorized to be undertaken in 1987 (the Plant and Animal Sciences Biotechnology facility and Animal Sciences Laboratory Addition) in conjunction with the sites recommended for the proposed Agriculture Library and Agriculture Administration Building.¹

The president of the University, with the concurrence of the appropriate administrative officers, recommends the approval of the master plan as a general guideline for the long-term growth and development of the south campus of Urbana.

("The South Campus Master Plan: A summary report" was distributed and a copy has been filed with the secretary of the board for record.)

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Land Use Development: Urbana-Champaign Campus/City of Urbana

(32) During the past year, University administrators and City of Urbana officials have discussed mutual objectives for planned land-use designation and growth, academic program expansion, and economic development. The discussions have included the University's north and south campus plans, Urbana interests in annexation and research/industrial parks and related matters such as traffic, parking, and utility systems. Further steps require authorization by the Urbana City Council and the Board of Trustees to proceed as described below.

On June 12, 1986, the Board of Trustees adopted a Petition for Vacation of Streets and Alleys to vacate certain City of Urbana right-of-ways for development of the north campus and particularly to allow construction of the Arnold O. and Mabel M. Beckman Institute for Advanced Science and Technology and a new chilled water generation plant/electric distribution facility.

The petition was transmitted to the mayor of Urbana on June 23, 1986. Subsequent negotiations on compensation for the vacation and other requests from city officials now are substantially complete, with the understanding that the chief administrative officer of Urbana will recommend that the city council take action to vacate the streets and alleys included in the petition upon:

1. Acquisition of all abutting parcels by the University;
2. Direct compensation by the University in the amount of \$415,000; and
3. Mutual agreement on the manner of resolving parking and traffic impacts occurring from the development of the north campus plan. (A University study being conducted by Barton-Aschman Associates, Inc., will be completed by October 10, 1986.)

¹ A comprehensive presentation of the plan was made at the Buildings and Grounds Committee meeting on September 10, 1986.

The following University actions are recommended with regard to requests from the City of Urbana for annexations.

1. Petition by the University to annex to the city that portion of the Orchard South Housing area which lies outside the City of Urbana.
2. Agreement by the University to petition for annexation of additional lands in the future.
3. Recommend action by the University of Illinois Foundation to annex a portion of Busey Woods.¹

An analysis of the benefits to the University resulting from the vacation has been completed: the streets and alleys, when acquired together with the abutting private properties, will provide present and future building sites for development of the north campus master plan which are equal to or of greater value than the amount of the direct compensation.

The City of Urbana has requested the annexations to allow additional annexation of private lands for city development beyond University lands. These annexations will result in payment by the University (and Orchard South residents) of small amounts of utility taxes. Orchard South residents desire annexation to permit them to use the Urbana Public Library and to participate in Urbana Park District programs without payment of nonresident fees.

Accordingly, the chancellor at Urbana has recommended the adoption of the annexation petition and annexation agreement, payment of compensation, and a recommendation to the University of Illinois Foundation for annexation of Busey Woods described above. Execution of the appropriate documents would occur upon final acceptance of the arrangements and adoption of an ordinance to vacate the streets and alleys by the Urbana City Council.

I recommend approval.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Amendment to Architectural/Engineering Contract, Beckman Institute, Urbana

(33) On December 10, 1985, an agreement was executed with the firm of Smith, Hinchman & Grylls, Associates, Inc., Detroit, Michigan, for the "preliminary programming and conceptual design" phase of the Arnold O. and Mabel M. Beckman Institute for Advanced Science and Technology at the Urbana campus.

On March 13, 1986, the Board of Trustees amended the agreement to include the professional services required through the "schematic design" phase; on April 10, 1986, the board authorized another amendment to include the professional services required through the receipt of bids; on June 12, 1986, the board amended the agreement to include professional services required for the site development and for interior design (through design development phase); and on July 10, 1986, the board amended the agreement to include the professional services required for the interior/exterior signage (through the receipt of bids).

It is now recommended that the agreement be amended to include the professional services required (through the receipt of bids) for site development and for interior design on an hourly basis, the total not to exceed \$72,000 and \$32,000, respectively.

¹ A map, detailing the sites in question; and the texts of the annexation petition and agreement are filed with the secretary of the board for record.

A schedule of the firm's hourly rates has been filed with the secretary of the board for record.

Funds for this project are being provided from private gift funds through the University of Illinois Foundation and from funds appropriated by the State of Illinois.

I concur in this recommendation.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Lease of Space for Educational Assistance Program and Upward Bound, Chicago

(34) The chancellor at Chicago has recommended approval of a lease with Westgate Associates, owner of the 400 South Green Street Loft Building, Chicago, for 8,500 square feet of space for the period December 1, 1986, through December 31, 1991. The space will provide offices for the administration and staff of the Educational Assistance Program and Upward Bound Program.

The lease will be at a base rate of \$80,325 per year, an annual unit cost of \$9.45 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 his expense.

The programs now are housed in the Science and Engineering Office Building and must relocate to provide for the College of Engineering and the Department of Mathematics. A search of campus space has failed to identify any suitable options.

Funds are available in the campus operating budget authorization for Fiscal Year 1987.

The vice president for business and finance recommends approval.

I concur.

On motion of Miss Smith, 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. Filip, Mr. Starkeson; no, none.)

Purchases

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

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 \$ 246 923 48

From Institutional Funds

Authorized \$ 244 432 00

Recommended 8 540 671 38

8 785 103 38

Grand Total \$9 032 026 86

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 Miss Smith, the purchases authorized by the president were confirmed, and 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. Filip, Mr. Starkeson; no, none.)

Comptroller's Monthly Report of Contracts Executed

(36) The comptroller submitted the September 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.

Report of Investment Transactions through August 15, 1986

(37) The comptroller presented the investment report as of August 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: | | | | |
| 6/16 | 900 shares | Comdata Network common stock | \$ 11 873 58 | \$ 11 250 00 |
| 6/16 | \$ 18 000 | General Motors Acceptance demand notes | 18 000 00 | 18 000 00 |
| 6/17 | 12 000 | Quaker Oats demand notes .. | 12 000 00 | 12 000 00 |
| 6/18 | 17 000 | General Motors Acceptance demand notes | 17 000 00 | 17 000 00 |
| 6/20 | 9 000 | Quaker Oats demand notes .. | 9 000 00 | 9 000 00 |
| 6/24 | 4 000 | Quaker Oats demand notes .. | 4 000 00 | 4 000 00 |
| 6/25 | 7 000 | Eli Lilly demand notes | 7 000 00 | 7 000 00 |
| 6/25 | 74 000 | Quaker Oats demand notes .. | 74 000 00 | 74 000 00 |
| 6/30 | 2 800 shares | Associated Dry Goods common stock | 122 144 40 | 181 447 94 |
| 7/1 | 1 900 shares | Associated Dry Goods common stock | 82 883 70 | 123 699 74 |
| 7/2 | \$ 5 000 | General Motors Acceptance demand notes | 5 000 00 | 5 000 00 |
| 7/10 | 1 593 000 | Quaker Oats demand notes .. | 1 593 000 00 | 1 593 000 00 |
| 7/14 | 27 000 | Quaker Oats demand notes .. | 27 000 00 | 27 000 00 |
| 7/15 | 5 000 | Quaker Oats demand notes .. | 5 000 00 | 5 000 00 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------|---------------|------------------------------------------------------------|-------------------|---------------|
| 7/17 | \$ 346 000 | Quaker Oats demand notes .. | \$ 346 000 00 | \$ 346 000 00 |
| 7/18 | 295 000 | Quaker Oats demand notes .. | 295 000 00 | 295 000 00 |
| 7/21 | 15 000 | Quaker Oats demand notes .. | 15 000 00 | 15 000 00 |
| 7/25 | 2 000 | Quaker Oats demand notes .. | 2 000 00 | 2 000 00 |
| 7/28 | 3 000 | Quaker Oats demand notes .. | 3 000 00 | 3 000 00 |
| 7/29 | 3 000 | Quaker Oats demand notes .. | 3 000 00 | 3 000 00 |
| 7/30 | 6 000 | General Motors Acceptance demand notes | 6 000 00 | 6 000 00 |
| 8/1 | 2 000 | General Motors Acceptance demand notes | 2 000 00 | 2 000 00 |
| 8/6 | 2 000 | General Motors Acceptance demand notes | 2 000 00 | 2 000 00 |
| 8/7 | 200 shares | Merck common stock | 7 313 31 | 21 259 67 |
| 8/8 | 300 shares | Merck common stock | 10 969 97 | 32 241 33 |
| 8/11 | 300 shares | Merck common stock | 10 969 97 | 32 137 13 |
| 8/12 | \$ 21 000 | Salomon demand notes | 21 000 00 | 21 000 00 |
| 8/14 | 17 000 | General Motors Acceptance demand notes | 17 000 00 | 17 000 00 |
| 8/15 | 1 000 shares | General Motors common stock | 58 826 73 | 70 190 65 |
| 8/15 | 1 200 shares | Kroger common stock | 62 505 82 | 74 463 51 |
| 8/15 | 3 200 shares | Merck common stock | 117 012 98 | 342 564 57 |
| 8/15 | 8 300 shares | Philadelphia Electric common stock | 130 433 03 | 187 283 24 |
| Purchases: | | | | |
| 6/16 | 100 shares | Rhodes common stock | 1.11% \$ | 2 875 00 |
| 6/17 | 100 shares | Emerson Electric common stock | 3.20 | 8 618 50 |
| 6/17 | 100 shares | Rhodes common stock | 1.12 | 2 862 50 |
| 6/18 | 200 shares | Emerson Electric common stock | 3.16 | 17 463 00 |
| 6/19 | 300 shares | Emerson Electric common stock | 3.16 | 26 164 80 |
| 6/19 | 300 shares | Marcus common stock | 1.02 | 8 850 00 |
| 6/24 | 200 shares | National Health Care common stock .. | 0 | 3 750 00 |
| 6/25 | 900 shares | Emerson Electric common stock | 3.14 | 79 018 92 |
| 6/26 | 100 shares | National Health Care common stock .. | 0 | 1 875 00 |
| 6/27 | \$ 200 000 | Quaker Oats demand notes | 6.37 | 200 000 00 |
| 6/27 | 100 000 | Salomon demand notes | 6.77 | 100 000 00 |
| 6/27 | 300 000 | Westinghouse 6½ percent commercial paper due 6/27/86 | 6.50 | 300 000 00 |
| 6/30 | 182 000 | General Motors Acceptance demand notes | 6.77 | 182 000 00 |
| 7/1 | 123 000 | General Motors Acceptance demand notes | 6.78 | 123 000 00 |
| 7/2 | 300 shares | National Health Care common stock .. | 0 | 5 625 00 |
| 7/10 | \$ 1 250 000 | U.S. Treasury 14½ percent notes due 5/15/91 | 7.92 | 1 593 359 38 |
| 7/15 | 100 shares | Rhodes common stock | 1.12 | 2 862 50 |
| 7/16 | 100 shares | National Health Care common stock .. | 0 | 1 925 00 |
| 7/17 | 200 shares | Certain-Teed common stock | 2.59 | 6 955 60 |
| 7/17 | 400 shares | Hewlett-Packard common stock | .54 | 16 278 00 |
| 7/17 | 1 000 shares | Kansas Gas & Electric common stock | 6.31 | 18 695 00 |
| 7/17 | 400 shares | Kroger common stock | 3.54 | 22 578 00 |
| 7/17 | 4 300 shares | Southwest Airlines common stock | .62 | 88 945 50 |
| 7/17 | 4 300 shares | MCI Communications common stock .. | 0 | 42 462 50 |
| 7/17 | 300 shares | Morton Thiokol common stock | 1.87 | 11 245 50 |
| 7/17 | 100 shares | National Health Care common stock .. | 0 | 1 925 00 |
| 7/17 | 500 shares | North American Philips common stock | 2.31 | 21 660 00 |
| 7/17 | 100 shares | Rhodes common stock | 1.12 | 2 862 50 |
| 7/17 | 300 shares | Union Pacific common stock | 3.17 | 17 046 00 |
| 7/18 | 3 200 shares | American President common stock .. | 2.02 | 79 056 00 |
| 7/18 | 3 400 shares | CNW common stock | 0 | 71 672 00 |
| 7/18 | 200 shares | Certain-Teed common stock | 2.58 | 6 964 00 |
| 7/18 | 600 shares | Emerson Electric common stock | 3.29 | 50 292 00 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------|---------------|---------------------------------------------------|-------------------|---------------|
| 7/18 | 600 shares | General Motors common stock | 6.61% | \$ 45 417 00 |
| 7/18 | 100 shares | Rhodes common stock | 1.12 | 2 862 50 |
| 7/18 | 1 100 shares | SmithKline Beckman common stock .. | 3.04 | 108 438 00 |
| 7/21 | 400 shares | Morton Thiokol common stock | 1.89 | 14 782 80 |
| 7/25 | 100 shares | Rhodes common stock | 1.14 | 2 806 25 |
| 7/28 | 100 shares | Rhodes common stock | 1.15 | 2 775 00 |
| 7/29 | 100 shares | Rhodes common stock | 1.16 | 2 750 00 |
| 7/30 | 200 shares | Rhodes common stock | 1.17 | 5 450 00 |
| 7/31 | 700 shares | Morton Thiokol common stock | 1.88 | 26 124 00 |
| 7/31 | \$ 1 000 | Tenneco demand notes | 6.38 | 1 000 00 |
| 8/1 | 100 shares | Rhodes common stock | 1.18 | 2 712 50 |
| 8/6 | 100 shares | National Health Care common stock .. | 0 | 1 850 00 |
| 8/7 | 1 400 shares | MCI Communications common stock | 0 | 12 861 50 |
| 8/7 | \$ 9 000 | General Motors Acceptance demand notes | 6.34 | 9 000 00 |
| 8/8 | 2 100 shares | MCI Communications common stock | 0 | 19 404 75 |
| 8/11 | 3 000 shares | MCI Communications common stock | 0 | 27 482 55 |
| 8/11 | \$ 1 000 | Eli Lilly demand notes | 6.39 | 1 000 00 |
| 8/12 | 3 000 shares | MCI Communications common stock | 0 | 24 705 40 |
| 8/13 | \$ 4 000 | Southwestern Bell Telephone demand notes | 6.21 | 4 000 00 |
| 8/14 | 500 shares | Certain-Feed common stock | 3.41 | 13 200 00 |
| 8/15 | 5 000 shares | Chevron common stock | 6.00 | 199 725 00 |
| 8/15 | \$ 464 000 | Salomon demand notes | 6.31 | 464 000 00 |

Transactions under Comptroller's Authority

Sales:

| | | | | |
|------|-----------|--------------------------------------------------------|--------------|--------------|
| 5/2 | \$ 200 | Champaign National Bank liquid cash | \$ 200 38 | \$ 200 38 |
| 5/9 | 7 600 | Champaign National Bank liquid cash | 7 600 00 | 7 600 00 |
| 5/29 | 1 688 | Champaign National Bank liquid cash | 1 688 38 | 1 688 38 |
| 6/4 | 20 404 | Federated Master Trust | 20 404 00 | 20 404 00 |
| 6/6 | 29 | Federated Short/Intermediate Governments | 298 41 | 300 00 |
| 6/16 | 1 000 | Champaign National Bank liquid cash | 1 000 00 | 1 000 00 |
| 6/17 | 29 000 | General Motors Acceptance demand notes | 29 000 00 | 29 000 00 |
| 6/17 | 134 000 | Eli Lilly demand notes | 134 000 00 | 134 000 00 |
| 6/17 | 847 000 | Salomon demand notes | 847 000 00 | 847 000 00 |
| 6/18 | 50 000 | U.S. Treasury bills due 9/18/86 | 49 069 50 | 49 219 28 |
| 6/19 | 1 182 000 | General Motors Acceptance demand notes | 1 182 000 00 | 1 182 000 00 |
| 6/19 | 10 000 | Eli Lilly demand notes | 10 000 00 | 10 000 00 |
| 6/23 | 249 | Champaign National Bank liquid cash | 249 39 | 249 39 |
| 6/25 | 120 000 | Federated Trust for U.S. Treasury Obligations | 120 000 00 | 120 000 00 |
| 6/25 | 1 250 000 | U.S. Treasury bills due 9/4/86 | 1 229 618 75 | 1 234 986 46 |
| 6/25 | 40 000 | U.S. Treasury bills due 9/18/86 | 39 255 60 | 39 421 06 |
| 6/26 | 1 106 000 | General Motors Acceptance demand notes | 1 106 000 00 | 1 106 000 00 |
| 6/27 | 7 000 | Quaker Oats demand notes .. | 7 000 00 | 7 000 00 |
| 7/1 | 3 000 000 | U.S. Treasury bills due 8/7/86 | 2 966 347 50 | 2 981 623 33 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------------|---------------|----------------------------------------------------------------------------|-------------------|---------------|
| 7/2 | \$ 138 | Champaign National Bank liquid cash | \$ 137 71 | \$ 137 71 |
| 7/2 | 1 000 000 | Salomon demand notes | 1 000 000 00 | 1 000 000 00 |
| 7/2 | 2 500 000 | U.S. Treasury 9 percent notes due 2/15/87 | 2 533 203 13 | 2 537 890 63 |
| 7/2 | 250 000 | U.S. Treasury 10 percent notes due 12/31/86 | 255 078 13 | 254 375 00 |
| 7/2 | 250 000 | U.S. Treasury 10½ percent notes due 3/31/87 | 257 812 50 | 257 578 13 |
| 7/3 | 1 000 | General Motors Acceptance demand notes | 1 000 00 | 1 000 00 |
| 7/8 | 25 | Champaign National Bank liquid cash | 24 58 | 24 58 |
| 7/8 | 750 | Federated Short/Intermediate Governments | 7 741 27 | 7 850 00 |
| 7/15 | 1 500 000 | U.S. Treasury bills due 9/25/86 | 1 466 890 00 | 1 483 050 00 |
| 7/15 | 2 700 000 | U.S. Treasury bills due 10/30/86 | 2 587 243 43 | 2 653 615 50 |
| 7/17 | 1 000 | General Motors Acceptance demand notes | 1 000 00 | 1 000 00 |
| 7/22 | 109 000 | General Motors demand notes | 109 000 00 | 109 000 00 |
| 7/22 | 693 000 | Quaker Oats demand notes .. | 693 000 00 | 693 000 00 |
| 7/22 | 691 000 | Salomon demand notes | 691 000 00 | 691 000 00 |
| 7/23 | 1 000 | Quaker Oats demand notes .. | 1 000 00 | 1 000 00 |
| 7/23 | 1 500 000 | Salomon demand notes | 1 500 000 00 | 1 500 000 00 |
| 7/23 | 1 000 000 | U.S. Treasury bills due 9/4/86 | 983 696 36 | 993 143 89 |
| 7/23 | 2 000 000 | U.S. Treasury 10½ percent notes due 2/15/88 | 2 047 500 00 | 2 107 812 50 |
| 7/24 | 500 000 | U.S. Treasury 10½ percent notes due 5/15/89 | 477 343 75 | 558 281 25 |
| 7/24 | 500 000 | U.S. Treasury 10½ percent notes due 6/30/87 | 501 250 00 | 518 593 75 |
| 7/24 | 500 000 | U.S. Treasury 10½ percent notes due 8/15/88 | 496 562 50 | 535 156 25 |
| 7/24 | 500 000 | U.S. Treasury 9½ percent notes due 8/15/90 | 499 218 75 | 544 843 75 |
| 7/25 | 350 000 | Quaker Oats demand notes .. | 350 000 00 | 350 000 00 |
| 7/25 | 250 000 | Salomon demand notes | 250 000 00 | 250 000 00 |
| 7/25 | 1 000 000 | U.S. Treasury bills due 1/30/86 | 958 238 31 | 984 399 17 |
| 7/31 | 1 290 000 | Quaker Oats demand notes .. | 1 290 000 00 | 1 290 000 00 |
| 7/31 | 212 000 | Salomon demand notes | 212 000 00 | 212 000 00 |
| 8/1 | 2 000 000 | U.S. Treasury bills due 10/23/86 | 1 942 766 67 | 1 973 301 67 |
| 8/4 | 2 000 000 | U.S. Treasury bills due 10/9/86 | 1 966 557 78 | 1 979 063 33 |
| 8/4 | 220 000 | U.S. Treasury 10½ percent 6/30/87 | 226 496 87 | 230 275 14 |
| 8/6 | 1 000 000 | U.S. Treasury bills due 10/9/86 | 983 278 89 | 990 026 67 |
| 8/7 | 1 000 | Tenneco demand notes | 1 000 00 | 1 000 00 |
| 8/11 | 1 000 | Salomon demand notes | 1 000 00 | 1 000 00 |
| Purchases: | | | | |
| 4/29 | \$ 80 000 | Highland Community Bank 7¼ percent certificate of deposit due 5/1/87 | 7.25% | \$ 80 000 00 |
| 5/1 | 7 500 | Federated Master Trust | 6.50 | 7 500 00 |
| 5/5 | 34 | Champaign National Bank liquid cash | 6.50 | 34 18 |
| 5/6 | 1 | Champaign National Bank liquid cash | 6.50 | 1 07 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------|---------------|----------------------------------------------------------------------------|-------------------|---------------|
| 5/8 | \$ 24 | Champaign National Bank liquid cash | 6.50% | \$ 23 83 |
| 5/9 | 300 | Champaign National Bank liquid cash | 6.50 | 300 38 |
| 5/14 | 1 288 | Champaign National Bank liquid cash | 6.50 | 1 288 46 |
| 5/16 | 20 | Champaign National Bank liquid cash | 6.50 | 20 03 |
| 5/19 | 50 | Champaign National Bank liquid cash | 6.50 | 50 24 |
| 5/28 | 8 675 | Federated Master Trust | 6.50 | 8 675 00 |
| 6/4 | 1 969 | Federated Short/Intermediate Government | 8.50 | 20 400 00 |
| 6/5 | 13 | Champaign National Bank liquid cash | 6.50 | 13 20 |
| 6/6 | 71 | Champaign National Bank liquid cash | 6.50 | 70 96 |
| 6/6 | 2 250 | Federated Trust for U.S. Treasury Obligations | 6.43 | 2 249 97 |
| 6/9 | 25 | Champaign National Bank liquid cash | 6.50 | 24 58 |
| 6/9 | 105 000 | General Motors Acceptance demand notes | 6.91 | 105 000 00 |
| 6/10 | 513 | Federated Trust for U.S. Treasury Obligations | 6.43 | 512 51 |
| 6/11 | 1 301 | Champaign National Bank liquid cash | 6.50 | 1 301 29 |
| 6/12 | 250 000 | Federated Trust for U.S. Treasury Obligations | 6.43 | 250 000 00 |
| 6/13 | 96 | Federated Short/Intermediate Government | 8.50 | 1 000 00 |
| 6/18 | 930 000 | U.S. Treasury bills due 1/22/87 | 6.37 | 895 477 88 |
| 6/18 | 330 000 | U.S. Treasury bills due 4/16/87 | 6.48 | 312 974 75 |
| 6/18 | 330 000 | U.S. Treasury bills due 10/30/86 | 6.23 | 322 519 45 |
| 6/19 | 745 000 | General Motors Acceptance demand notes | 6.83 | 745 000 00 |
| 6/26 | 10 122 | Federated Trust for U.S. Treasury Obligations | 6.43 | 10 122 00 |
| 6/30 | 152 000 | General Motors Acceptance demand notes | 6.77 | 152 000 00 |
| 6/30 | 1 005 000 | General Motors Acceptance 7.20 per- cent commercial paper due 7/1/86 .. | 7.20 | 1 055 000 00 |
| 6/30 | 3 000 000 | U.S. Treasury bills due 8/21/86 | 6.02 | 2 974 130 31 |
| 6/30 | 220 000 | U.S. Treasury bills due 9/25/86 | 5.93 | 216 889 75 |
| 6/30 | 3 000 000 | U.S. Treasury bills due 10/9/86 | 6.06 | 2 949 836 67 |
| 6/30 | 3 000 000 | U.S. Treasury bills due 12/11/86 .. | 6.17 | 2 918 000 00 |
| 7/1 | 104 000 | General Motors Acceptance demand notes | 6.78 | 104 000 00 |
| 7/1 | 209 000 | Salomon demand notes | 6.77 | 209 000 00 |
| 7/1 | 1 005 000 | General Motors Acceptance 6.85 per- cent commercial paper due 7/2/86 .. | 6.85 | 1 005 000 00 |
| 7/1 | 150 000 | U.S. Treasury bills due 9/25/86 | 6.08 | 147 854 00 |
| 7/1 | 2 500 000 | U.S. Treasury bills due 11/13/86 | 6.18 | 2 433 333 33 |
| 7/2 | 26 000 | General Motors Acceptance demand notes | 6.73 | 26 000 00 |
| 7/2 | 1 005 000 | Salomon demand notes | 6.78 | 1 005 000 00 |
| 7/3 | 4 250 | Federated Trust for U.S. Treasury Obligations | 5.91 | 4 250 00 |
| 7/3 | 4 000 000 | General Motors Acceptance 6.85 per- cent commercial paper due 7/7/86 .. | 6.85 | 4 000 000 00 |
| 7/7 | 4 000 000 | General Motors Acceptance 6.80 per- cent commercial paper due 7/8/86 .. | 6.80 | 4 000 000 00 |
| 7/8 | 1 395 | Champaign National Bank liquid cash | 6.24 | 1 394 78 |
| 7/8 | 4 000 000 | General Motors Acceptance 6.80 per- cent commercial paper due 7/9/86 .. | 6.80 | 4 000 000 00 |
| 7/8 | 300 000 | U.S. Treasury bills due 10/2/86 | 5.97 | 295 778 84 |
| 7/9 | 10 | Champaign National Bank liquid cash | 6.24 | 9 58 |
| 7/9 | 23 000 | Salomon demand notes | 6.69 | 23 000 00 |
| 7/9 | 100 000 | U.S. Treasury bills due 10/23/86 .. | 6.02 | 98 258 28 |
| 7/10 | 177 347 | Federated Trust for U.S. Treasury Obligations | 5.91 | 177 347 01 |

| <i>Date</i> | <i>Number</i> | <i>Description</i> | <i>Cost/Yield</i> | <i>Amount</i> |
|-------------|---------------|--------------------------------------------------------------|-------------------|----------------|
| 7/10 | \$ 2 300 000 | U.S. Treasury bills due 2/19/87 | 6.02% | \$2 216 995 56 |
| 7/10 | 145 000 | U.S. Treasury bills due 9/25/86 | 5.51 | 143 309 74 |
| 7/10 | 1 905 000 | U.S. Treasury bills due 12/18/86 ... | 5.83 | 1 856 608 77 |
| 7/14 | 975 | Federated Trust for U.S. Treasury Obligations | 5.91 | 974 85 |
| 7/15 | 9 000 | General Motors Acceptance demand notes | 6.44 | 9 000 00 |
| 7/17 | 2 000 000 | U.S. Treasury bills due 12/11/86 | 5.91 | 1 952 878 33 |
| 7/18 | 2 000 000 | U.S. Treasury bills due 12/18/86 | 5.68 | 1 950 548 89 |
| 7/24 | 1 380 000 | U.S. Treasury bills due 8/28/86 | 5.34 | 1 372 875 75 |
| 7/28 | 100 000 | Mid-City 6 percent certificate of deposit due 10/27/86 | 6.00 | 100 000 00 |
| 7/28 | 26 659 | Champaign National Bank liquid cash | 6.24 | 26 659 24 |
| 7/28 | 8 000 | Southwestern Bell Telephone demand notes | 6.22 | 8 000 00 |
| 7/28 | 2 000 000 | U.S. Treasury bills due 12/18/86 | 4.72 | 1 963 207 22 |
| 8/5 | 1 000 | Tenneco demand notes | 6.38 | 1 000 00 |
| 8/7 | 19 000 | General Motors Acceptance demand notes | 6.34 | 19 000 00 |
| 8/7 | 1 400 000 | U.S. Treasury bills due 11/28/86 | 5.81 | 1 374 907 72 |
| 8/7 | 3 155 000 | U.S. Treasury bills due 12/26/86 | 5.81 | 3 084 811 77 |
| 8/8 | 25 000 | Salomon demand notes | 6.31 | 25 000 00 |
| 8/12 | 2 000 000 | U.S. Treasury bills due 1/22/87 | 5.82 | 1 948 655 00 |
| 8/14 | 3 000 | General Motors Acceptance demand notes | 6.34 | 3 000 00 |
| 8/14 | 1 000 000 | U.S. Treasury bills due 1/22/87 | 5.74 | 974 955 56 |
| 8/15 | 354 000 | Salomon demand notes | 6.31 | 354 000 00 |
| 8/15 | 120 000 | Southwestern Bell demand notes | 6.21 | 120 000 00 |
| 8/15 | 5 560 000 | U.S. Treasury bills due 9/25/86 | 5.38 | 5 526 139 60 |

On motion of Miss Smith, this report was approved as presented.

Employment of Professional Consultant and Engineer, Proposed Terminal Complex, Willard Airport

(38) On April 10, 1986, the Board of Trustees approved an initial Agency and Participation Agreement and the submission of an application for Federal support of a new airline passenger terminal complex at Willard Airport.

In order for the project to proceed, it is necessary to employ a professional consultant for program development and conceptual alternatives for the terminal complex and to establish a project cost budget.

It is also necessary to employ a consulting engineer to commence the planning work required for the site utilities and the construction of apron, connecting taxiways, access roads, and parking lots.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the Board of Trustees request the Illinois Department of Transportation, Division of Aeronautics, to employ the firm of Thompson Consultants International, Hawthorne, New York, to provide the professional consulting services for the program requirements and conceptual development of the proposed terminal complex on an hourly basis, not to exceed \$77,000 plus reimbursable expenses for telephone, travel, subsistence, and reproduction of drawings. It is also recommended that the Illinois Department of Transportation, Division of Aeronautics, be requested to employ the firm of Crawford, Murphy & Tilly, Inc., Springfield, to provide the professional engineering services required (through the receipt of bids) for the planning of apron, connecting taxiways, access roads, parking lots, and site utilities.

The fee for Crawford, Murphy & Tilly, Inc., will be negotiated by the Illinois Department of Transportation, Division of Aeronautics, in accordance with its standard procedure, which corresponds to the University's requirements.

On motion of Miss Smith, these recommendations were 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. Filip, Mr. Starkeson; no, none.)

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.

DEGREES CONFERRED

The secretary presented for record the following summary of degrees conferred on candidates at the Urbana-Champaign campus on August 11, 1986.

Summary

Graduate Degrees

| | |
|----------------------------------------------------------|-------|
| Master of Arts | 40 |
| Master of Science..... | 259 |
| Master of Accounting Science..... | 4 |
| Master of Architecture | 6 |
| Master of Business Administration | 8 |
| Master of Comparative Law | 1 |
| Master of Computer Science | 6 |
| Master of Education | 67 |
| Master of Extension Education | 1 |
| Master of Fine Arts..... | 5 |
| Master of Landscape Architecture | 3 |
| Master of Law | 2 |
| Master of Music | 4 |
| Master of Social Work | 38 |
| Master of Urban Planning | 4 |
| <i>Total, Masters</i> | (448) |
| Advanced Certificate in Education | 11 |
| Advanced Certificate in Music Education | 1 |
| Advanced Certificate in Community College Teaching | 1 |
| <i>Total, Certificates</i> | (13) |
| <i>Total, Graduate Degrees</i> | 461 |

Professional Degrees

College of Law

| | |
|------------------------------------------|---|
| Juris Doctor | 7 |
| <i>Total, Professional Degrees</i> | 7 |

Undergraduate Degrees

College of Agriculture

| | |
|---------------------------|----|
| Bachelor of Science | 28 |
|---------------------------|----|

| | |
|----------------------------------------------------------|--------------|
| College of Applied Life Studies | |
| Bachelor of Science | 30 |
| College of Commerce and Business Administration | |
| Bachelor of Science | 57 |
| College of Communications | |
| Bachelor of Science | 27 |
| College of Education | |
| Bachelor of Science | 29 |
| College of Engineering | |
| Bachelor of Science | 82 |
| College of Fine and Applied Arts | |
| Bachelor of Fine Arts | 13 |
| Bachelor of Landscape Architecture | 1 |
| Bachelor of Music | 1 |
| Bachelor of Science | 13 |
| <i>Total, College of Fine and Applied Arts</i> | <i>(28)</i> |
| College of Liberal Arts and Sciences | |
| Bachelor of Arts | 118 |
| Bachelor of Science | 85 |
| <i>Total, College of Liberal Arts and Sciences</i> | <i>(203)</i> |
| School of Social Work | |
| Bachelor of Social Work | 3 |
| <i>Total, Undergraduate Degrees</i> | <i>487</i> |
| <i>Total, Degrees Conferred August 11, 1986</i> | <i>955</i> |

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

President Shepherd called attention to the schedule of meetings for the next few months: October 9, Urbana-Champaign (one-day meeting); November 13, Chicago; January 15, 1987, Chicago (Annual Meeting). There is no meeting scheduled for December.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

NINA T. SHEPHERD
President