

MEETING OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF ILLINOIS

April 9, 1987



The April meeting of the Board of Trustees of the University of Illinois was held in the General Lounge, Illini Union, Urbana, Illinois, on Thursday, April 9, 1987, beginning at 8:00 a.m.

President George W. Howard III called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Mrs. Judith Ann Calder, Mr. William D. Forsyth, Jr., Mrs. Susan L. Gravenhorst, Mr. Ralph C. Hahn, Mr. Howard, Mrs. Nina T. Shepherd, Miss Ann E. Smith, Mr. Charles P. Wolff, Governor James R. Thompson.¹ Mr. Albert N. Logan was absent. The following nonvoting 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. Donald N. Langenberg, chancellor, University of Illinois at Chicago; Dr. Thomas E. Everhart, chancellor, University of Illinois at Urbana-Champaign; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for business and finance of the University); Mr. Byron H. Higgins, university counsel; and Dr. Earl W. Porter, secretary.

¹ The governor arrived at 10 a.m.

EXECUTIVE SESSION

President Howard, 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. Wolff and approved unanimously.

Jerome Arkin, et al., vs. William H. Behrens, Jr., M.D.

Circuit Court of Cook County

(Settlement)

(1) The university counsel has recommended that the Board of Trustees approve a settlement of the above cause of action in the amount of \$640,000, payable from the University Self-Insurance Fund.

It is alleged that the defendant breached the appropriate standard of care, causing the patient's death.

I recommend approval.

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

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

Status Reports

Vice President Bazzani was asked to report on the current status of hospital finances including pending legislation, audits and related matters. In addition, Vice President Weir reported on negotiations and discussions with various parties involved in the development of graduate and professional academic services in the DuPage County area. The University's involvement is related to (but not dependent upon) the effort to obtain the large research facility, the Superconducting Super Collider for the State of Illinois.¹

EXECUTIVE SESSION ADJOURNED

Following the recess of the Executive Session at 9:05 a.m., the Committee on Academic Affairs received a presentation on the work of the University of Illinois Press.

PRESENTATION, GOVERNOR JAMES R. THOMPSON

President Howard presented the governor, noting that throughout his tenure he had been a strong supporter of education at all levels and a

¹ On the previous day, April 9, at meetings of the Committee on Buildings and Grounds, the trustees received design presentations of the Digital Computer Lab and north campus chiller as well as a detailed presentation on the design and general aspects of the Airport Master Plan. Guests at the presentation were members of the Champaign County Board and officers of the Champaign-Urbana Economic Development Council (see agenda item, "Willard Airport Expansion Project," in the text that follows).

steadfast supporter of the work of the University of Illinois. (He reminded the assembly that the governor is an *ex officio* member of the Board of Trustees of the University.)

Governor Thompson remarked this was his first visit to a meeting of the Board of Trustees as a trustee although one of many to the University campuses. He expressed pride in the institution which he attended, as did Mrs. Thompson.¹ He likened the relationship to that of the early years of the century when Governor John Peter Altgeld had followed the affairs of the University of Illinois closely and given it his strong support.

The governor made clear that his appearance was a part of a state-wide effort to enlist the support of institutions and their leaders for additional State revenue if the State is to support the priorities it has established. Among the established priorities in Illinois are education at all levels, economic development, transportation, and welfare. He said to the trustees: "You are, of course, opinion leaders of the State and I hope that between now and the first of July you will bend every effort to influence the members of the General Assembly to recognize the priorities we have established and help supply the means to support them." In his current budget message he has recommended an increase of approximately \$100 million for higher education but the recommendation cannot stand without additional revenue. Mr. Thompson compared the situation in Illinois with other states which are increasing taxes, in many instances, states whose tax levels are higher than those in Illinois.

The governor expressed his belief that the support of the Board of Trustees and the University in general is important to the institution's role in the State. He said he was prepared to work with the University in this effort and emphasized the extent to which the future of higher education, and many other important programs in the State, are dependent upon the fiscal health of Illinois.

President Howard and President Ikenberry expressed their appreciation for the visit and the trustees received the governor's remarks with a round of applause.

The governor left the meeting at this time and the board reconvened in regular session at 10:45 a.m.

MINUTES APPROVED

The secretary presented for approval the press proof of the minutes of the Board of Trustees meeting of January 14 and 15, 1987, copies of which had previously been sent to the board.

On motion of Mrs. Gravenhorst, these minutes were approved.

¹ Governor Thompson attended the University of Illinois at Navy Pier during 1956-57; Mrs. Jayne (Carr) Thompson was graduated from the University of Illinois (Chicago Circle) in 1967 with an A.B. in liberal arts and sciences.

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

Introduction of Other Guests

Mrs. Gravenhorst introduced as guests at this meeting, Mr. Bertram Skinner, Racine, Wisconsin, a 1919 graduate of the College of Agriculture; Mrs. Joseph Williamson of Champaign; and Mr. and Mrs. Robert Chamberlin of Urbana. (Mr. Chamberlin is a former director of the Division of Campus Development who retired in 1971.)

President Howard then asked the trustees indicated to present memorials as follows: memorial to Samuel B. Shapiro presented by Mrs. Calder; memorial to Helene Foellinger presented by Mrs. Shepherd.

Memorial to Samuel H. Shapiro

The members of the Board of Trustees have noted with regret the death on March 16 of Samuel H. Shapiro, 1929 alumnus of the College of Law and member *ex officio* of this Board as Governor of the State of Illinois. A practicing attorney, he served as a State legislator for fourteen years and as Lieutenant Governor for seven years before completing the final months of former Governor Kerner's term in 1968.

Memorial to Helene Foellinger

The members of the Board of Trustees, as well as a multitude of alumni and others in the University, are saddened at the death of Helene Foellinger on March 25 in Fort Wayne, Indiana.

Her long-standing support of the University was matched by few alumni. Her remarkable generosity in making possible the remodeling and expansion of the Foellinger Auditorium and the establishment of the Illinois Endowment for the Performing Arts were only the latest and most tangible manifestations of her dedication to her alma mater. Miss Foellinger set a high standard of leadership and loyalty for those who aim to serve the University and she will be remembered with affection and respect.

OLD AND NEW BUSINESS

At President Howard's request, Trustee Wolff reported briefly on his attendance at a recent meeting of the Athletic Association Board of Directors, expressing in particular his favorable impression of the program now underway regarding academic support of student athletes. Trustee Smith reported on a recent meeting of the Merit Board at which the board confirmed its earlier action to discontinue the "service bonus points" provision in the operation of the Civil Service System.

REGULAR AGENDA

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

¹ University Senates Conference: Gerald D. Brighton, professor of accountancy, Urbana-Champaign campus; Urbana-Champaign Senate Council: Geneva G. Belford, professor of computer science; Chicago campus Senate: Stanley K. Shapiro, professor of biological sciences, University Center.

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 2 through 14 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Award of Certified Public Accountant Certificates

(2) The Committee on Accountancy recommends that the certificate of certified public accountant be awarded under Section 5 of the Illinois Public Accounting Act of 1983 to eleven candidates who have presented evidence that they are holders of valid and unrevoked certified public accountant certificates obtained by passing the uniform written examination in another state or territory of the United States and who qualify in all other respects under 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 twelve candidates who wish to transfer the examination credit earned by passing the uniform written 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 Mrs. Gravenhorst, these certificates were awarded.

Appointments to the Athletic Board of Control, and Elections to the Board of Directors of the Athletic Association, Urbana

(3) On recommendation of the chancellor at the Urbana-Champaign campus, I submit herewith nominations for appointment to the Athletic Board of Control and for election to the Board of Directors of the Athletic Association of the University of Illinois at Urbana-Champaign.¹ All appointments become effective at the 1987 annual meeting of the Athletic Association Board of Directors (presently scheduled for April 24-25, 1987), and to continue for the terms designated or until the successors of these members/directors have been appointed/elected.

From the Faculty

JAMES A. GENTRY, professor of finance
DAVID S. SHWAYDER, professor of philosophy

From the Alumni Association

DAVID J. DOWNEY, senior member of Downey and Associates, Chartered Life Underwriters, and president of Downey Planning Services, Limited, Champaign, Illinois

¹ The governance of intercollegiate athletics at the University of Illinois at Urbana-Champaign is vested in the Athletic Board of Control which also serves as the Board of Directors of the Athletic Association of the University of Illinois at Urbana-Champaign. The Athletic Board of Control and the Board of Directors of the Athletic Association, as provided in the *Bylaws* of the Urbana-Champaign Senate and the *Bylaws* of the Athletic Association, consists of nineteen members comprised of the University's faculty representative and alternate faculty representative to the Intercollegiate Conference of Faculty Representatives (*ex officio*, with vote), eight faculty members, five alumni (including the chairman of the University's Alumni Association), two students, the vice chancellor for administrative affairs (*ex officio*, without vote), and the university comptroller or designee (*ex officio*, without vote). Terms are staggered so that each year two faculty members, one alumnus, and one student are proposed for membership. The faculty members and the alumnus are proposed for four-year terms and the student member for a two-year term.

A slate of faculty and student nominations is provided by the Urbana-Champaign Senate, and a slate of alumni is nominated by the Urbana-Champaign Council of the Alumni Association. The chancellor at Urbana-Champaign, in turn, reviews the nominees and presents a list of candidates for consideration by the president of the University and the Board of Trustees.

From the Student Body

JODY L. CLASEY, doctoral student in the Department of Physical Education

On motion of Mrs. Gravenhorst, these recommendations were approved.

Appointments to the Faculty

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

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

- A — Indefinite tenure
- N — Term appointment not eligible to be appointed for an indefinite term and not credited toward probationary period
- Q — Initial term appointment for a professor or associate professor
- T — Terminal appointment accompanied with or preceded by notice of nonreappointment
- W — One-year appointment subject to special written agreement
- Y — Twelve-month service basis
- 1-7 — Indicates the number of years of service which will be credited at the end of the contract period toward completion of the probationary period relating to tenure.

Figures following a symbol indicate percentage of time if the appointment is on a part-time basis (e.g., N75 means one year on three-fourths time).

Urbana-Champaign

IVAN O. BULL, professor of finance, on 25 percent time, and of accountancy, on 50 percent time, for five years beginning January 6, 1987, and director, Office of Business Innovation and Entrepreneurship, Bureau of Economic and Business Research, on 25 percent time, beginning February 3, 1987 (Q;N), at an annual salary of \$50,728.

SHARON L. KNIGHT, assistant professor of horticulture, beginning March 21, 1987 (N), at an annual salary of \$30,000.

KYRIAKOS KOMVOPOULOS, assistant professor of mechanical engineering, beginning March 1, 1987 (N), at an annual salary of \$38,000.

UDATTA S. PALEKAR, assistant professor of industrial engineering, beginning January 29, 1987 (N), at an annual salary of \$38,000.

ROBERT M. RAUBER, assistant professor of meteorology in atmospheric sciences, beginning August 21, 1987 (1), at an annual salary of \$30,000.

Chicago

HAYAT ALKAN, assistant professor of pharmaceuticals, College of Pharmacy, beginning March 1, 1987 (1Y), at an annual salary of \$39,182.

JOEL S. BROWN, assistant professor of biological sciences, beginning September 1, 1986 (1), (*on leave of absence overseas without pay, academic year 1986-87; service beginning in September 1987*), at an annual salary of \$31,000.

PAMELA A. KULBOK, assistant professor of public health nursing, on 60 percent time, beginning February 1, 1987 (1Y), at an annual salary of \$22,800.

Administrative Staff

BARBARA BULANDA, director of ISIS (Integrated Student Information Systems) Project Office, on 75 percent time, and associate dean of the Graduate College,

Chicago, on 25 percent time, January 16-June 30, 1987, and director of ISIS Project Office, 100 percent time, beginning July 1, 1987, at an annual salary of \$42,000.

THOMAS E. DARRAGH, director of Telecommunications, Urbana, beginning April 1, 1987 (NY), at an annual salary of \$58,000.

KENNETH M. SMYTHE, associate university counsel, beginning March 16, 1987 (NY), at an annual salary of \$67,000.

On motion of Mrs. Gravenhorst, these appointments were confirmed.

Appointment of Fellows, Center for Advanced Study, Urbana

(5) On recommendation of the director of the Center for Advanced Study, and with the concurrence of the dean of the Graduate College, the chancellor at Urbana-Champaign has recommended the following appointments of fellows in the Center for Advanced Study for one semester of the academic year 1987-88 and for the program of research or study as indicated in each case.

Fellows¹

GREGORY S. GIROLAMI, assistant professor of chemistry, to design and construct an improved high-vacuum apparatus for the synthesis of thin films of titanium carbide.

PHILIP GRAHAM, assistant professor of English, to complete a book of short stories entitled, "Interior Design."

MOLLY MACK, assistant professor of linguistics and in the Division of English as a Second Language, to do research for a book entitled, "Bilingualism: Psycholinguistic and Neurolinguistic Aspects."

RAJESHWARI PANDHARIPANDE, assistant professor of religious studies, comparative literature, and linguistics, to develop a comprehensive conceptual framework to characterize the form and content of the language of religion.

ELKE U. WEBER, assistant professor of psychology, to provide a new formal model of human decision making—how real people make real decisions.

Beckman Fellows

DONALD P. BRISKIN, assistant professor of plant physiology in agronomy, to do research concerning the mechanism of the plant plasma membrane ATPase in the physiology of plant cells.

JOSEPH W. LYDING, JR., assistant professor of electrical and computer engineering, to conduct research on the structural and electronic properties of surfaces using the scanning tunneling microscope (STM).

GREGORY A. MILLER, assistant professor of psychology, to study early detection of individuals at "high risk" for schizophrenia and affective psychosis.

The vice president for academic affairs concurs.

I recommend approval.

On motion of Mrs. Gravenhorst, these appointments were approved.

Honorary Degrees, Chicago

(6) The senate of the Chicago campus has recommended that honorary degrees be conferred on the following persons at the Commencement Exercise on June 14, 1987:

¹ Fellows in the center are nominated by their department heads and selected on the recommendation of an advisory selection committee for one-semester appointments. Fellowships are awarded for independent work in all fields of the social and natural sciences, the humanities, and the creative arts. Those eligible for nomination are untenured, tenure-track faculty members at the Urbana-Champaign campus.

AMELIA MANGAY MAGLACAS, chief scientist for nursing, World Health Organization — the degree of Doctor of Science.

ETTA MOTEN BARNETT, concert singer and actress — the degree of Doctor of Musical Arts.

The chancellor concurs in the recommendation of the senate.

I recommend approval.

On motion of Mrs. Gravenhorst, these degrees were authorized as recommended.

Tuition Increases for Fiscal Year 1988

(7) In March, the Board of Trustees reviewed background information on tuition rates and alternative increases for Fiscal Year 1988. Undergraduate and graduate tuition and mandatory fee charges at the University now stand at third place among public universities in the Big Ten, although they remain behind the first two institutions by sizeable amounts. Tuition and fee charges for professional schools generally rank somewhat lower.

The Illinois Board of Higher Education has recommended a 4 percent tuition increase for FY 1988 at all public universities in Illinois. Funds generated by such an increase have been included in that board's budget recommendations and are contained in the allocation of the governor's budget for higher education for FY 1988 as well.

Tuition increase alternatives reviewed in March differed in the increases for lower division and upper division undergraduates. Applying a 4 percent increase to current tuition charges results in an increase in the dollar differential between lower and upper division students. Recognizing student concerns about the undergraduate differential, the increases now recommended for FY 1988 keep the differential at its present dollar amount (and reduce it slightly in percentage) by applying the same dollar increases for lower and upper division students, as displayed in the accompanying table. Recommended increases for other student levels follow the 4 percent guideline, with very slight adjustments to permit equalization of charges at both campuses.

I recommend that the Board of Trustees establish tuition levels for FY 1988 as outlined in the accompanying table.

Proposed FY 1988 Tuition Increases¹

<i>Level</i>	<i>FY 1987 Tuition²</i>	<i>Proposed Increase</i>	<i>Proposed FY 1988 Tuition</i>	<i>Percent Increase</i>
Undergraduate				
Lower Division	\$1 406	\$ 64	\$1 470	4.55
Upper Division	1 652	64	1 716	3.87
Graduate	1 960	80	2 040	4.08
Law	2 522	102	2 624	4.04
Medicine	4 599	186	4 785	4.04
Dentistry	3 027	123	3 150	4.06
Veterinary Medicine.....	3 522	142	3 664	4.03

¹ Proportional increases are proposed, as appropriate, for part-time students, for nonresidents, for students in the Doctor of Pharmacy Continuation curriculum, and for correspondence and extramural courses to continue policies that now exist.

² FY 1987 amounts may differ by \$1 between the campuses.

On motion of Mrs. Gravenhorst, this recommendation was approved. (Student Trustee Filip, expressing his view that many students at Urbana continue to be in opposition to differential tuition, indicated that he

would have cast an advisory vote in the negative on this recommendation.)

Special Tuition Increases, Urbana
Executive MBA and Policy Economics Programs, Urbana

(8) Two academic programs at the Urbana-Champaign campus are "full cost recovery programs," *i.e.*, all costs are met through a combination of tuition and fee charges to students. These are the Executive MBA Program and the Program in Policy Economics, both offered in the College of Commerce and Business Administration. Tuition and fee charges in each program are reviewed annually.

For Fiscal Year 1988, the following actions are proposed for the Executive MBA Program:

	<i>FY 1986</i>	<i>FY 1987</i>	<i>Proposed, FY 1988</i>	<i>FY 1988 Increase</i>
Tuition	\$5 900	\$6 100	\$6 500	\$400
Fees	1 400	1 400	1 700	300
<i>Total</i>	<u>\$7 300</u>	<u>\$7 500</u>	<u>\$8 200</u>	<u>\$700 (9.3 percent)</u>

Each Executive MBA class pays the same tuition for each of the two program years. Therefore, the increase noted above will apply only to students beginning the program in FY 1988, while second-year students will pay at the FY 1987 rates which were in effect when they began the program. Thus, the rate of income growth from the proposed tuition increase will be half as large as that shown.

Fees for the Executive MBA Program have not increased for the past two years, since sufficient balances were available to help cover fee-related costs. As with tuition charges, each class pays the same fees for both years of the program.

Thus, from a total income perspective, under these proposed changes tuition and fee revenue will increase by 4.7 percent for FY 1988, an amount required to cover salary and cost increases for the current program.

The Program in Policy Economics was begun in FY 1986. The following actions are recommended for FY 1988:

	<i>FY 1986</i>	<i>FY 1987</i>	<i>Proposed, FY 1988</i>	<i>FY 1988 Increase</i>
Tuition	\$ 9 175	\$ 9 175	\$ 9 600	\$425
Fees	2 125	2 125	2 200	75
<i>Total</i>	<u>\$11 300</u>	<u>\$11 300</u>	<u>\$11 800</u>	<u>\$500 (4.4 percent)</u>

This program represents a degree option within the M.S. in Economics and it is a special program designed for foreign and U.S. administrators. Initial start-up costs included in the first year's tuition and fee charges were not required for subsequent years, permitting FY 1987 charges to remain at FY 1986 levels. For FY 1988, an overall increase of 4.4 percent is necessary to meet salary and cost increase requirements.

The chancellor at the Urbana campus has recommended the tuition and fee charges in the two programs described above, and they have been reviewed and recommended by the University Planning Council.

I concur.

On motion of Mrs. Gravenhorst, these recommendations were approved.

Student Fees, Chicago and Urbana
(Student Service, Health Service, Computer, Health Insurance)

(9) The chancellors at each campus have recommended student fee levels for Fiscal Year 1988 to support auxiliary operations and student activities, student

health services, and the student health insurance program. The fees recommended are required to meet continuing components (salaries and wages, utilities, and general price increases, including food), student programs and operating costs including debt service and repair and replacement programs, of facilities which comprise the Auxiliary Facility System.

In addition, an increase in the *general fee* at Chicago and the establishment of such a fee at Urbana-Champaign represent a change in policy at both campuses. Specifically, this fee is an assessment of both undergraduate and graduate students for certain fixed costs for fee-supported buildings at each campus. The fixed costs supported by this fee include campus administrative allowance, central administration allowance, repairs and replacement, bond principal and interest. Corresponding decreases are made in the student service fee levels.

The *student service fee* at Urbana-Champaign supports the services and programs of the Assembly Hall, Illini Union, Intramural-Physical Education Building, Student Services Building, Ice Arena, recreation fields, Recreation Building, and campus recreation. The recommended fee represents a per semester reduction when compared to Fiscal Year 1987; however, this fee level will provide program funds to cover costs associated with the remodeled Ice Arena and recreation fields.

The service fee at Chicago supports the operation of the Chicago Illini Union, Chicago Circle Center, student programs, student government, student counseling, intramural sports, campus recreation, and intercollegiate athletics. The recommended fee represents a per quarter reduction when compared to FY 1987.

The *health service fee* at Urbana-Champaign supports the on-campus health service for students at McKinley Hospital and Health Service and the Counseling Center. The increase is required to meet continuing component costs, working capital requirements for McKinley Health Center, computerizing medical records, and covering substantial increases in medical liability insurance costs.

The health service fee at Chicago supports the on-campus health services for students and requires no increase for FY 1988.

In FY 1988, a *computer access and support fee* will be charged both undergraduate and graduate students at Urbana-Champaign. These funds will be used to expand and maintain computer access sites and to develop and staff student computer support programs.

At each campus the *student health insurance* has historically covered the cost of premiums paid to the insurance company and the cost of administering the program. However, for FY 1988 the chancellor at the Chicago campus has recommended the establishment of a student HMO to be offered by the University of Illinois Hospital. Students at Urbana-Champaign will continue to receive coverage through commercial insurance.

The accompanying table presents current and proposed fee levels for the programs described above.

The vice president for business and finance concurs in the fee levels proposed. I recommend approval.

Urbana-Champaign

	1986-87	<i>Proposed,</i> 1987-88
Student Service Fee	\$144	\$116
Health Service Fee	89	103
General Fee	30
Computer Fee	20
Health Insurance	44	42
	<u>\$277</u>	<u>\$311</u> (per semester)

Proposed dollar increase 34

Proposed percentage increase .. 12.3

Chicago

	1986-87	<i>Proposed, 1987-88</i>
Student Service Fee	\$155	\$135
Health Service Fee	21	21
General Fee	21	41
Health Insurance	47	45
	<u>\$244</u>	<u>\$242</u> (per quarter)
Proposed dollar decrease	2	
Proposed percentage decrease ..	0.8	

NOTE: 1. The fee levels displayed above apply to full-time students.

2. The rates shown for health insurance represent the student's portion only.

On motion of Mrs. Gravenhorst, the recommendations were approved as presented with the following understandings:

1. In the instance of the adjustments recommended in the student service fee and general fee at Chicago, the trustees approved the recommendations, with the understanding that this aspect of the recommendations will receive further review and be amended at a subsequent meeting if that appears to be necessary; and

2. With regard to the establishment of a student HMO at the Chicago campus: the board approved the recommendation with the understanding that the establishment of the HMO will be deferred, that a full analysis and review will be prepared for the board, and that final action on the HMO and complementary benefits will be discussed at the next meeting of the board.

Rates for University-Operated Housing Facilities, Chicago and Urbana

(10) The chancellors at each campus have recommended rate changes for University-operated housing for the 1987-88 academic year. The increases are required to meet operational costs (salaries and wages, utilities, and general price increases, including food) and to provide for debt service and repair and replacement reserve requirements.

		Chicago		
	1986-87	<i>Proposed, 1987-88</i>	<i>Dollar Increase</i>	<i>Percent Increase</i>
<i>Residence Halls</i> (academic year)				
Student Residence Hall				
(room and board)	\$3 552	\$3 732	180	5.1
Women's Residence Hall				
(room and board)	3 603	3 732	129	3.6
<i>Single Student Residence</i>				
(room only)				
Two-Person apt. (per person) ...	\$3 306	\$3 436	130	3.9
Three-Person apt. (per person) ..	3 167	3 344	177	5.6
Four-Person apt. (per person) ..	3 306	3 436	130	3.9
Two-Person suite (per person) ..	2 751	2 855	104	3.8
Three-Person suite (per person) ..	2 751	2 855	104	3.8

NOTE: 1. Apartments feature larger spaces than suites and include living rooms (which can convert to bedroom space).

2. Rates exclude fixed charges for telephone lines and equipment.

Urbana-Champaign

<i>Undergraduate Housing</i> (room and board, academic year)	1986-87	Proposed, 1987-88	Dollar Increase	Percent Increase
Single	\$3 396	\$3 560	164	4.8
Double	3 010	3 160	150	5.0
Triple	2 842	2 990	148	5.2
Quad	2 712	2 856	144	5.3

- NOTE:* 1. Rates in newer halls with air-conditioning will be \$100 more than in halls without it.
 2. Room-only rates will be \$1,690 less than the above rates in 1987-88.
 3. The special assessment for Unit One at Allen Hall will be \$110 higher than the above rates.
 4. The rates quoted do not include the \$16 Residence Hall Association dues.
 5. The rates include a \$60 computer assessment.

<i>Graduate Housing</i> (room only, academic year)	1986-87	Proposed, 1987-88	Dollar Increase	Percent Increase
<i>Sherman Hall</i> (air-conditioned)				
Single	\$1 708	\$1 760	52	3.0
Double	1 630	1 680	50	3.1
<i>Daniels Hall</i>				
Single	\$1 526	\$1 574	48	3.2
Double	1 362	1 404	42	3.1
Optional Board Contract	1 800	1 890	90	5.0
<i>Goodwin-Green</i> (monthly rates — includes heat, does not include \$16 telephone charge)				
Sleeping rooms	\$ 201	\$ 207	6	3.0
Zero bedroom	238	245	7	2.9
Zero, with dining	245	252	7	2.9
One bedroom	287	296	9	3.1
One bedroom, with dining	295	304	9	3.1
<i>Orchard Downs</i> (monthly rates)				
One bedroom	\$ 243	\$ 250	7	2.9
Two bedroom	269	277	8	3.0
Two bedroom, unfurnished	212	218	6	2.8
<i>Other properties</i> (monthly rates)				
Various rates and sizes	\$ 315-482	\$ 324-496	9-14	2.8-2.9
<i>Beckwith Living Center</i> (academic year)				
Single room	\$7 020	\$7 722	702	10.0
<i>Efficiency apt.</i>				
(per person, room only) ...	2 862	3 062	200	7.0
<i>One-bedroom apt.</i>				
(per person, room only) ...	3 294	3 525	231	7.0
<i>Two-bedroom apt.</i>				
(per person, room only) ...	3 960	4 237	277	7.0

NOTE: Rates may vary from above due to the amount of care needed.

The vice president for business and finance concurs in these recommendations. I recommend approval.

On motion of Mrs. Gravenhorst, these recommendations were approved.

Redesignation of Department of Physical Education, Urbana

(11) The Urbana-Champaign Senate has recommended that the name of the Department of Physical Education be changed to the Department of Kinesiology, effective immediately.

The traditional usage suggests the training of teachers of physical activity. However, teacher training has become less important in the department in the last ten years, now amounting to thirty percent of the undergraduate program, with little activity at the graduate level. The primary concentration in the curriculum is the study of human movement, kinesiology. The new designation should provide an accurate description of the program as at other major universities. No budgetary or staff implications are associated with the recommendation.

The chancellor and the vice president for academic affairs concur in this recommendation. The University Senates Conference has indicated that no further senate jurisdiction is involved.

I recommend approval.

On motion of Mrs. Gravenhorst this recommendation was approved.

President's Report on Actions of the Senates

Revision of Options I, II, and III,

Bachelor of Science in Physical Education, Chicago

(12) The Chicago Senate has approved the following revisions to Options I, II, and III of the Bachelor of Science in Physical Education: (1) increase the general education natural sciences requirement in all three options from 15 to 18-20 hours; (2) revise and reduce the Skill Analysis and Teaching Progression requirement for Options I and II from 15 courses, 25 hours, to 7 courses, 17 hours; (3) increase the electives hours in both Options I and II; (4) change the title of Option III from Non-Teacher Certification to General Physical Education; (5) change the total hours required for Option III from 180 quarter hours to 180-190 quarter hours; (6) change the hours required for specializations under Option III from 66 hours to 69-82 hours and revise the requirements for existing specializations in Dance, Exercise Physiology, and General Physical Education; (7) add under Option III new specializations in Athletic Training, Recreational Sport Leadership, and Kinesiotherapy; and (8) eliminate the supplemental programs in Athletic Training, Kinesiotherapy, and Recreation.

The addition of a mathematics requirement under the natural sciences general education requirement is necessary due to changes in teacher certification requirements. To accommodate these additional hours, the required Skill Analysis and Teaching Progression core courses were changed and the hours reduced.

Revision of the Teaching Minor in Mathematics,

College of Liberal Arts and Sciences, Urbana

The Urbana-Champaign Senate has recommended revision of the requirements for the Teaching Minor in Mathematics, College of Liberal Arts and Sciences, effective fall 1987.

The State Certification Board has established new requirements for teaching mathematics in the State of Illinois, and this revision modifies the teaching minor requirements accordingly. The requirements are now separated into two parts, one for secondary school teachers and one for middle school teachers. There will be a total of 25 required hours for students in a teaching curriculum other than mathematics who wish to teach mathematics in high school and 18 hours for those who wish to teach mathematics in middle school.

This report was received for record.

**Chicago Technology Park Research Center Lease Agreement
(Confirmation of Action of Executive Committee)**

(13) The Executive Committee of the Board of Trustees, by telephone poll, approved an agreement by which the University leased to the Chicago Technology Park (CTP) the CTP Research Center located at 2201 West Campbell Park Drive. The center will serve as an incubator facility. The Board of Trustees is requested to confirm the action of the Executive Committee taken on March 16, 1987.

The lease is for a five-year period commencing March 16, 1987, at an annual lease price of \$10 per year. CTP is permitted to sublease portions of the research center with the approval of the University.

On motion of Mrs. Gravenhorst, the action was confirmed.

Utility Easement to AT&T, Piatt County

(14) American Telephone and Telegraph has requested an easement on University Allerton Farm property in Willow Branch Township, Piatt County, Illinois. The easement is for a communication cable from Champaign to Decatur.

The required easement is a strip 16.5 feet wide across University land and lying between the centerline and the northerly right-of-way boundary of the Illinois Central Gulf Railroad for a distance of 12,350 feet (or 748.5 rods).

Based upon the distance to be determined by a survey, AT&T will pay \$12 for every rod of cable to be installed on University property. In addition, AT&T will pay for any damages resulting from their activities.

The appropriate administrative officers recommend that the easement described be granted and that the Board of Trustees adopt the attached resolution.

I recommend approval.

Resolution

Be It, and It Hereby Is, Resolved by the Board of Trustees of the University of Illinois, a public corporation of the State of Illinois, that the Comptroller and Secretary of this public corporation be, and they hereby are, authorized to execute, acknowledge, and deliver in the name and on behalf of this public corporation such instruments of conveyance, contract, or other document or documents as to them may seem necessary or desirable in order to grant to AT&T Communications of Illinois, Inc., 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 Piatt 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 public 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 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, under, through, and across the following described property:

A strip of land 16.5 feet wide across land which University owns or has any interest in and lying between the centerline and the Northerly right-of-way boundary of the Illinois Central Gulf Railroad as it now exists and traverses the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of Section Nine (9) and the North Half (N½) of Section Seventeen (17) and the North Half (N½) of Section Eighteen (18) and the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Section Eighteen (18), in Township Eighteen (18) North, Range Five (5) East of Third (3rd) Principal Meridian in the Township of Willow Branch, County of Piatt, and State of Illinois, together with the following rights: Of ingress and egress to, from, and along lands adjacent to said strip for the purpose of constructing and maintaining communication systems within said strip; to place surface markers on said strip; to clear and keep cleared all trees, roots, brush, and other obstructions from the surface and subsurface of said strip and during construction to cut all trees within ten feet thereof; and to install gates in any fences crossing said strip. The Southerly boundary of said 16.5 feet strip shall be a line parallel to and 5 feet Southerly of the first cable or lightguide laid, which cable or lightguide shall have its location indicated upon the surface markers set at intervals on the land described or on adjacent lands.

On motion of Mrs. Gravenhorst, 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. 15 through 25 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Willard Airport Expansion Project
Intergovernmental Agreement with Champaign County
Terminal Complex Improvement Bonds

(15) On April 10, 1986, the Board of Trustees approved an Initial Agency and Participation Agreement and the submission of an application for Federal funds for a new passenger terminal complex at Willard Airport. The project is to be financed from Federal, State, and local funds.

Subsequently, several events have occurred related to budget and funding sources:

1. The State Division of Aeronautics advised the University that Federal Aviation Administration discretionary funds in the amount required would not be available. Therefore, the scope of the project was reduced accordingly.
2. In June 1986, the Champaign County Board agreed to provide funds for a portion of the local share of the project, in the principal amount of \$4,000,000.
3. On November 13, 1986, the Board of Trustees authorized submission of amendments to a 1973 grant agreement with the Federal Aviation Administration and the Illinois Department of Transportation (IDOT), Division of Aeronautics, which would allow approximately \$200,000 (authorized in 1973) to be applied to the cost of land for the new terminal complex.
4. The architect and engineering consultant firms employed by IDOT to provide services required for the planning and construction of several

projects associated with the terminal complex have completed a project budget with a distribution of costs to several funding sources.

5. On February 17, 1987, the Champaign County Board approved an Inter-governmental Agreement between the county and the University of Illinois to provide county revenue to the University to retire revenue bonds in the principal amount of \$4,000,000, and the interest thereon, in twenty semiannual payments beginning no sooner than July 1, 1989, but no later than the scheduled fourth semiannual payment due to bondholders, subject to annual appropriations of the board.
6. Preliminary steps have been taken to prepare for a University Revenue Bond Issue in a principal amount sufficient: (a) to provide for the local share of the project (\$6,600,000); (b) to pay for the costs of issuance; (c) to capitalize interest payments during construction; and (d) to establish debt service or other reserves that may be required by the bond resolution.

The chancellor at the Urbana-Champaign campus and the vice president for business and finance have recommended that the Board of Trustees approve and authorize the following:

1. Execution of the following agreement with the Champaign County Board.
2. Approval of the project budget as follows.
3. Designation of Chapman and Cutler to serve as bond counsel in connection with the issuance of the bonds.
4. Designation of John Nuveen & Co. Incorporated to serve as financial advisor in connection with the issuance of the bonds.
5. Authorization for the comptroller of the board, with the assistance of the bond counsel and financial advisor designated above, to proceed with: (a) discussions with various insurance companies with respect to obtaining a policy of bond insurance to secure the bonds; (b) submission to such bond rating agencies as shall be determined by the comptroller as shall be necessary and desirable in order to obtain a bond rating or bond ratings with respect to the bonds; and (c) preparation and distribution of a preliminary offering document with respect to the board and the bonds to potential purchasers of the bonds.
6. Ratification and confirmation of all actions taken or to be taken by the officers and members of the board in connection with the offering of the bonds to prospective purchasers.
7. That the comptroller and other authorized officers of the board be and they are hereby authorized and empowered to do and perform such other acts and things and to make, execute, and deliver all such other instruments and documents on behalf of this board as may be by them deemed necessary or appropriate to comply with or to evidence compliance with, the terms, conditions, or provisions of this authorization and all acts and things whether heretofore or hereafter done or performed by and of the officers of this board which are in conformity with the intents and purposes of this authorization shall be and the same are hereby in all respects ratified, confirmed, and approved.

I concur.

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

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

Project Budget and Funding Distribution
(Dollars in Thousands)

<i>Project</i>	<i>Federal</i>	<i>Illinois Division of Aeronautics</i>	<i>University of Illinois</i>	<i>Champaign County</i>	<i>Total</i>
1. Terminal Building ¹ .	\$ 923	\$3 422 ²	\$ 448	\$4 000	\$ 8 793
Utilities		138 ²	160		298
2. Land acquisition ..	150 ³	50 ³	57		257
3. Apron and connect- ing taxiways	1 475	447 ²	402		2 324
4. Access road	68	365 ²	657		1 090
5. Parking lots		35	876		911
<i>Total</i>	<u>\$2 616</u>	<u>\$4 457</u>	<u>\$2 600⁴</u>	<u>\$4 000</u>	<u>\$13 673⁵</u>

¹ Federal participation in the Terminal Building is limited by:

(a) Maximum contribution of 60 percent of entitlement funds;

(b) Maximum of 50 percent of the cost of public-use, nonrevenue-producing areas;

(c) No discretionary funds permitted.

² State appropriation of \$3,560,000.

³ Includes State and local share; the Division of Aeronautics provides a portion of the local share.

⁴ Revenue bonds funded by airport income.

⁵ Approximately \$200,000 available from 1973 grant.

⁶ Excludes the costs of movable equipment estimated to be approximately \$350,000.

**An Intergovernmental Agreement Between the County of Champaign
and
The Board of Trustees of the University of Illinois
for a Financial Contribution to the
University of Illinois—Willard Airport Expansion Project**

This agreement made and entered into this 9th day of April 1987, by and between the County of Champaign, a unit of local government ("the County"), and the Board of Trustees of the University of Illinois, a public corporation ("the University").

Witnesseth:

Whereas, the University and the County are each authorized pursuant to Article VII of the Illinois Constitution of 1970 and the Intergovernmental Cooperation Act as set forth in Illinois Revised Statute, Chapter 127, paragraph 741 et.seq., to contract or otherwise associate among themselves, with the State, and with the United States, to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or by ordinance; and

Whereas, the Illinois Constitution of 1970 further provides that participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities; and

Whereas, the financing of a public airport within the County constitutes a use of public funds, property, or credit for a public purpose; and

Whereas, the University, pursuant to Illinois Revised Statute, Chapter 144, section 78a, has authority to operate an airport; and

Whereas, the University operates the University of Illinois—Willard Airport located within the boundaries of Champaign County; and

Whereas, on the 17th day of June 1986, the County resolved to pledge four million dollars (\$4,000,000) to the University of Illinois-Willard Airport Expansion Project in resolution 2516; and

Whereas, the County further resolved in said resolution 2516 to enter into an intergovernmental agreement with the University to evidence the County's pledge commitment and to detail the responsibilities of the parties.

Now, Therefore, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the County and the University hereby agree as follows:

1. The University shall have constructed the University of Illinois-Willard Airport Terminal Building Complex, constructed as described in Exhibit A ("the Airport Project").

2. The University shall issue bonds in 1987 in a principal amount of at least six million dollars (\$6,000,000) to finance the construction and improvement of the Airport Project.

3. The County shall provide revenue to the University to retire such bonds in the principal amount of four million dollars (\$4,000,000) and the interest thereon at an average rate estimated to be 7.0 percent in twenty (20) semiannual payments beginning no sooner than July 1, 1989, but no later than the scheduled fourth (4th) semiannual payment due to bondholders, subject to annual appropriations. The actual average rate of interest on the bonds shall be determined at the time of sale.

4. The County acknowledges that the bond issue described in paragraph 2 herein may exceed the stated six million dollar (\$6,000,000) principal in order to provide revenues to cover the interest which will accrue on the six million dollar (\$6,000,000) principal between the issue date and the date of the County's first payment as described in paragraph 3 ("the interim interest").

5. The County shall provide revenue to the University to repay the principal and interest on such bonds issued to provide for the interim interest on four million dollars (\$4,000,000). Such revenue payments shall be made in twenty (20) semiannual payments as described in paragraph 3.

6. The University shall pay the balance of the principal and interest due on such bonds described in paragraph 2.

7. The University, if permitted by law, shall continue to own, operate, and maintain the University of Illinois-Willard Airport for the term of this agreement.

8. The University shall apply for grants in a total amount of approximately two million two hundred thirty-one thousand dollars (\$2,231,000) in entitlement funds from the appropriate agency of the Federal government sufficient to complete the Airport Project.

9. The University shall seek the release of funds which have been appropriated by the Illinois legislature in the amount of three million, five hundred and sixty thousand dollars (\$3,560,000) to the State of Illinois Department of Transportation to be expended on the Airport Project.

10. The University agrees to use reasonable efforts to substantially complete the Airport Project prior to the scheduled fourth (4th) semiannual payment to bondholders. If the University fails to substantially complete the project by such date, the County shall not be required to make payments until the project is substantially completed. In such latter event, all payments which are withheld by the County shall become due and payable to the University when the Airport Project is substantially completed.

11. The University further agrees to provide an annual report to the County on the status of the construction and financing of the Airport Project during the term of this agreement.

In Witness Whereof, the parties hereto, acting under the authority of their respective governing bodies, have caused this agreement to be executed.

Exhibit A ("the Airport Project")

Construct a new terminal complex in the Southeast quadrant of University of Illinois-Willard Airport, including: Construct 60,000 ± square foot terminal building taxiway, entrance road, and auto parking area, including drainage, grading, lighting, marking, signage, utilities, and landscaping.

Contracts, Atmospheric Sciences Office Building, Urbana

(16) The president of the University, with the concurrence of the appropriate administrative officers, recommends award of the following contracts for construction of the Atmospheric Sciences Office Building at the Urbana campus. The award in each case is to the low base bidder plus acceptance of the indicated alternates.¹

Division I — General

W. Commercial Builders, Inc., Champaign ...	Base Bid ..	\$419 921	
	Alt. G-1 ...	11 000	
	Alt. G-2 ...	2 000	
	Alt. G-3 ...	6 700	
	Alt. G-4 ...	5 400	
	Alt. G-5 ...	4 800	
			\$449 821

Division II — Plumbing

Illini Plumbing & Heating, Inc., Champaign..	Base Bid ..	44 335
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Division III — Heating and Air Conditioning

Reliable Plumbing & Heating Company, Champaign	Base Bid ..	36 190
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Division IV — Ventilation

T'nT Mechanical Contractors, Inc., Urbana ..	Base Bid ..	61 000
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Division V — Electrical

Coleman Electrical Service, Inc., Mansfield ..	Base Bid ..	109 546
	Alt. E-5 ...	15 926
	Alt. E-6 ...	3 117

		128 598
Total		\$719 944

It is further recommended (1) that all contracts, other than the contract for general work, be assigned to the contractor for general work; and (2) that the firm of Rettberg-Gruber, Architects, Champaign, be employed for professional services required during the construction phase for administration and on-site observation at a fixed fee of \$21,920, plus reimbursements authorized by the University, estimated at \$500.

State appropriated funds are available in the Fiscal Year 1987 operating budget of the Office of the Vice Chancellor for Academic Affairs at Urbana.

The project will be a two-story, wooden frame structure with offices, laboratories, computer rooms, library, and a classroom/conference area totaling 11,300 gross square feet (7,700 net assignable square feet).

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

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

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

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

Contract, Residence Hall Fire Alarm Systems, Urbana

(17) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$386,185 to Downtown Electric Incorporated, Urbana, the low bidder, on its base bid plus acceptance of Additive Alternates 1 and 2, to upgrade fire alarm systems at Lincoln Avenue, Illinois Street, Taft/Van Doren, and Peabody Drive Residence Halls, Urbana. The project will consist of the following work:

Lincoln Avenue Residence Halls, including Lincoln/Allen food service area in basement—The project will consist of the installation of a central micro-processor fire alarm control panel with automatic smoke and heat detectors and single station smoke detectors in each sleeping room (first of a two-phase project). The existing conventional system will remain intact during this phase.

Illinois Street Residence Halls—The project will consist of replacing the existing system with new fire alarm manual stations and horns in Townsend Hall, Wardall Hall, food service complex, and lounge area. A new central sound system will be installed to permit a means of communication among fire department personnel in the event of a fire alarm.

Alternate 1 will consist of providing an "elevator capture," and revisions of the fireman's control for five elevators.

Taft/Van Doren Residence Halls—Alternate 2 will consist of replacing the existing system with new fire alarm manual stations and horns and connecting to the existing microprocessor fire alarm system.

Peabody Drive Residence Halls (Weston Hall, Snyder Hall, Scott Hall, and food service complex)—The project will consist of the installation of a central micro-processor fire alarm control panel with automatic smoke and heat detectors and single station smoke detectors in each sleeping room (first of a two-phase project).

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

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

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

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

Report of Rejection of Bids; and Awards of Contracts, Beckman Institute, Phase III, Urbana

(18) Bids were received on March 24 and 25, 1987, for nineteen divisions of work for the construction of the Beckman Institute at the Urbana campus. The total of the bids received for sixteen of the Phase III divisions¹ is within the architect's estimate.

The bids for Division "M" were not considered responsive to the contract document requirements; and the apparent low bidder for "Q" submitted a qualified

¹ Divisions A through K, N, P, Q, R, and S.

bid. Therefore, pursuant to the provisions of Article II, Section 4 (k) (2) of the *General Rules Concerning University Organization and Procedure*, the bids for this work have been rejected and the president now reports their rejection.

One bid was received for Division "L"; however, the bidder failed to submit the bid security as required. One bid was received for "T," but the bidder did not submit a proposal for the base bid work. Due to improper bidding of these divisions, they are considered "no bid," and Divisions L, M, and T will be rebid as soon as practical.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends award of the following contracts. The award in each case is on the basis of the lowest responsive base bid, plus acceptance of the indicated alternates.

*Division IIIA — Curtainwall, Windows,
Skylights, Interior, Glazing*

Bacon and Van Buskirk Glass Co., Inc.,

Champaign	Base Bid ...	\$2 157 000
	Alt. J-1	16 000

\$ 2 173 000

*Division IIIB — Metal Roofing; Roofing,
Sheet Metal, Waterproofing*

Young Sales Corporation, St. Louis,

Missouri	Base Bid ...	760 389
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Division IIIC — Plumbing, Lab Gas Work

Natkin & Company, Peoria	Base Bid ...	1 590 000
	Alt. B	690
	Alt. D	1 250
	Alt. G	195
	Alt. H.	24 750
	Alt. P-2 ...	n/c
	Alt. P-3 ...	n/c
	Alt. P-4 ...	385
	Alt. P-5 ...	175

1 617 445

Division IIID — Fire Protection

The PIPCO Companies, Ltd., Peoria ..	Base Bid ...	663 110
	Alt. B	370
	Alt. C	3 900
	Alt. D.	4 900
	Alt. E.	3 900
	Alt. P-3 ...	115
	Alt. P-4 ...	235

676 530

Division IIIE — Heating, Temperature Controls

Natkin & Company, Peoria	Base Bid ...	2 036 000
	Alt. B	430
	Alt. C	1 195
	Alt. D	140
	Alt. G.	18 800
	Alt. J-1 ...	9 750
	Alt. P-4 ...	540
	Alt. P-5 ...	4 225
	Alt. P-6 ...	475
	Alt. Q	55 400

2 126 955

Division III F — Ventilation**Johnson Sheet Metal Works, Inc.,**

East Moline	Base Bid ...	\$3 050 000
	Alt. B.	1 458
	Alt. C.	18 179
	Alt. D.	22 624
	Alt. E.	19 197
	Alt. G.	64 496
	Alt. H.	19 803
	Alt. J-1 ...	47 022
	Alt. P-2 ...	10 894
	Alt. P-5 ...	12 358
	Alt. P-6 ...	3 123
	Alt. Q.	2 628

\$ 3 271 782

Division III G — Electrical**Hatfield Electric Company, Rosemont .**

	Base Bid ...	2 766 000
	Alt. B.	2 482
	Alt. C.	24 509
	Alt. D.	26 849
	Alt. E.	26 120
	Alt. G.	1 220
	Alt. H.	603
	Alt. J-1 ...	3 526
	Alt. P-2 ...	1 401
	Alt. P-3 ...	124
	Alt. P-4 ...	346
	Alt. P-5 ...	313
	Alt. P-6 ...	1 057
	Alt. Q.	464
	Garden Plaza	10 787

2 865 801

**Division III H — Masonry, Limestone,
Granite, Marble, Caulking****Otto Baum & Sons, Inc., Morton.....**

	Base Bid ...	5 180 500
	Gate	38 500
	Garden Plaza	138 800

5 357 800

**Division III I — Miscellaneous Metals,
Ornamental Metal, Lockers, Wire Mesh
Partitions, Dock Levelers, Rolling Steel Doors****The Petry-Kuhne Company, Champaign**

	Base Bid ...	634 900
	Gate	15 200
	Garden Plaza	43 400

693 500

**Division IIIJ — Rough Carpentry, Millwork,
Miscellaneous Specialties, Hollow Metal,
Wood Doors, Hardware, Toilet Partitions,
Interior Signage, Auditorium Stage and
Seating**

The Petry-Kuhne Company, Champaign	Base Bid ...	\$1 672 000
	Alt. B	2 000
	Alt. C	10 700
	Alt. D	10 700
	Alt. E	10 700
	Alt. N	60 100
	Alt. P-3	n/c
	Alt. P-4	n/c
	Alt. P-6	(600)

\$ 1 765 600

**Division IIIK — Drywall, Plaster,
Acoustical Ceilings, Painting/Wall
Covering, Insulation, Vitreous Wall
Coating, R.F. and Radiation Shielding**

Allied Construction Services, Inc., Peoria	Base Bid ...	2 549 400
	Alt. B	1 644
	Alt. C	39 328
	Alt. D	39 328
	Alt. E	39 328
	Alt. L-1 ...	107 434
	Alt. N	9 600
	Alt. P-3 ...	(225)
	Alt. P-4 ...	(315)
	Alt. P-6 ...	(875)

2 784 647

Division IIIN — Access Flooring

Allied Construction Services, Inc., Peoria	Base Bid ...	599 710
	Alt. C	34 452
	Alt. D	34 452
	Alt. E	34 452

703 066

Division IIIP — Kitchen Work

Great Lakes Hotel Supply Co., Detroit, Michigan	Base Bid ...	131 832
	Alt. H	44 999

176 831

Division IIIQ — Casework and Fume Hoods

Kewaunee Scientific Corp., Lincolnwood	Base Bid ...	730 121
	Alt. P-2	84 775

814 896

Division IIIR — Laboratory Equipment

Felmley-Dickerson Company, Champaign	Base Bid ...	265 000
	Alt. P-5	30 500

295 500

*Division IIIIS — Environmental Rooms/
Walk-In Freezer*

Lab-Line Instruments, Inc.,

McLrose Park	Base Bid ... \$	114 778
	Alt. P-3 ...	14 831
	Alt. P-4 ...	45 567
	Alt. P-6 ...	39 764

214 940

Total \$26 298 682

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

The three construction award phases of the project are as follows:

Bid Package #1 — Site clearance, demolition, excavation, caissons, foundations, perimeter drainage, and waterproofing. (Awarded November 13, 1986)

Bid Package #2 — Structural steel, concrete, metal deck, stairs, fireproofing, and elevators. (Awarded January 15, 1987)

Bid Package #3 — Balance of construction, except terrazzo-marble, flooring, and vertical isolation doors divisions which will be rebid and the site development work which is being deferred until early 1988.

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

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

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

**Authority to Approve "General Condition Items,"
Beckman Institute, Urbana**

(19) Turner Construction Company of Chicago was employed as construction manager for the Beckman Institute under authority of the board in November 1985. The construction manager provides services to the owner and the architect from the beginning of design through completion of construction, but does not undertake the actual construction work with its own staff nor does it contract for such work.

As there is no general contractor for this project, the responsibility for providing "general condition items" (such as tools and supplies, temporary roads, water, weather protection, temporary light and power, material and personnel hoists, site plumbing, dirt chutes, pumping, general protection, etc.) is not included in any of the construction contracts.

Turner Construction Company has agreed to arrange for the contractors to provide these items as needed. The total cost of the items has been budgeted at \$1 million for the duration of the construction period, *i.e.*, until December 1988.

The cost of some of the items is expected to exceed the delegated authority limit of \$25,000. In order not to delay the project, it is important that authority to approve such items be delegated to the comptroller.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the comptroller be authorized to approve contract change orders to the appropriate contractors to provide for general condition items of work within the budgeted \$1 million total.

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

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

Increase in Contract, Krannert Art Museum Addition, Urbana

(20) On October 9, 1986, the Board of Trustees authorized the award of a contract for \$1,784,800 to English Brothers Company, Champaign, for the general work for the Krannert Art Museum Addition at the Urbana campus.

During the excavation, the contractor encountered unstable soil material at the elevation of the footings in the western portion of the site. The condition was noted in an investigation by the geotechnical consultant during the design stage. During excavation, the project engineer recommended removal of the material and its replacement with aggregate. The contractor now has completed the additional excavation and backfill and has reported the cost of the additional work in the total amount of \$32,231.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the contract with English Brothers be increased by \$32,231 for the additional work described.

Funds are available from designated gifts and grants available through the University of Illinois Foundation, the major portion being provided by the William S. Kinkead Trust and Estate.

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

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

Lease of Space, Chicago

(21) The chancellor at Chicago has recommended that the University contract with 322 South Green Street Partners, an Illinois limited partnership and owner of the Green Street Building, 322 South Green Street, Chicago, to lease 7,700 square feet of space for the period July 1, 1987 (or sooner, if available), through June 30, 1992. The space will provide offices for research and service units of the College of Business Administration (CBA), the Campus Cooperative Education Program (CCE), and the Latin American Recruitment and Educational Service Program (LARES).

The lease will be at a base rate of \$94,325 per year, a unit cost of \$12.25 per square foot, subject to an annual increase of \$.50 cents per square foot per year. The cost includes all operating expenses, janitorial services, and all utilities except electrical services. The lessor will remodel to the requirements of the University, to the standards of the lessor, and at the expense of the lessor. The University will have the option to cancel the lease at the end of each annual renewal period.

The CBA and LARES programs now occupy University space on a temporary basis, inadequate for present needs. The Campus Cooperative Education Program is a new initiative without space. A search of campus space has failed to identify any suitable options for the foreseeable future.

Funds for the rental payments are available from the institutional funds budget of the Office of the Chancellor for Fiscal Year 1987 and will be provided from the same source in subsequent lease periods.

The vice president for business and finance has recommended approval.
I concur.

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

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

Purchases

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

The purchases were presented in two categories: purchases from appropriated funds (i.e., from State appropriations to the University); and purchases from institutional funds. The latter term designates funds received by the University under contracts with the United States government, private corporations, and other organizations; grants from foundations, corporations, and other donors; and University revolving funds authorized by law.

The total amounts of these purchases were:

From Appropriated Funds

Recommended \$ 648 432 65

From Institutional Funds

Recommended 2 064 970 76

Grand Total \$2 713 403 41

A complete list of the purchases, with supporting information (including the quotations received), was sent to each member of the board in advance of the meeting. A copy is being filed with the secretary of the board for record.

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

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

Comptroller's Monthly Report of Contracts Executed

(23) The comptroller submitted the April 1987 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.

Comptroller's Report of Investment Transactions through March 15, 1987

(24) The comptroller presented the above report which includes transactions under Finance and Audit Committee guidelines and transactions under the comptroller's authority. A copy of this report is filed with the secretary of the board.

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

Contract for Retroactive Rebilling, University Hospital, Chicago

(25) The chancellor at Chicago has recommended approval of a contract with Health Management Services, Inc., for retroactive billing of hospital outpatient accounts under the Medicaid Ambulatory Care Reform Act. On February 18, 1987, the Illinois Department of Public Aid (IDPA) established a program to increase reimbursement amounts paid for certain outpatient procedures. The program authorizes rebilling at the new, higher rates retroactive to April 1, 1986.

By June 1, 1987, reimbursement claims for these procedures (already billed at the lower rates) must be rebilled and delivered to Springfield. About 100,000 outpatient IDPA bills must be reprinted, reviewed, adjusted, reprinted again, and transferred to tape. Trial procedures at the University Hospital reveal that existing staff cannot accomplish this task by the due date. For this reason, and as with other teaching hospitals with large volumes of IDPA patients, outside professional services are the most effective means of performing this rebilling by the June 1 deadline.

The rebilling to IDPA will realize an estimated \$500,000 in gross revenue. An additional \$500,000 in gross revenue is available through other aspects of the retroactive claims reprocessing services offered by this contract, including rebilling unpaid outpatient bills for which reimbursement is obtainable from a third party payor.

The commission fee under the contract is tied to actual collection experience at rates of 30 percent on the first \$250,000 and 25 percent on any amount in excess of that. It is estimated that in total this contract for retroactive claims reprocessing will yield \$1 million in gross additional hospital revenue, at a (commission) cost of \$262,500. Gross collections will be deposited to the Hospital Income Fund and payments under the contract made from the same source.

Authority is sought to authorize the comptroller to enter into this agreement in accord with procedures set forth in University policy.

The vice president for business and finance has recommended approval.

I concur.

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

(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.

ANNOUNCEMENTS FROM THE PRESIDENT OF THE BOARD

President Howard called attention to the schedule of meetings for the next three months: May 14, Chicago; June 11, Urbana-Champaign; July 9, Chicago.

There being no further business, the board adjourned.

EARL W. PORTER
Secretary

GEORGE W. HOWARD III
President