

ANNUAL MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

January 16-17, 2002



This meeting of the Board of Trustees of the University of Illinois was held in Rooms B and C, Chicago Illini Union, Chicago, Illinois, on Wednesday and Thursday, January 16-17, 2002, beginning at 1:00 p.m. on January 16.

Chair Gerald W. Shea called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Mr. Gerald W. Shea, Mr. Lawrence C. Eppley, Dr. Jeffrey Gindorf, Mrs. Susan L. Gravenhorst, Mr. Thomas R. Lamont, Mr. Roger L. Plummer, Dr. Kenneth D. Schmidt, Mrs. Marjorie E. Sodemann, Mr. Robert F. Vickrey. Governor George H. Ryan was absent. Mr. Eamon P. Kelly, voting student trustee from the Urbana-Champaign campus, was present. The following nonvoting student trustees were present: Ms. Ruth D. Waddy, Springfield campus; Mr. Noah L. Wolfe, Chicago campus.

Also present were President James J. Stukel; Dr. Chester S. Gardner, vice president for academic affairs; Dr. David L. Chicoine, vice president for economic development and corporate relations; Dr. Nancy Cantor, chancellor, University of Illinois at Urbana-Champaign; Dr. Sylvia Manning, chancellor, University of Illinois at Chicago; Dr. Richard D. Ringeisen, chancellor, University of Illinois at Springfield; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for administration); Mr. Thomas R. Bearrows, university counsel; Mr. Lester H. McKeever, Jr., treasurer; and

Dr. Michele M. Thompson, secretary. In addition, the following persons were also in attendance: Mr. Richard M. Schoell, executive director for governmental relations; Ms. Alexis M. Tate, interim executive director of the University Office of Public Affairs; Ms. Susan J. Sindelar, executive assistant to the president; and Ms. Marna K. Fuesting, assistant secretary.

SPECIAL ORDER OF BUSINESS

Election of Officers

Chair of the Board

Mr. Shea announced that the first order of business was the election of a chair of the Board of Trustees to serve for one year. He then asked for nominations.

Dr. Schmidt nominated Mr. Shea for chair of the board.

There were no further nominations.

Mrs. Gravenhorst asked for discussion and made the following prepared comments:

So that my words should not be lost in my own emotion, I have prepared my remarks.

I feel strongly that it is time for a change in the board chair. For the past year, this University, and especially this Board of Trustees, have been the subject of derision and degradation.

Our board has always been one of high caliber and high ethical standards. The humiliations of this past year are without precedent, and it is very distressing to me.

Our dedication should be totally to the University of Illinois and to doing our very best for the University in order to insure its continued success and quality. When we deviate from this focus, for personal or political reasons, or for any reason, we are not fulfilling the responsibility for which we were appointed.

I love this University; and I feel that it is very important that we elect the best possible leadership for this position. For this reason, I vote "no."

Chair Shea then called for a vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, Mrs. Gravenhorst; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

Mr. Shea was elected chair of the board to serve until the next annual meeting of the board or until his successor shall have been elected.

Following the vote Chair Shea thanked his colleagues and stated that he was available seven days a week at all times and very willing to assist all board members in whatever way he might. He also said that he planned that he and President Stukel would meet weekly to review University business. Further, he said that he wanted to address the issue of personal style that had been raised in recent weeks and urged all present to try to keep all board problems that might arise within the University family and to resolve them there. He said he was disappointed about recent leaks to the media from various sources to the detriment of the University. He told the trustees he appreciated their trust.

President Stukel congratulated Chair Shea and stated that he looked forward to their weekly meetings.

Recess

The board recessed to permit the taking of pictures and brief interviews with the newly elected chair of the board.

Executive Committee

Mr. Shea then nominated Mr. Lamont and Mr. Plummer to serve as members of the Executive Committee, with the chair of the board serving as chairman of the committee, ex officio.

On motion of Mr. Shea, the nominations were closed. By unanimous vote, Mr. Lamont and Mr. Plummer were elected members of the Executive Committee to serve until the next annual meeting of the board or until their successors shall have been elected.

Secretary, Comptroller, and University Counsel of the Board

In accord with the *Bylaws* of the board, the president of the University had conveyed his advice to the board that the three incumbents be reelected: Michele M. Thompson, secretary of the board; Craig S. Bazzani, comptroller of the board; and Thomas R. Bearrows, university counsel.

On motion of Mr. Shea, Dr. Thompson was elected secretary by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

On motion of Dr. Schmidt, Dr. Bazzani was elected comptroller by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

On motion of Dr. Gindorf, Mr. Bearrows was elected university counsel by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

Delegation of Signatures

Resolved that the chair of the Board of Trustees is authorized to delegate to such individuals as he/she may designate from time to time authority to sign his/her name as chair of the Board of Trustees to vouchers presented to the State Comptroller and authority to sign his/her name to warrants on the University treasurer covering vouchers approved in accordance with regulations approved by the board; and

Resolved further that the secretary of the Board of Trustees is authorized to delegate to such individuals as she may designate from time to time authority to sign her name as secretary of the Board of Trustees to vouchers presented to the

State Comptroller and to warrants on the University treasurer covering vouchers approved in accordance with regulations of the board. And be it further

Resolved that the State Comptroller is hereby authorized and directed to honor vouchers bearing facsimile signatures of the chair and secretary of the Board of Trustees of the University of Illinois if such facsimile signatures resemble the facsimile specimens duly certified to or filed with the State Comptroller by the secretary.

These authorizations are to continue in effect until the State Comptroller has been supplied with specimen signatures of succeeding officers of this board.

On motion of Mrs. Sodemann, these resolutions were unanimously adopted.

APPOINTMENT TO COMMITTEES AND ELECTION TO OTHER BOARDS

On motion of Mrs. Gravenhorst, the following assignments of chairs and vice chairs of committees of the board and elections of board members to external boards were approved unanimously.

Executive Committee

Gerald W. Shea, chair
Thomas R. Lamont
Roger L. Plummer

Standing Committees

[All Board Members Serve on All Committees]

Academic Affairs

Kenneth D. Schmidt, M.D., chair
Eamon P. Kelly, vice chair
Ruth D. Waddy, vice chair

Athletics

Thomas R. Lamont, chair
Marjorie E. Sodemann, vice chair

Buildings and Grounds

Jeffrey Gindorf, M.D., chair
Roger L. Plummer, vice chair

Economic Development

Lawrence C. Eppley, chair
Gerald W. Shea, vice chair
Noah L. Wolfe, vice chair

Finance and Audit

Roger L. Plummer, chair
Jeffrey Gindorf, M.D., vice chair

Human Resources

Susan L. Gravenhorst, chair
Robert F. Vickrey, vice chair
Ruth D. Waddy, vice chair

Student Affairs

Gerald W. Shea, chair
Eamon P. Kelly, vice chair
Ruth D. Waddy, vice chair
Noah L. Wolfe, vice chair

Trusteeship

Marjorie E. Sodemann, chair
Kenneth D. Schmidt, vice chair

University Hospital and Clinics

Robert F. Vickrey, chair
Lawrence C. Eppley, vice chair

Representatives to External Boards

University of Illinois Foundation

Gerald W. Shea

Civil Service Merit Board

Susan L. Gravenhorst

Marjorie E. Sodemann

Robert F. Vickrey

University of Illinois Alumni Association

Lawrence C. Eppley

Research Park, Urbana

Jeffrey Gindorf, M.D.

Kenneth D. Schmidt, M.D.

Illinois VENTURES

Jeffrey Gindorf, M.D.

Roger L. Plummer

Wolcott, Wood, & Taylor

Robert F. Vickrey

VOLUNTARY COMPLIANCE WITH THE OPEN MEETINGS ACT AND THE FREEDOM OF INFORMATION ACT OF ILLINOIS BY BOARDS OF THE UNIVERSITY OF ILLINOIS RESEARCH PARK, LLC, URBANA, AND ILLINOISVENTURES, LLC

Mr. Plummer recommended that the Board of Trustees direct the boards of the University of Illinois Research Park, LLC, Urbana, and IllinoisVENTURES, LLC, to voluntarily comply with the Open Meetings Act henceforth and the Freedom of Information Act for all matters from the date of their inception.

Mr. Shea stated that he had recently learned that these two boards did not comply with these two Acts. Mr. Bearrows explained that the two Acts do not require compliance by such entities.

On motion of Mr. Plummer, this recommendation was approved by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

Mr. Shea asked that Mr. Bearrows receive a copy of the recommendation and the vote to share with the boards of the University of Illinois Research Park, LLC, Urbana, and IllinoisVENTURES, LLC.

RECESS FOR COMMITTEE MEETINGS

The chair announced a short break and stated that committee meetings would begin immediately afterwards.

MEETING OF THE COMMITTEE ON FINANCE AND AUDIT

Dr. Gindorf, chair of the Committee on Finance and Audit, asked Vice President Bazzani to comment on the material to be covered and to introduce the presenters for this committee. Dr. Bazzani referred the board members to the *Annual Financial Report, Fiscal Year 2001* that had been distributed earlier and reviewed it briefly (copy filed with the secretary of the board for record). He then called on Michael Provenzano, senior associate vice president for business and finance, to explain in detail the contents of the annual report and to discuss trends. As a part of his remarks Mr. Provenzano commented on the annual audit by external auditors, BKD. He discussed government accounting standards and how these are reflected in

the annual report. He also reviewed the several charts that are a part of the report. These included rankings for the campuses of the University on several factors; President Stukel underscored one of these by explaining that two campuses of the University of Illinois are ranked as Research I Universities, a distinction reserved for those institutions that are able to attract notable amounts of funding for research. He observed that the State of Illinois is fortunate to have four Research I Universities: the Chicago and Urbana campuses of the University of Illinois, the University of Chicago, and Northwestern University. The president also noted that the institutional cost recovery rates established by the University of Illinois campuses were significantly lower than other such universities.

In response to questions about how the value of University property is established Mr. Provenzano explained that some of the property is listed at its acquisition price and other pieces are listed at more recently assessed values. He also assured the board that the University administration periodically reviews the amount of the University's debt and is cautious about the amount of debt burden. He reported that the University of Illinois is ranked 50th in the nation in amount of endowment (this includes cash and the values of the endowment farms) and seventh among the Big Ten institutions. Mr. Shea then asked about the original endowment given the University as a land grant institution and Dr. Bazzani responded that there was no record of this. In answer to Mr. Shea's query about the value of the current endowment Dr. Bazzani stated that it was \$240.0 million.

President Stukel commented at this point on the three sources of support that the University receives: State appropriations, tuition, and private giving. He stated that the future strength of the University is tied to private giving, and that this was crucial to preserving quality at the University.

Mr. Provenzano concluded his presentation by stating that the 2000-2001 year showed good fiscal performance. He also noted that the annual compliance audit was positive. He complimented the University Hospital staff for their work that helped to produce an acceptable audit. He said that many public universities have received findings in their audit reports but that he did not expect that the University of Illinois would receive any findings. He then alerted the board that future audits will probably cite some concern about electronic information systems at the University.

Dr. Gindorf thanked Mr. Provenzano for his report.

COMMITTEE ON ECONOMIC DEVELOPMENT

Mr. Eppley, chair of the Committee on Economic Development, announced that Vice President Chicoine would make the presentation reporting on the economic development responsibilities of the University and on the operational units carrying out these responsibilities, including the Illinois VENTURES, LLC, and its purpose. Dr. Chicoine introduced the report by stating that the economic development responsibilities of the University and its Research I campuses need to be both short run and long run in nature (materials are filed with the secretary of the board.) Mr. Eppley joined Dr. Chicoine in reviewing the committee's report starting with a

discussion of the purpose of the economic development activities of the University. The purpose, as Mr. Eppley reinforced, included attracting existing companies into the University's research parks, licensing University-based technologies to established firms, and supporting new start-up companies bringing University-based technologies to market. Dr. Chicoine reviewed the major components of the economic development activities of the University starting with the research of faculty, staff, and students and then continuing with a description of the important functions of the Offices of Technology Management on the Chicago and the Urbana campuses. He introduced the directors of the two offices, Jill Sorenson, Chicago campus, and Michael Fritz, Urbana campus. The trustees were referred to the distributed materials that provided an update on the activities of these two offices (materials on file with the secretary.) Mr. Eppley stressed the critically important role of these offices in the process of commercializing technologies based on faculty, staff, and student research. Next, the purpose and operations of the research parks (including the University of Illinois Research Park, LLC, and the Chicago Technology Park) associated with the University were reviewed and the "gap" in the channel for commercializing technologies through new companies that the start-up services of IllinoisVENTURES, LLC, is positioned to fill. Mr. Eppley reiterated that the boards of managers of the University of Illinois Research Park, LLC, and of IllinoisVENTURES, LLC, were the same as what the trustees had seen earlier. He stated that he thought it very appropriate for the trustees at some point in the future to review the respective LLC boards of managers, and consider how the members of these boards might be tapped to provide broad policy and program advice and counsel on the University's economic development activities.

Dr. Gindorf asked if the board of managers of IllinoisVENTURES, LLC, had any interest in the real estate aspects of the research parks. Responding, Dr. Chicoine stated that in his communications with individual members all members were interested in being involved and supporting the technology commercialization efforts of the University in ways deemed most appropriate and beneficial. There was then discussion of a possible executive advisory committee on economic development that would be built from the membership of the LLCs' boards of managers.

Dr. Schmidt asked about what the role of the trustees who are currently members of the two respective LLCs would be if an executive advisory committee on economic development were organized. Mr. Eppley stated that the trustees who serve on the boards of managers of the LLCs could be involved with an executive advisory committee, if formed. Discussion followed on the relationship between current boards of managers members and an economic development executive advisory committee that might be organized. Mr. Plummer suggested that the current members of the boards of managers were asked to serve for particular reasons, and that the same rationale may or may not be appropriate for membership on an executive advisory committee. Mr. Eppley stated that he thought the advantage of an executive advisory committee structure is that members would provide

overarching guidance on the many policy and program aspects of the University's technology commercialization activities, and not be restricted to being concerned with only one part or one aspect of these activities. Both Mr. Eppley and Dr. Chicoine emphasized that the concept of an executive advisory committee was presented to encourage discussion and dialogue, and that continuous thinking about the structure and organization for economic development would be important.

Dr. Gindorf inquired about the salary level for staff of the IllinoisVENTURES, LLC, start-up services operation. Dr. Chicoine responded that he expected the salary for the managing director/CEO to be in the \$150,000 to \$175,000 range, but that the market would be the determining factor. He said that experience with starting new high-tech companies would be required for all staff of IllinoisVENTURES, LLC, and that the recruitment process for the managing director/CEO might involve the services of an executive search firm. Mr. Eppley stressed, again, the important role the Offices of Technology Management at Chicago and at Urbana play in the economic development activities of the University, and that the business development start-up services of IllinoisVENTURES, LLC, will build from the successes of these offices.

With no further comments, this committee meeting was concluded.

BOARD MEETING RECONVENED

When the board reconvened in regular session, Mr. Shea asked if any board member had questions regarding the agenda or other matters. Dr. Schmidt asked if agenda item no. 13, Project Approval for Campus Recreation Renovation and Expansion, Urbana, which calls for a new \$77 fee includes costs of operations. Chancellor Cantor responded that this fee was for construction costs only. Dr. Schmidt also asked if the projected cost for the renovation and expansion was reliable and Robert K. Todd, associate vice president for administration and human resources, answered that it was.

Mr. Lamont stated that he wanted to comment on recent advertisements for political candidates that featured University faculty and employees and mentioned their positions at the University. He said that he thought this was inappropriate. Discussion ensued about the appropriateness of this and the possible risk for the University. Mr. Bearrows said that the advertisements should note that the University does not endorse the candidate(s).

MOTION FOR EXECUTIVE SESSION

Chair Shea stated: "A motion is now in order to hold an executive session to consider the following subjects: University employee matters; the purchase or lease of real property for use by the University; pending, probable, or imminent litigation against, affecting, or on behalf of the University."

The motion was made by Mr. Kelly and approved by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

EXECUTIVE SESSION**Litigation**

Mr. Bearrows briefed the board on a lawsuit regarding tickets to the Sugar Bowl game. He explained that the Internet software vendor had erred in structuring the site and posting information for Internet ticket sales. He added that the Division of Intercollegiate Athletics at Urbana was taking steps to avoid this problem in future.

At this point, Mr. Shea asked to interrupt Mr. Bearrows and permit Mr. Ronald Guenther, director of Intercollegiate Athletics, to address the board, inasmuch as Mr. Guenther's time was limited due to prior commitments.

A CONTINUING NEED FOR
CONFIDENTIALITY
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Litigation (Continued)

Returning to the issue of the lawsuit concerning tickets to the Sugar Bowl there was further discussion of the priorities set for individuals who wanted to order tickets, and if they got refunds if their order was not honored. Mr. Bearrows assured the board that those who were deemed not to be in a priority group for tickets were given refunds when they were informed that they would not be allowed to purchase tickets to the game.

Dr. Schmidt then commented on the pending litigation concerning medical malpractice cases saying that he was shocked by the nature of some of the cases. Mr. Plummer said that he, as chair of the Committee on the University Hospital and Clinics, would convey Dr. Schmidt's dismay to the vice chancellor for health affairs.

**A CONTINUING NEED FOR
CONFIDENTIALITY
EXISTS FOR THIS SECTION.**

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session was adjourned.

BOARD MEETING RECESSED

At this time the board recessed to reconvene in regular session at 11:30 a.m. on Thursday, January 17, 2002, following meetings of the board as a Committee of the Whole and the Committee on the University Hospital and Clinics.

BOARD MEETING, JANUARY 17, 2002

When the board reconvened in regular session at 11:30 a.m. following committee meetings, the members of the board,¹ officers of the board, and officers of the University as recorded at the beginning of these minutes were present with the exception of Trustee Jeffrey Gindorf who was absent.

¹Trustee Schmidt joined the meeting at 10:25 a.m.

MEETING OF THE BOARD AS A COMMITTEE OF THE WHOLE

Discussion of Current Budget Issues and Presentation of Proposal for Tuition and Fees, Fiscal Year 2003

Mr. Shea stated that this meeting would be for the purpose of discussing current budget issues for the University and a proposal for a tuition increase. He then asked President Stukel to introduce this session.

President Stukel made the following statement:

FY02/03 Budget Challenges

The State of Illinois is likely to have more than \$500.0 million less in revenues than was projected when the Fiscal Year 2002 budget was approved last spring. And Illinois is not alone. Nearly all states are facing revenue and spending problems because of a national economic slowdown that began last spring and accelerated in early fall.

There will be a significant impact on the University of Illinois. We know that the citizens of Illinois, the state legislature, and Governor George Ryan expect the University to do its part by managing our resources to ensure that our central programs of education, of research, and of service are not compromised by today's—and tomorrow's—financial difficulties. We will deliver on that expectation of prudent and careful management.

In the current fiscal year, we must cut spending by about 4 percent of our state appropriation, or some \$34.0 million. Moving into the next fiscal year, which begins July 1, we believe budget cuts to the University's state appropriations, could top 5 percent. These are the largest budget cuts the University has faced in more than 25 years and they will demand difficult choices.

Here is how we will approach that demand. We will examine anew what is most important to our missions and aspiration, what must be protected, and where investments must be made. The decisions will be principled choices based on our shared vision and values. Among other things, we must preserve our capacity to act on new ideas and capitalize on new opportunities in ways that have played such an important role in making our University the great institution it is today. The alternatives—to make no choices and instead cut spending across-the-board and to declare a moratorium on new program development and initiatives—are not options for us.

But we also must be realistic. To address these serious budget cuts we will have to reduce faculty and staff numbers through attrition, reduce some services, curtail some remodeling, reduce facility maintenance, and scale back or delay important academic program expansions in biotechnology, medicine, business, humanities, education, and agriculture. Inevitably this will lead to increased class sizes, some loss of momentum in important new initiatives such as those in economic development, as well as jeopardize recent gains made by our faculty in critical research areas such as genomics, nanotechnology, and information technology. But that is the reality of the environment we face.

The following Guiding Principles will help the chancellors and other University of Illinois leaders manage the spending reductions for both this year and next.

1. The University will maintain its fiduciary responsibilities where laws, rules, or regulations require. Examples: auxiliary operations where bond covenants exist; the Hospital and Clinics where Medicare/Medicaid and third-party payor requirements apply; research funded by federal, state, or industry contracts, and gifts restricted by donors.

2. Quality will drive all decisions.
3. We will insulate services to our primary clients, namely our students and patients. Our highest priority is to protect the quality of our undergraduate education programs. In particular, we will ensure that undergraduates can schedule classes so they may graduate on time.
4. The University will plan for FY03 by anticipating a second difficult budget year. I want to be certain that we have sufficient resources to meet unavoidable spending increases for insurance, utilities price increases, and key academic programs such as the UIS Capital Scholars Program.
5. We will protect the University's highest priorities, over time, although some key projects may be delayed in the short term.
6. And once the Board of Trustees has approved the general boundaries for addressing these serious budget challenges, we will support decentralized decision-making that permits the chancellors, provosts, deans, and department heads to make the appropriate local judgments to best meet our education, research, and outreach objectives.

At the conclusion of his remarks the president asked Vice President Gardner to present more information on how the University would handle the budget reduction he had mentioned. Vice President Gardner began with a review of the State's economy (materials are filed with the secretary). He started by saying that \$35.0 million of the budget was committed to price increases because the University had received no price increases for the past 12 years. Dr. Gardner then described the internal reallocations that the University had made in recent years. Following that he reported that there was a total of \$48.0 million required for unavoidable expenses such as cost of utilities and payment for liabilities. He also said that the University must cut \$34.0 million from the current budget for expenses. There was discussion of the commitments that the University has and where budget cuts might be made; Dr. Gardner indicated that most of the cuts will be made on the campuses because most of the University's budget is allocated to the campuses. He pointed out that those units of the University that are self supporting (auxiliary facilities, the hospital, and programs operated from external grants) are not subject to the necessary cuts, and that only State-funded entities will be cut. Dr. Gardner emphasized that every effort would be made to insulate students, patients, and undergraduate programs from the cuts. He then presented several charts illustrating the distribution of the University's budget (filed with the secretary). He reviewed examples of reductions in services and in such things as remodeling that would be required. Next Dr. Gardner addressed tuition as part of the resolution of the budget problems, and stated that the Urbana campus has had the lowest tuition and fee increases in their peer group since 1990. He then reviewed the bases for determining what portion of the budget shortfall the students might be asked to pay and indicated that this would probably amount to a 10 percent increase in tuition. He explained that this would cover funds needed for student financial aid. Dr. Gardner then discussed the tuition increase plan approved in March 2001 for a surcharge on tuition to address the needs for academic programs and student services, and presented examples of programs that these monies were slated to

assist. He also suggested that some programs would have special increases, such as the M.A.S. in Accountancy, a professional business degree calibrated to the M.B.A. rates. He pointed out that the revenues from this tuition fund additional faculty positions that are required to offer the courses and accommodate the number of students enrolled. Dr. Gardner concluded his presentation with a summary of the policy issues involved in the proposed tuition increase. These are: students should pay approximately 25 percent of the Fiscal Year 2003 shortfall, the "New Opportunities for a New Century" program commitments should be funded by a special tuition surcharge, and access for the neediest students must be ensured. At the conclusion of Dr. Gardner's presentation Mr. Shea stated that the question that will come before the board regarding an increase in tuition will be whether to increase tuition \$117 a year at Chicago, \$90 a year at Springfield, and \$98 a year at Urbana-Champaign. Mr. Shea announced that he would appoint a Committee on Tuition to seek out views of students on the campuses regarding the proposal for a tuition increase for next year. He asked Mr. Kelly to chair this committee and asked Dr. Schmidt, Ms. Waddy, and Mr. Wolfe to serve as members. He requested this committee to hold hearings on each of the campuses to solicit student opinion regarding a tuition increase. Mrs. Sodemann remarked at this time that she and other trustees were reviewing their meeting schedule with the hope of reducing expenses for the next year. She said that this might mean shorter meetings and less expense in travel. Mr. Lamont commented that other issues needed to be worked out concerning the proposed tuition increase, such as the reception such a suggestion would receive in the legislature and in other quarters. He indicated that until these other considerations were addressed he would not be able to support the proposed tuition increase. Mr. Vickrey asked for more discussion on the slide that held the information that the University had not received a price increase in 12 years. To this Stephen K. Rugg, associate vice president for planning and budgeting, responded that the University had not received a price increase to address the Consumer Price Index since 1990. President Stukel added that price increases for the past 12 years have been deleted from the University's budget requests. President Stukel told the board that he had no information on what Governor Ryan might announce in his budget message, scheduled for March 20, 2002, and that if a budget cut larger than that assumed in the presentation materials for this committee were made for the University then he might need to return to them with a revised recommendation for a tuition increase for the coming year.

Presentation on Public Relations Function at the University of Illinois

Next, Mr. Shea asked Mr. Vickrey to assume the chair for this presentation. Mr. Vickrey commended those who had worked on a plan for a new structure for the public relations function at the University and commented on how this might work. He then asked President Stukel to present the new model (materials filed with the secretary). The president stated that this was a hybrid model that was intended to be an integrated approach to pub-

lic affairs and that it was designed to produce an organization that would improve the institutional identity of the University. In order to do this the president noted that quality must be defined internally before it can be communicated to the public. He said that an institutional assessment of what the University is would be a first step and he added that it would be necessary to set internal goals for an integrated marketing program that would be presented internally and externally. He added that the next step necessary would be the creation of a model for communications. He said that this would involve a broad-based strategy of communications for all media. He stated that all communication agencies in the University will work together under this plan to produce communication vehicles. He said that these internal communications agencies would need to agree on a way to communicate with target audiences. The president likened the campuses' public affairs operations as account executives in the corporate world. Mr. Vickrey asked for questions or comments. Mr. Plummer said that he appreciated this presentation and thought that this would strengthen a strategic focus for public affairs.

Mr. Vickrey asked President Stukel what the next step in implementation of the plan would be. The president responded that this would be recruitment of an executive director, to begin immediately.

MEETING OF THE COMMITTEE ON THE UNIVERSITY HOSPITAL AND CLINICS

Mr. Plummer convened this meeting and reported that the hospital was very much affected by the economic trends of recent months and invited Charles Rice, M.D., vice chancellor for health affairs, to present an update on the performance of the medical center at UIC. Dr. Rice presented information on the revenues for the hospital and noted that while these were down the budget for the hospital was not (materials are filed with the secretary).

Mr. Shea asked if the reported "bad debt" included charity care and Dr. Rice responded that approximately \$20.0 million per year of this is attributable to charity care. Dr. Rice also reported that the hospital collections were being received within 80 days before September 11, 2001, but that since that time they have been inching up and now more days were required to collect debts owed the hospital. He also told the board that the hospital census was higher than projected. He said that the number of Full-Time Equivalent employees in the hospital had risen recently and that this was being investigated. He reported that the use of agency nurses was less than in the recent past, and that the current vacancy rate for nurses was now 3 percent. He also stated that the hospital's costs were below its comparator group.

Dr. Rice reported that the hospital had experienced eight months of collections above \$18.0 million and that this had required a tremendous effort. He added that the reduction in Medicaid beneficiaries is quite a problem for the hospital and that this coupled with the \$500,000 reduction

the hospital had received from Medicaid compounded the problem and made the task of building a reserve for the hospital very difficult.

Dr. Rice concluded his presentation by referring to the medical staff report that had been distributed to the board earlier (filed with the secretary).

Chair Shea turned to President Stukel and asked him to make his report.

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

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

President's Reports

(1) The president then reminded the board that in the budget request submitted to the Illinois Board of Higher Education in November 2001 there was a request for funding to support the University's assumption of an additional 4 percent contribution to the State Universities Retirement System on behalf of employees. He stated that in view of the sagging economy of the State he recommended that that request be withdrawn from the University's budget.

Accordingly, the following recommendation was presented: In view of the uncertainty of the State's economy for the near future the Board of Trustees directs that the provision in the University's budget request for Fiscal Year 2003 requesting funding for an additional 4 percent to be added to the contribution the University already makes to the State Universities Retirement System be withdrawn.

On motion of Mr. Plummer, this recommendation was approved unanimously.

President Stukel then stated that the next item of business to report concerned the Lincoln Presidential Library in Springfield. He stated that he would ask Chancellor Ringeisen to serve as the University's representative on developments concerning the academic programs to be offered at the Lincoln Library and to interact with the Governor's Office and other university presidents and chancellors in the State on this.

The president said that all public universities in the State had been asked to specify their interest in playing a role in the academic programs to be offered by the library. He stated that there would be a detailed update report on the Lincoln Library prepared and distributed to the board in a few weeks.

Reports from the Chancellors

Next, the president indicated that each chancellor would report and called on Chancellor Ringeisen to speak first. Dr. Ringeisen noted that the Springfield campus had held an investiture ceremony for Dr. Phillip Paludan, the first professor named to the Naomi B. Lynn Chair in Lincoln Studies.

¹University Senates Conference: Ann C. Weller, curator, Special Collections and associate professor, University Library, Chicago campus; Chicago Senate: Elliot Kaufman, M.D., associate professor and interim head of molecular genetics, College of Medicine at Chicago; Springfield Senate: Ardeshir Lohrasbi, associate professor of business administration; Urbana-Champaign Senate Council: Robert M. Fossum, professor of mathematics.

He reported that applications for the Capital Scholars program were more than double the number received for this year's class of freshmen, and that the Springfield campus was attempting to recruit the very best community college students as well. In addition, he said that the enrollments for on-line courses were growing rapidly and constantly. He summed this up by stating that three cohort groups are the targets for the Springfield campus to recruit: freshmen for the Capital Scholars program, academically strong community college transfer students, and students for on-line courses.

Dr. Ringeisen then briefed the board on plans for a campus town development for the Springfield campus that would provide amenities for students, faculty, and residents living near the campus. He distributed a drawing of a plan for this new commercial district (on file with the secretary) and stated that a request for proposals from developers would be sent out within the week. He indicated that a recommendation for a developer would be due to him in April, and that he hoped that by May he would have more to report to the board.

At the conclusion of Dr. Ringeisen's remarks President Stukel announced that the Springfield campus was the national leader among institutions of comparable size in offering web-based courses.

Following this Chancellor Manning reported that there were two large issues affecting the Chicago campus: the current budget straits that the entire University is under, and the search for a provost for the campus. She noted that the search for a provost had entered the public phase of interviewing candidates on campus. Dr. Manning then reported the following news from the campus to update the board:

- Thelma Wiley, assistant professor of medicine, was named one of *Crain's Chicago Business's* "40 Under 40." The list annually recognizes 40 leaders under the age of 40 who are making significant contributions to their fields. Dr. Wiley received a major National Institutes of Health grant to investigate why the current treatment for hepatitis C is ineffective in African-Americans. This is the third year in a row that a UIC faculty member has made Crain's list.
- A UIC experiment was on board the most recent flight of the space shuttle Endeavor. The shuttle carried 36 quail eggs for an experiment by Anna Lysakowski, associate professor of anatomy and cell biology. Dr. Lysakowski and a colleague in St. Louis are studying the effects of zero gravity on the development of the portion of the inner ear that helps control balance. Their work has implications for medicine today and in the future.
- UIC's Institute for Entrepreneurial Studies has been named one of five national winners of the NASDAQ Center of Entrepreneurial Excellence Award. NASDAQ honored UIC for having an institute that has made and will continue to make contributions in advancing entrepreneurship as a force in world economic growth.

- Robert V. Remini, UIC historian, has been appointed to the Paul Peck Presidential Awards Committee sponsored by the Smithsonian Institution. Other members of the committee include Leon Panetta, Cokie Roberts, Robert Samuelson, Roger Wilkins and will be chaired by former President George H. Bush.

After this Dr. Manning said that the following report of campus news had been prepared for the November 2001 meeting of the board but owing to a lack of time it was not presented, but that it is still significant. She stated that:

- For the second time since 1997, a UIC faculty member in the College of Architecture and the Arts has received a MacArthur Fellowship, known as a "genius grant." Inigo Manglano-Ovalle, associate professor in the School of Art and Design, is one of 23 fellowship recipients for 2001. Each recipient will be supported by \$500,000 over five years. He joins previous winner Kerry James Marshall. These awards say a lot about the caliber of faculty in architecture and arts.
- Last month, Proctor & Gamble (P&G) made a major philanthropic donation to UIC. The gift consists of patents and accompanying intellectual property for P&G's proprietary Smart Power Management (SPM) technology, along with cash and equipment. This technology may one day bring about vast improvements in cellular phones, pagers, cameras, and next-generation portable electronic consumer devices. With further development and successful commercialization, SPM technology could result in significant annual sales to the electronics industry and revenue to the university. P&G chose UIC for the donation because of Krishna Shenai, professor of electrical and computer engineering, who had served as a consultant for P&G. The donation speaks to the quality of the College of Engineering and Professor Shenai's record of achievement and outstanding expertise in the area of power management.
- Robert Gibbons, director of the Center for Health Statistics and professor of psychiatry and biostatistics, has been elected to the prestigious Institute of Medicine, part of the National Academy of Science. Professor Gibbons' research has covered a variety of subjects, from the development of environmental statistics that are used to protect our natural resources to evaluations of health services for primary pediatric care. Applications of his work are widespread in the areas of health and environmental sciences. Perhaps most notable is his work on the equitable allocation of donor organs for transplantation, which has changed the way donor organs are allocated nationally.

After this Chancellor Cantor spoke and noted that much of the material presented in Mr. Provenzano's earlier report addressed important quality characteristics of the Urbana campus. She then stated that the challenge for the campus is to connect these quality indicators with the public face of

the campus and translate this exceptional quality into public engagement. She noted that the leadership of the library in preservation activities and a gift that is coming from the Mellon Foundation to advance these. She then spoke of the Krannert Art Museum, commenting that it is the State's largest museum outside of Chicago and she emphasized that the museum is a teaching and research resource as well as a public good. Related to this she referred to the outstanding exhibit that director and curator Josef Helfenstein and his staff at the Krannert Museum mounted titled: *Lipchitz and the Avant-Garde: From Paris to New York*. Dr. Cantor circulated the catalog from the exhibit (material filed with the secretary). She told the board that despite a significant drop in visitors to the Krannert Museum following September 11, this exhibit attracted more than 20,000 visitors over a period of three and one-half months and she stated that the Krannert Art Museum has the largest collection of works by Lipchitz in the Midwest.

Dr. Cantor said that this exhibit and another upcoming show exhibiting the works of sculptor, Louise Bourgeois, one of the most important American artists of the 20th century, demonstrate how the Krannert is able to join with great museums such as the Museum of Modern Art in New York City, and other university museums such as the Yale University Art Gallery, and the Smart Museum of Art at the University of Chicago.

Turning to another area of the campus, Dr. Cantor reported on the success of a technology developed at Urbana that resulted in the licensure of a virtual biotechnology company that was then sold to Abbott Laboratories for \$7.0 million. She described the technology of the company, BioDisplay Technologies, Inc., as shortening the time required to discover various drugs that can be tested for their potential therapeutic application.

Next she reported that the Executive MBA program that serves middle level executives who want to earn an MBA while pursuing their careers is offered in Urbana and Chicago via video teleconferencing links and Internet-based digital and virtual tools. She illustrated the flexibility of this program for a mobile group of students noting that a recent graduate had started the program in Urbana, continued it in Chicago, and completed it after a transfer to Paris, France. She stated that *The Financial Times of London* rated this program 20th worldwide among Executive MBA programs and 11th among the American programs.

Dr. Cantor then told the board of recent awards and honors received by the faculty at Urbana. She stated that Gordon A. Baym of the Center for Advanced Study and professor of physics had been selected as the 2002 recipient of the Hans A. Bethe Prize from the American Physical Society.

Next she noted that Marianne Ferber, professor emerita of economics, was honored recently by the Committee on the Status of Women in the Economics Profession at the Allied Social Science Association Convention. She stated that Professor Ferber was named a co-recipient of the Carolyn Shaw Bell Award, created in 1998 to honor a person who has furthered the status of women in the economics profession, through example, achievements, increasing understanding of how women can advance in the economics profession, or the mentoring of others. She stated that Professor

Ferber was cited for being a wonderful example to students for decades; a teacher, and a researcher who followed her heart, focusing her work on benefiting women.

Lastly Dr. Cantor reported that three faculty members at Urbana had been awarded Fulbright Scholar grants: Robert Jimenez, professor of curriculum and instruction, to go to the University of the Americas in Mexico; Peter Maggs, professor of law, to go to the University of Trento in Italy; and James Pfander, professor of law, to go to the University of Bucharest, Romania.

BUSINESS PRESENTED BY THE CHAIR OF THE BOARD

Mr. Shea asked Alexis Tate, interim executive director of the University Office of Public Affairs, to introduce the members of the press present at the meeting. Ms. Tate introduced the newspaper reporters, television reporters, and other media representatives at the meeting.

OLD BUSINESS

Mrs. Gravenhorst reported on a meeting of the Council of Board Chairs of the Association of Governing Boards held in October in Washington that she attended, and of which she is a member as a past board chair. She said that the emphasis of the meeting was on the implications of the declining economy on higher education. In addition she said that there was a discussion of intercollegiate athletics that stressed the importance of seeing the coach as a teacher, and the need for a mission statement for all intercollegiate athletic programs.

Mr. Eppley reported on the meeting of the Alumni Association board held in September. He said that it is clear that the Alumni Association is interested in all ways that it might contribute positively to the University. He indicated that the three chancellors and he made reports to the association. He also announced that the next board meeting would be in February in Chicago at the time of the UIC Homecoming, including a basketball game with Butler University.

Mrs. Sodemann said that she had attended a meeting of the Merit Board of the State Universities Civil Service System in the Fall and that had been a routine meeting. She stated that the next meeting of this group would be January 30th.

Dr. Schmidt reported on two past meetings of the board of the University of Illinois Research Park, LLC, Urbana. He said that Dr. Paul W. Bohn, interim vice chancellor for research, Urbana, was named the new chair of the board. He noted that a new business incubator would open in Urbana in Fall 2002 and that discussions of developing a hotel/conference center continue. He also said that the board approved a consultant's agreement for 2002 with Fox/Atkins Development, LLC. He stated that the board was concerned with development of infrastructure and sanitation plans for further development of the research park. In addition he said that the board had discussed the development of the north research park at Urbana, a possible day care center, and the opening of building number three at the research park.

Next he reported on a board meeting of the DuPage Research Park. He said that this board is working on an agreement with West Chicago to provide water services for the park and that there may be a first tenant for that park. Mr. Shea explained that Dr. Schmidt represented the Board of Trustees on this board as the designee of the chair of the Board of Trustees.

Mr. Shea then reported on meetings he had had in the Fall with the University Senates Conference and the senate at Springfield. He described these interactions as useful, and indicated that the board would continue to be represented to these senate groups by three members of the board per campus. Mr. Plummer and Mrs. Gravenhorst both observed that their meeting with the Chicago senate had provided good background for understanding certain issues.

Ms. Waddy told the board that there had been an orientation for international students at Springfield; that there would be a special Black History program every Friday in February; that the student government had contributed \$6,000 to the child care center; and that State Senator Emil Jones, on behalf of several organizations had requested proposals for programs in ethnic and racial issues.

Mr. Wolfe told the board of the renovations to Chicago Circle Center that were started in Fall 2001 and were almost finished. He also apprised the board that there would be a student referendum on a fee for improvements to the recreational facilities on campus. He said he looked forward to working as a member of the Committee on Tuition. Further he reported that the basketball program at Chicago was doing well, and he invited his colleagues to join him at a Flames basketball game on February 7 when the team plays at the Pavilion.

Mr. Kelly stated that the Fall semester had been an incredible experience for undergraduates at Urbana with many activities focused on the tragedy of September 11, and the thrill of an excellent football season. He said that an athletic program motivates a student body and that he looked forward to watching the Illini basketball games now. He also told the trustees of the support among the students at Urbana for remodeling the recreational facilities at that campus. He indicated that he supported the tuition proposal. In addition, he told the board that he would be participating in the celebration of Martin Luther King day at the Urbana campus that is to emphasize a commitment to diversity on campus.

NEW BUSINESS

Mr. Lamont informed the board that the selection of a new executive director for the Illinois Board of Higher Education would be announced in the next few weeks.

REGULAR AGENDA

Before the agenda items were called Mr. Lamont asked to comment on agenda item no. 6, Amend Multiyear Contract with Head Football Coach,

Urbana; he stressed that all funds for this salary adjustment were to come from external sources. He said that there would be no State funds or resources from tuition in this salary.

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

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 2 through 11 inclusive. The recommendations were individually discussed but acted upon at one time.

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

Honorary Degrees, Chicago

(2) The senate of the Chicago campus has recommended that honorary degrees be conferred on the following persons at the Commencement Exercises on May 5, 2002:

HENRY LOUIS GATES, JR., W.E.B. Du Bois Professor of the Humanities, chair of Afro-American Studies and director of the W.E.B. Du Bois Institute for Afro-American Research, Harvard University—the honorary degree of Doctor of Humane Letters.

Professor Gates is the author of several works of literary criticism, including *In the House of Oshugbo: Critical Essays on Wole Soyinka*; *Figures in Black: Words, Signs and the 'Racial' Self*; *The Signifying Monkey: A Theory of Afro-American Literary Criticism*; and *Loose Canons: Notes on the Culture Wars*. He has also authored *Colored People: A Memoir*, which traces his childhood experiences in a small West Virginia town in the 1950s and 1960s; *The Future of the Race*, co-authored with Cornel West; and *Thirteen Ways of Looking at a Black Man*. Professor Gates has edited several anthologies and is co-editor of *Transition Magazine*. He is the 1989 winner of the American Book Award. An influential cultural critic, Professor Gates' publications includes a 1994 cover story to *Time* magazine on the new black Renaissance in art, as well as numerous articles for *The New Yorker*. Professor Gates earned his M.A. and Ph.D. in English Literature from Clare College at the University of Cambridge. He received a B.A. summa cum laude from Yale University in English Language and Literature. Before joining the faculty of Harvard in 1991, he taught at Yale, Cornell, and Duke Universities. His honors and grants included a MacArthur Foundation "genius grant," the George Polk Award for Social Commentary, *The Chicago Tribune* Heartland Award, the Golden Plate Achievement Award, and *Time* magazine's list of "25 Most Influential Americans."

THOMAS WIKMAN, Chicago conductor, organist, harpsichordist, and pianist—the honorary degree of Doctor of Music.

In 1972, he founded Music of the Baroque, a choral and orchestral ensemble devoted to performances of music of the 16th, 17th, and 18th centuries. In the years since its founding, the group has come to occupy a distinctive and increasingly prominent place in Chicago's cultural life, to the point where it now ranks in artistic stature with the Lyric Opera and the Chicago Symphony. Its approximately 20 performances each year take place mainly in city and suburban churches that are chosen for their acoustical and architectural qualities, thereby recreating the kinds of settings for which the music was originally composed. In addition to all the well-known baroque masterpieces, Mr. Wikman has also presented Chicago premiers of lesser known works such as Monteverdi's *Orfeo*, Handel's *Alcina*, and Purcell's *King Arthur*. Music of the Baroque is now the largest professional ensemble of its kind in the Midwest and one of the largest in the United States. They have performed at the Lincoln Center in New York, at the White House, and at the Library of Congress. Its concerts have been heard nationally via the WFMT Fine Arts Network, the BBC, CBS in Canada, and over the European Broadcast Union. Mr. Wikman has conducted virtually every performance since the group was founded. Mr. Wikman is also organist and choirmaster of Chicago's Church of the Ascension, and organist at the Chicago Theological Seminary. He is a voice teacher of interna-

tional renown and founded a small vocal ensemble affiliated with the Newberry Library, known as the New Court Singers.

The chancellor at Chicago concurs in these recommendations.

I recommend approval.

On motion of Mr. Lamont, these degrees were authorized as recommended.

Honorary Degree, Urbana

(3) The senate of the Urbana-Champaign campus has recommended that an honorary degree be conferred on Agnes Gund at the Commencement Exercises on May 12, 2002:

AGNES GUND, president, The Museum of Modern Art, New York City—the honorary degree of Doctor of Fine Arts.

Ms. Gund is considered one of the major contributors to our nation's art education and philanthropy. She is a strong supporter of the accessibility of art and has helped to advance both the cause of the visual arts and the quality of their exhibition. She has held a leadership role in the art world for twenty-five years. Ms. Gund currently sits on numerous boards such as the J. Paul Getty Trust, American Academy in Rome, World Childhood Foundation, and the Aaron Diamond AIDS Research Center for the City of New York. She is also the founder of the Studio in a School Association in New York. She is the recipient of numerous awards; among them: the American Academy of Arts and Letters (1998), the Order of Arts and Letters from the French Government (1999), the National Medal of Arts (1997), and the Crains' 75 Most Influential Business Women Award (1996).

The chancellor at Urbana concurs in this recommendation.

I recommend approval.

On motion of Mr. Lamont, this degree was authorized as recommended.

Dean, College of Education and Human Services, Springfield

(4) The chancellor at Springfield has recommended the appointment of Dr. Larry D. Stonecipher, presently interim dean, College of Education and Human Services; associate professor, Teacher Education Program; and associate professor, Mathematical Sciences Program, University of Illinois at Springfield, as dean of the College of Education and Human Services, beginning January 21, 2002, on a twelve-month service basis, at an annual salary of \$76,160 (equivalent to an annual nine-month base salary of \$62,313 plus two-ninths annualization of \$13,847), and an administrative increment of \$15,557, for a total salary of \$91,717. Dr. Stonecipher will continue to hold the rank of associate professor, Teacher Education Program, and associate professor, Mathematical Sciences Program, on indefinite tenure on an academic year service basis, on zero percent time (non-salaried).

This recommendation is made with the advice of the provost and vice chancellor for academic affairs, at the request of the faculty of the college, and after consultation with the Executive Committee of the college.

The vice president for academic affairs concurs.

I concur.

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

Amend Multiyear Contract with Director of Intercollegiate Athletics, Urbana

(5) On January 21, 1999, the Board of Trustees approved an extension of Ronald Guenther's employment contract as director of the Division of Intercollegiate Athletics through August 20, 2004.

On June 1, 2000, the Board of Trustees approved a second amendment to the employment contract to increase Guenther's compensation and allow for a one-time pay-

ment to purchase credit for prior service under the State Universities Retirement System. The second amendment also offered an option to defer a portion of Guenther's annual salary in accordance with Section 257(f) of the Internal Revenue Code.

The chancellor at Urbana recommends a third amendment to the employment contract to extend the term of the contract by two years, through August 20, 2006. Mr. Guenther's current 2002 salary is \$310,000.

Funds are available in the Institutional Operating Funds Budget of the Division of Intercollegiate Athletics.

The vice president for administration and the university counsel concur.

I recommend approval.

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

Amend Multiyear Contract with Head Football Coach, Urbana

(6) On March 13, 1997, the Board of Trustees approved an employment contract with Ron Turner to serve as head football coach from December 21, 1996, through December 20, 2001. The contract provided compensation for base salary; radio and television broadcasting services; summer camp services; and educational, public relations, consulting, and promotional activities. Coach Turner's base salary is funded by operating revenue in the Division of Intercollegiate Athletics; his radio and television broadcasting services are funded by broadcast revenue; his summer camp services were funded by camp revenue; and his educational, public relations, consulting, and promotional activities are supported by corporate contracts.

On January 13, 2000, the Board of Trustees approved an amendment to the employment contract to extend the term of the contract, through January 20, 2005, and to increase Coach Turner's total compensation. Payment for summer camp services was included in the base salary at that time. In addition, the Board of Trustees approved an amendment to the employment contract to remove the educational, public relations, consulting, and promotional obligations. Instead, the University entered into a separate contract with Coach Ron Turner Football Enterprises for educational, public relations, consulting, and promotional activities to be provided by Coach Turner.

On March 8, 2001, the Board of Trustees approved a second amendment to the employment contract to extend the term of the contract an additional year through January 20, 2006, and to increase Coach Turner's total compensation. The board also approved extending the agreement with Coach Ron Turner Football Enterprises through January 20, 2006.

The chancellor at Urbana recommends a third amendment to the employment contract to extend the term of the contract by one additional year, through January 20, 2007, and to establish a deferred compensation account for Turner which would be payable in 2007, if Turner remains employed as head men's football coach at the University of Illinois at Urbana-Champaign on January 20, 2007. The Division of Intercollegiate Athletics will deposit \$200,000 per year for five years into the deferred compensation account, to be administered through the University.

The chancellor at Urbana also recommends that the agreement for educational, public relations, consulting, and promotional activities provided by Coach Turner through Coach Ron Turner Football Enterprises be extended through January 20, 2007, and that the compensation be increased from \$240,000 to \$440,000 per year effective January 21, 2002. Coach Turner's base salary for coaching responsibilities will remain at \$195,000 and compensation for radio and television broadcasting services will remain at \$265,000 for 2002.

These changes would result in an increase in total compensation from \$700,000 in 2001 to \$900,000 for 2002, excluding the deferred compensation account.

Funds are available from the sources listed above.

I concur.

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

Appointments to the Faculty, Administrative/Professional Staff, and Intercollegiate Athletic Staff

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

A—Indefinite tenure

B—Ten months' service paid over twelve months

K—Headship—As provided in the *Statutes*, the head of a department is appointed without specified term

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

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).

Appointments to the Faculty

According to State statute, the student trustee will not vote on those items marked with an asterisk.

The following new appointments to the faculty at the rank of assistant professor and above, and certain administrative positions, have been approved since the previous meeting of the Board of Trustees and are now presented for your confirmation.

Chicago

JODY-CHIMENE BATEMAN, assistant professor of Spanish, French, Italian, and Portuguese, on 100 percent time, beginning March 1, 2002 (N), at an annual salary of \$48,960.

MICHAEL D. COLVARD, assistant professor of oral medicine and diagnostic sciences, on 100 percent time, beginning September 1, 2001 (1Y), at an annual salary of \$70,000.

SANDRA DE GROOTE, assistant information services librarian and assistant professor, University Library, on 100 percent time, beginning December 1, 2001 (NY), at an annual salary of \$43,700.

ERIC T. ELWOOD, assistant professor of surgery, on 51 percent time, and physician surgeon in surgery, on 49 percent time, College of Medicine at Peoria, beginning January 4, 2002 (NY51;NY49), at an annual salary of \$220,000.

SMRUTI RANJAN MOHANTY, assistant professor of medicine, on 34 percent time, College of Medicine at Chicago, and physician surgeon, University of Illinois Hospital and Clinics, on 66 percent time, beginning November 1, 2001 (NY34;NY66), at an annual salary of \$150,000. Funding equivalent to a 51 percent time tenure track appointment as assistant professor is provided by the Department of Medicine, College of Medicine at Chicago.

LISA PILLOW, assistant reference librarian and assistant professor, University Library, on 100 percent time, beginning November 5, 2001 (NY), at an annual salary of \$50,500.

DEEPAK SHUKLA, assistant professor of ophthalmology and visual sciences, on 80 percent time, and assistant professor of microbiology and immunology, on 20 percent time, College of Medicine at Chicago, beginning December 3, 2001 (N80;N20), at an annual salary of \$56,250.

To the Rank of Associate Professor on Indefinite Tenure:

*ANDREAS A. LINNINGER, from assistant professor of chemical engineering to associate professor of chemical engineering, College of Engineering, on indefinite tenure, effective April 14, 2002

Emeriti Appointments

THOMAS O. HENDERSON, professor emeritus of biochemistry and molecular biology, College of Medicine at Chicago, August 1, 2001

N. MORAVECICH, professor emeritus of Slavic and Baltic languages and literatures, May 21, 2002

MARIANO TAO, professor emeritus of biochemistry and molecular biology, College of Medicine at Chicago, September 1, 1998

EDWARD B. TITCHENER, professor emeritus of biochemistry and molecular biology, College of Medicine at Chicago, September 1, 1997

Springfield

Emeriti Appointment

KENNETH W. OLDFIELD, professor emeritus of public administration, January 1, 2002

Urbana-Champaign

LANCE H. BASSAGE, assistant professor of veterinary clinical medicine, on 100 percent time, beginning November 5, 2001 (NY), at an annual salary of \$92,000.

DOMINIQUE GRIFFON, assistant professor of veterinary clinical medicine, on 100 percent time, beginning November 27, 2001 (NY), at an annual salary of \$90,000.

PETER L. JONES, assistant professor of cell and structural biology, on 100 percent time, beginning November 1, 2001 (N), at an annual salary of \$57,000.

LAURA LAWSON, assistant professor of landscape architecture, on 100 percent time, beginning January 6, 2002 (N), at an annual salary of \$47,500.

SOO-YEUN LEE, assistant professor of food science and human nutrition, on 100 percent time, beginning September 12, 2001 (I), at an annual salary of \$51,000.

*JOOST M. PENNINGS, associate professor of agricultural and consumer economics, on 100 percent time, beginning November 14, 2001 (A), at an annual salary of \$95,000.

CHRISTIAN EDWARD SANDVIC, assistant professor of speech communication, on 100 percent time, beginning November 1, 2001 (N), at an annual salary of \$52,000.

CHRISTOPHER J. SCHOENHERR, assistant professor of cell and structural biology, on 100 percent time, beginning November 3, 2001 (N), at an annual salary of \$57,000.

YOSHIOHISA SHINAGAWA, associate professor of electrical and computer engineering, on 100 percent time, from December 1, 2001 through August 20, 2005 (Q), at an annual salary of \$90,000. Dr. Shinagawa was also appointed as research associate professor, Coordinated Science Laboratory, on zero percent time (non-salaried), beginning December 1, 2001 (N).

JOANNA SHISLER, assistant professor of microbiology in the Department of Basic Sciences, College of Medicine at Urbana-Champaign, on 100 percent time, beginning November 1, 2001 (N), at an annual salary of \$57,000. In addition, Dr. Shisler was appointed as assistant professor of microbiology, School of Molecular and Cellular Biology, College of Liberal Arts and Sciences (non-tenured and non-salaried), on zero percent time, beginning November 1, 2001 (N).

LIUZHONG XU, assistant professor of microbiology, on 100 percent time, beginning November 1, 2001 (N), at an annual salary of \$57,000.

To the Rank of Associate Professor on Indefinite Tenure:

*ROCHELLE GUTIERREZ, from assistant professor of curriculum and instruction to associate professor of curriculum and instruction, College of Education, on indefinite tenure, effective January 21, 2002

Emeriti Appointments

JOHN R. DICKEL, professor emeritus of astronomy, May 21, 2002

SARAH L. KREPP, professor emerita, School of Art and Design, May 21, 2001

RODERICK MACLEOD, professor emeritus of cell and structural biology, August 21, 2001

SYLVIAN R. RAY, professor emeritus of computer science, August 21, 2001

Administrative/Professional Staff

- CYNTHIA A. BARNES-BOYD, assistant dean for community health initiatives, College of Nursing, Chicago, on 15 percent time, beginning January 21, 2002 (NY15), at an annual salary of \$15,740. Dr. Barnes-Boyd was appointed to serve as interim assistant dean under the same conditions and salary arrangement beginning November 1, 2001. Dr. Barnes-Boyd will continue her appointment as director of the UIC Neighborhoods Initiative, Great Cities Institute, College of Urban Planning and Public Affairs, Chicago, on 85 percent time, effective January 21, 2002 (NY85), at an annual salary of \$89,192, for a total salary of \$104,932.
- ANTHONY EARL BAYLIS, associate director, Administration, Facilities, and Human Resources Division, National Center for Supercomputing Applications, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$103,500.
- RUSSELL J. BISKUP, director of budget and financial analysis, Office of Business and Financial Services, University Administration, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$94,700. Mr. Biskup was appointed to serve as interim director of budget and financial analysis under the same conditions and salary arrangement beginning November 1, 2001.
- RANDAL L. BUTLER, senior associate director, Networks and Middleware Division, National Center for Supercomputing Applications, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$115,000.
- *CAROL SUE CARTER PORGES, co-director, Center for Developmental Psychobiology, Department of Psychiatry, College of Medicine at Chicago, on an academic year service basis, with an administrative increment of \$20,000, beginning January 21, 2002 (N). In addition, Dr. Carter will be appointed to the rank of professor of psychiatry on indefinite tenure on an academic year service basis, on 100 percent time, beginning January 21, 2002 (A), at an annual salary of \$160,000, for a total salary of \$180,000.
- ANDREW J. DONNELLY, director of the Pharmacy, University of Illinois Hospital and Clinics, Chicago, on 60 percent time (NY60), at an annual salary of \$78,000, and clinical professor of pharmacy practice, College of Pharmacy at Chicago (non-tenured), on 40 percent time (NY40), at an annual salary of \$52,000, beginning January 21, 2002, for a total salary of \$130,000.
- HOWARD R. GUENTHER, associate vice chancellor for research, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$120,000.
- MAE DAWN G. LANT, associate director of nursing, University of Illinois Hospital and Clinics, Chicago, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$92,000. Ms. Lant will continue to hold the title of clinical instructor, Department of Public Health, Mental Health, and Administrative Nursing, College of Nursing, on zero percent time (non-salaried).
- ALISA M. MURCHEK, associate director of nursing, University of Illinois Hospital and Clinics, Chicago, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$92,000. Ms. Murcek will continue to hold the title of clinical instructor, Department of Medical-Surgical Nursing, College of Nursing, on zero percent time (non-salaried).
- ROBERT LEE PENNINGTON, senior associate director, Computing and Data Management Division, National Center for Supercomputing Applications, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$125,000.
- BEENA S. PETERS, associate director of nursing, University of Illinois Hospital and Clinics, Chicago, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$94,000. Ms. Peters will continue to hold the title of clinical instructor, Department of Maternal and Child Care Nursing, College of Nursing, on zero percent time (non-salaried).
- JOHN MICHAEL PEZZUTO, head of the Department of Medicinal Chemistry and Pharmacognosy, College of Pharmacy, Chicago, on a twelve-month service basis with an administrative increment of \$9,600, beginning February 1, 2002 (KY). In addition, Dr. Pezzuto will continue to hold the rank of professor of pharmacognosy in the

Department of Medicinal Chemistry and Pharmacognosy, on indefinite tenure on a twelve-month service basis, on 100 percent time, effective February 1, 2002 (AY), at an annual salary of \$190,000 and will continue to serve as associate dean for research and graduate education, College of Pharmacy, on zero percent time (non-salaried) (NY). Dr. Pezzuto will also continue as deputy director and program director in the Cancer Center, College of Medicine at Chicago, on a twelve-month service basis with administrative increments of \$25,000 and \$10,000, respectively, effective February 1, 2002 (N;N), and continue a secondary appointment as professor of pharmacognosy in the Department of Surgical Oncology, College of Medicine at Chicago, on zero percent time (non-salaried and non-tenured), effective February 1, 2002 (N), for a total salary of \$234,600.

MICHAEL R. PFLUGMACHER, assistant director, Computing and Operations Division, National Center for Supercomputing Applications, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$96,000.

*STEPHEN W. PORGES, director, Center for Developmental Psychobiology, Department of Psychiatry, College of Medicine at Chicago, on an academic year service basis with an administrative increment of \$20,000, beginning January 21, 2002 (N). In addition, Dr. Porges will be appointed to the rank of professor of psychiatry on indefinite tenure on an academic year service basis, on 100 percent time, beginning January 21, 2002 (A), at an annual salary of \$170,000, for a total salary of \$190,000.

DEANNA M. RAINERI, associate dean, College of Liberal Arts and Sciences, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$95,000. Dr. Raineri will continue to hold the title of departmental affiliate, Biotechnology Center, on zero percent time (non-salaried).

MARCIA A. ROTUNDA, associate university counsel/campus legal counsel, University Administration, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$126,000.

JOAN V. TOUSEY, assistant dean for development, College of Education, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$93,000. Ms. Tousey was appointed to serve as interim assistant dean for development under the same conditions and salary arrangement beginning January 14, 2002.

MARY BEA WALKER, associate director, Education, Outreach, and Training Division, National Center for Supercomputing Applications, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$97,000.

BARBARA JEAN WASHINGTON, associate director of nursing, University of Illinois Hospital and Clinics, Chicago, on 100 percent time, beginning February 1, 2002 (NY), at an annual salary of \$92,000. Ms. Washington will continue to hold the title of clinical instructor, Department of Medical-Surgical Nursing, College of Nursing, on zero percent time (non-salaried).

BARBARA JAN WILSON, head of the Department of Speech Communication, College of Liberal Arts and Sciences, Urbana-Champaign, on an academic year service basis with an administrative increment of \$3,000, beginning January 21, 2002 (K). Dr. Wilson was appointed to serve as Acting Head, under the same conditions and salary arrangement beginning January 6, 2002. She will continue to hold the rank of professor of speech communication on indefinite tenure on an academic year service basis, on 100 percent time (A), at an annual salary of \$110,000, for a total salary of \$113,000.

VIRGINIA A. WINCKLER, assistant dean for administration, College of Veterinary Medicine, Urbana-Champaign, on 100 percent time, beginning January 21, 2002 (NY), at an annual salary of \$115,000. Ms. Winckler was appointed to serve as interim assistant dean for administration under the same conditions and salary arrangement beginning January 14, 2002.

DONALD J. WINK, head of the Department of Chemistry, College of Liberal Arts and Sciences, Chicago, on an academic year service basis with an administrative increment of \$7,000, beginning January 21, 2002 (K). In addition, Dr. Wink will continue to hold the rank of professor of chemistry on indefinite tenure on an academic year

service basis, on 100 percent time, effective January 21, 2002 (A), at an annual salary of \$100,000, for a total salary of \$107,000.

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

**Establish the Ph.D. in Educational Psychology,
College of Education, Chicago**

(8) The chancellor at Chicago, with the advice of the Chicago Senate, the Graduate College Executive Committee, and the College of Education, recommends the establishment of a new graduate degree, the Doctor of Philosophy in Educational Psychology.

Educational psychologists conduct most of the basic research and development of educational tests and research on educational uses of technology. Graduates of the proposed program will be prepared to contribute to needed areas of educational research in academic as well as in business settings. Basic research in the learning processes of children in educational settings will include the study of student motivation and growth in social areas such as morality and character formation. Graduates will find careers in the business arena in psychometrics and test construction with such organizations as the Educational Testing Services, as well as computer based instructional design for business consulting organizations.

The proposed Ph.D. in Educational Psychology requires completion of a minimum of 96 semester hours beyond the baccalaureate (64 beyond the master's degree) including course work in research design and methods, educational psychology (both core and electives), and general electives. Students must successfully complete the preliminary examination, written and oral, and submit an acceptable dissertation. Participation is also required in a research project in collaboration with a faculty member or a group of faculty members and students.

As an interdisciplinary program, current faculty members from the College of Education and the Department of Psychology in the College of Liberal Arts and Sciences will deliver the course offerings required for the proposed program. Thus, no new funds are needed to implement the program.

The proposed Ph.D. in Educational Psychology replaces an existing interdepartmental graduate concentration in Educational Psychology. The proposed Ph.D. program is designed to minimize the limitations of the current inter-departmental graduate concentration while augmenting its strengths.

The vice president for academic affairs concurs with this recommendation. The University Senates Conference has indicated that no further senate jurisdiction is involved.

I recommend approval, pending further review by the Illinois Board of Higher Education.

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

**Redesignate the Department of Mechanical Engineering
as the Department of Mechanical and Industrial Engineering,
College of Engineering, Chicago**

(9) The chancellor at Chicago, with the advice of the Chicago Senate and the College of Engineering, recommends the redesignation of the Department of Mechanical Engineering as the Department of Mechanical and Industrial Engineering.

The Bachelor of Science program in Industrial Engineering came under administrative control of the Department of Mechanical Engineering more than a decade ago as the result of reorganization in the College of Engineering. Since that time, the program in industrial engineering has developed along the lines of new technology. These new technology areas in industrial engineering include: virtual reality, design automation, agile manufacturing, data mining, and global optimization of systems. Curricular changes and the addition of new faculty have led to an expansion of programmatic options in several key areas of industrial engineering, especially the important area of manufacturing.

As a consequence of the strength developed recently in the industrial engineering program and its importance to the Chicago area, this recommended name change will recognize the program in the departmental name where it resides. This change will convey a message of strong program support to prospective students, accrediting organizations, and program ranking bodies.

The vice president for academic affairs concurs with this recommendation. The University Senates Conference has indicated that no further senate jurisdiction is involved.

I recommend approval.

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

Redesignate the Microelectronics Laboratory as the Micro and Nanotechnology Laboratory, Urbana

(10) The chancellor at Urbana recommends that the Microelectronics Laboratory be designated as the Micro and Nanotechnology Laboratory. This change signals the evolution from a laboratory solely connected to the Department of Electrical and Computer Engineering (ECE) to one of three major engineering laboratories in the College of Engineering.

The laboratory draws faculty participants from chemical engineering, mechanical and industrial engineering, material science and engineering, chemistry, physics, and animal sciences, as well as from ECE. The emphasis of the laboratory has expanded from a focus on microelectronics to a broader focus on interdisciplinary research in biotechnology, optoelectronics, nanoelectronics, and microelectromechanical systems.

I concur.

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

Redesignate Health and Human Development Sciences Building as Applied Health Sciences Building, Chicago

(11) The chancellor at Chicago recommends that the Health and Human Development Sciences Building be redesignated Applied Health Sciences Building. The college name was changed to reflect the mission of the college more accurately at the May 2001 Board of Trustees meeting. The proposed name change will provide for appropriate identification of the building occupied by the college.

I concur.

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

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 12 through 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.)

Approve Amendment in Service and Management Agreement Between the University and the IllinoisVENTURES, LLC

(12) At its meeting on April 13, 2000, the Board of Trustees authorized formation of IllinoisVENTURES, LLC, a limited liability company, that is intended to assist the University in helping new companies obtain seed and venture capital funding, recruit management talent, develop business plans, and provide other services to help these companies succeed.

At its meeting on September 14, 2000, the Board of Trustees authorized the comptroller of the board and secretary of the board to execute the service and management contract with the LLC. The comptroller and other officers of the board were also authorized to execute actions on behalf of the board relative to the LLC as may be necessary to

carry out the functions and fulfill the purposes of developing and operating IllinoisVENTURES, LLC.

The president of the University recommends that the Service and Management Agreement, Section 2c, be amended. The current agreement reads:

The staff of the LLC, including the Executive Director will be employees of the University of Illinois, and assigned to the LLC. The staff of the LLC *will* be paid through the University payroll system, and entitled to all the benefits and privileges of University employees. For administrative purposes the Executive Director *will* report to the University's Vice President for Economic Development and Corporate Relations.

The suggested amended text for Section 2c is:

The staff of the LLC, including the Executive Director *may* be employees of the University of Illinois, and assigned to the LLC. The staff of the LLC *may* be paid through the University payroll system, and entitled to all the benefits and privileges of University employees. For administrative purposes the Executive Director will report to the University's Vice President for Economic Development and Corporate Relations.

On motion of Mr. Eppley, this recommendation was approved by the following vote: Aye, Mr. Shea, Mr. Eppley, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Dr. Gindorf, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

Project Approval for Campus Recreation Renovation and Expansion, Urbana

(13) The Division of Campus Recreation, in conjunction with outside and University consultants, has determined there is a need for renovation and expansion of the Intramural Physical Education (IMPE) and Campus Recreation Center East (CRCE) facilities at the Urbana campus.

The renovation and expansion project consists of the following:

- 70,000 square feet of new space at CRCE consisting of: 10,000 square feet of strength and conditioning space; 1/8 to 1/4 mile track; three additional basketball/volleyball courts; construction of locker rooms; two multi-purpose rooms; recreational pool; three racquetball courts; lounge area; game room; and attach CRCE facility to Freer Hall.
- Expand IMPE by adding 120,000 square feet, including 30,000 in strength and conditioning; 1/8 to 1/4 mile track; four additional basketball/volleyball courts; an oversized multi-activity court (soccer, club activities, in-line hockey); and climbing wall.
- Renovate present IMPE space (220,000 square feet); add five multi-purpose rooms; renovate all existing activity space, racquetball courts, SportWell, and locker rooms; add wet classroom; upgrade equipment/laundry room; add food service option and lounge.

The expansion and renovation will be designed to ensure as little interruption as possible for campus recreation users. Timelines will be set to ensure that one facility will remain open at all times; at no time will students have less space than is currently available.

A student referendum on this project was held on November 12 and 13, 2001; 74 percent of the 5,459 voters supported an increase in the general fee not to exceed \$77 per semester to be phased in over a three-year period (Fiscal Year 2005 through FY 2007). Accordingly, the chancellor and the vice president for administration recommend that

(1) the campus recreation expansion project be approved at \$77,600,000, and (2) the project be funded from the proceeds of a future sale of Auxiliary Facilities System Revenue Bonds. Any project planning costs incurred prior to the sale of revenue bonds will be funded initially from the operating budget of the Division of Campus Recreation with anticipated reimbursement from the proceeds of a subsequent revenue bond sale.

I concur, subject to further approval of this noninstructional capital improvement by the Illinois Board of Higher Education as required by Illinois statutes.

On motion of Mr. Eppley, this recommendation was approved by the following vote: Aye, Mr. Shea, Mr. Eppley, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Dr. Gindorf, Governor Ryan.

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

Purchases

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

The purchases were presented in one category—purchases from institutional funds. The 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 amount of these purchases from institutional funds was \$15,384,621.

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. Eppley, the purchases recommended were authorized by the following vote: Aye, Mr. Shea, Mr. Eppley, Dr. Gindorf, Mrs. Gravenhorst, Mr. Kelly, Mr. Lamont, Mr. Plummer, Dr. Schmidt, Mrs. Sodemann, Mr. Vickrey; no, none; absent, Governor Ryan. (Mr. Plummer asked to be recorded as not voting on purchase item no. 1.)

(The student advisory vote was: Aye, Ms. Waddy, Mr. Wolfe; no, none.)

President's Report on Actions of the Senate

(15) The president presented the following report:

Establishment of an Undergraduate Minor in Physics

The Urbana-Champaign Senate has approved a proposal from the College of Engineering for an undergraduate minor in physics. This physics minor is designed to provide students with an understanding of all of the basic areas of physics, an intermediate level study of mechanics and special relativity, and an advanced level of understanding in one or two areas of physics with either a theoretical or experimental emphasis. In consultation with an advisor, students will be required to complete the 10-hour introductory physics sequence and take any two upper-level physics courses. The physics minor will benefit students who wish to expand their understanding of physics beyond the introductory level and enhance their ability to keep abreast of an ever-changing technological world.

Addition of a Graduate Concentration in Medieval Studies

The Urbana-Champaign Senate has approved a proposal from the College of Liberal Arts and Sciences for the addition of a graduate concentration in medieval studies under the existing M.A. and Ph.D. programs in the Departments of Comparative Literature, English, French, Germanic Languages and Literatures, and History. This concentration builds upon and formalizes the existing interdisciplinary course offerings and collabora-

tions in medieval studies. Offering this option will provide formal recognition for graduate students pursuing medieval studies and will increase the Urbana campus' national and international reputation as a leader in this field. In consultation with an advisor, students will develop a program of study that will typically include completion of an advanced Latin course, reading knowledge of another medieval language, one to three units of medieval courses, and completion of a thesis in a medieval studies area.

Addition of an Undergraduate Concentration in Rehabilitation Studies

The Urbana-Champaign Senate has approved a proposal from the College of Applied Life Studies for the addition of an undergraduate concentration in rehabilitation studies. This option is an outgrowth of the merger of the academic program in rehabilitation into the Department of Community Health. The new option will broaden the existing choices for undergraduates in the Department of Community Health and further integrate the courses in rehabilitation studies as an option within the existing community health curriculum. Students will be required to complete nine hours of core rehabilitation courses and an eight credit hour internship in a rehabilitation facility that is consistent with the students' individual interests or with his/her employment or educational aspirations. Students will also be encouraged to take additional correlate courses in rehabilitation.

Discontinuance of the Teacher Education Minor in the Speech Communication Major of the Sciences and Letters Curriculum

The Urbana-Champaign Senate has approved a proposal from the College of Liberal Arts and Sciences for the discontinuance of the teacher education minor in the speech communication major of the sciences and letters curriculum. This minor is being discontinued because of low student demand and new state teacher certification standards that will eliminate teacher certification in speech effective July 1, 2003.

Discontinuance of the Speech Teaching Option in the Speech Communication Major of the Sciences and Letters Curriculum

The Urbana-Champaign Senate has approved a proposal from the College of Liberal Arts and Sciences for the discontinuance of the speech teaching option in the speech communication major of the sciences and letters curriculum. This option is being discontinued because of low student demand and new state teacher certification standards that will eliminate teacher certification in speech effective July 1, 2003.

This report was received for record.

Capital Projects Status Report

(16) Mr. Robert K. Todd, associate vice president for administration and human resources, presented this report of active projects in excess of \$5.0 million. A copy has been filed with the secretary of the board.

This report was received for record.

Report of Capital Project Approvals between Former and Current Board of Trustees Approval Levels

(17) Mr. Robert K. Todd, associate vice president for administration and human resources, presented this report. A copy has been filed with the secretary of the board.

This report was received for record.

Report of Actions by the Executive Committee

(18) The following action has been taken by the Executive Committee since the last meeting of the board. This action is now reported to the board as a whole.

University Chilled Water Systems Project Approval and Financing,
Chicago and Urbana
Certificates of Participation
(Utility Infrastructure Projects), Series 2001B

(1) The University is in the midst of a major, multi-phase effort to renovate and extend utilities services at both the Chicago and Urbana-Champaign campuses. This multi-year initiative includes the Steam Plant Cogeneration Addition in Chicago, the Gregory Drive Steam Tunnel Project in Urbana, and additional phases of the University Electric Distribution Project for Chicago and Urbana. In April 1999, the board approved a Central Chilled Water System for the Urbana campus and in September 1999 approved a State budget request for Fiscal Year 2001 for a Central Chilled Water System at the west side of the Chicago campus.

In FY 2000, the State appropriated \$5.0 million to the Capital Development Board on behalf of the University to begin planning the Urbana chilled water project and in the spring of 2001 the University commissioned a chilled water study to further determine the best course of action for the Chicago campus in concert with the construction of the new College of Medicine Building. While the improvements represented by these projects are critical to the continued economical and reliable operation of the respective campus chilled water requirements, neither the construction funds for Urbana nor the project funds for Chicago were appropriated in the FY 2001 or FY 2002 State budgets.

In order to fulfill these requirements in a timely fashion, it is necessary for the University to proceed with these projects and to provide the necessary funds to support them. Thus, it is proposed that Certificates of Participation (Utilities Infrastructure Projects), Series 2001B be issued in an amount approximating \$56.0 million; which, when supplemented with other funds of \$5.0 million, will be sufficient to fund \$60.0 million in chiller projects at UIC and UIUC plus capitalized interest and issuance costs. Extending the financing streams to twenty years for two previous utility infrastructure projects which will be retired in FY 2010 and FY 2017, respectively, and capturing annual operational savings in maintenance and utility expenditures estimated at \$2.5 million, will provide sufficient funds to finance these projects.

Accordingly, the vice president for administration recommends that the board approve:

1. Establishment of an Urbana-Champaign Campus Central Chilled Water System Project at \$50,000,000, in addition to the funds provided by the Capital Development Board.¹
2. Establishment of a Chicago Campus Central Chilled Water System Project at \$10,000,000.¹
3. A request that the Capital Development Board assign the duties and responsibilities of the project-engineering contract for the Urbana-Champaign Campus Central Chilled Water System Project to the Board of Trustees of the University of Illinois.
4. Retention of Chapman and Cutler as bond counsel.
5. Retention of John S. Vincent & Co., LLC, as financial advisor.
6. Retention of Morgan Stanley as managing underwriter.
7. Preliminary Official Statement and final Official Statement in near-final form.²
8. The form of the Certificate of Purchase Agreement² with Morgan Stanley, as representative of the Underwriters, wherein the Underwriters agree to purchase

¹The project funds would be available to be utilized interchangeably on the separate projects or on additional projects if such additional projects were approved by the board.

²A copy is filed with the secretary of the board for record and the appropriate officers of the board are hereby authorized and directed to execute the same in the name of and on behalf of the board in substantially the form presented to this meeting, or with such changes as may be approved by the officer or officers of the board executing the same, his/her or their execution thereof to constitute conclusive evidence of the board's approval of all changes from the form thereof presented to this meeting; *provided, however*, that if any such changes constitute a substantial change in the form thereof presented to this meeting they shall first be approved by the Executive Committee of the board to which authority for such approval is delegated by the board.

from the board not less than all of the Certificates in an aggregate original principal amount not exceeding \$57.0 million (exclusive of original issue discount) and maturing no later than 20 years. The price at which the Certificates will be purchased from the board by the Underwriters, exclusive of original issue discount, will not be less than 98.5 percent of the par amount thereof and the true interest cost of borrowing for the Certificates will not exceed 5.75 percent. Additional co-managers and selling group members may be added to assist in the marketing of the Certificates.

9. The form of the Installment Purchase Contract.¹
10. The form of Indenture of Trust and Assignment of Purchase Contract.¹
11. The form of Acquisition Agreement.¹
12. The form of the Continuing Disclosure Agreement by the board with respect to the Certificates.¹
13. Bank One, National Association, as Trustee and Vendor.
14. The purchase of bond insurance if such purchase is deemed economically beneficial following consultation with the Financial Advisor and Underwriters.
15. Actions to pursue and obtain a rating or ratings on the Certificates.
16. Ratification and confirmation of all actions taken or to be taken by the officers and members of the board in connection with the sale and delivery of the Certificates to the University.
17. 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 document on behalf of the board as may be by them deemed necessary or appropriate in connection with the provisions of the Official Statement, the Indenture of Trust and Assignment of Purchase Contract, the Certificate Purchase Agreement, the Installment Purchase Contract, the Acquisition Agreement, the Continuing Disclosure Agreement, and all acts and things whether heretofore or hereafter done or performed by and of the officers of the board which are in conformity with the intents and purposes of these resolutions shall be and the same are hereby in all respects, ratified, confirmed, and approved.

Funds are available from the Institutional Funds Operating Budget of the Urbana and Chicago campuses and proceeds from the sale of Series 2001B Certificates of Participation.

I concur.

On motion of Mr. Lamont, this recommendation was approved by the following vote of members of the Executive Committee: Aye, Mr. Lamont, Dr. Schmidt, Mr. Shea; no, none.

(2) The following new appointments have been approved by the Executive Committee since the last meeting of the board. These actions are now reported to the board as a whole.

Appointment to the Administrative/Professional Staff

EDWARD R. WOJCICKI, associate chancellor for constituent relations, University of Illinois at Springfield, on 100 percent time, on a twelve-month service basis, beginning January 1, 2002 (NY100)*, at an annual salary of \$88,000.

* "N" designates a term appointment not eligible to be appointed for an indefinite term and not credited toward probationary period; Y designates 12 month service basis; 100 designates full-time.

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

On motion of Mr. Lamont, the appointment was approved by the following vote of members of the Executive Committee: Aye, Mr. Lamont, Dr. Schmidt, Mr. Shea; no, none.

Interim Dean, School of Social Work, Urbana

(3) The chancellor at Urbana has recommended the appointment of John Poertner, presently professor and associate dean, School of Social Work, and director, Children and Family Research Center, School of Social Work, University of Illinois at Urbana-Champaign, as interim dean of the School of Social Work, beginning December 21, 2001, until the appointment of a permanent dean is approved by the Board of Trustees. Dr. Poertner will be compensated at a rate of \$138,000 a year on a twelve-month service basis (equivalent to an annual nine-month base salary of \$112,909 plus 2/9 annualization of \$25,091), and will receive an administrative increment of \$3,000 a year on a twelve-month service basis. He will receive additional compensation of \$3,000 per month during his service as interim dean.

Dr. Poertner will continue to hold the rank of professor, School of Social Work, on indefinite tenure on an academic year service basis on zero percent time and will retain the titles of associate dean, School of Social Work, and director, Children and Family Research Center, on a twelve-month service basis on zero percent time (non-salaried). He succeeds Dean Jill Doner Kagle, who will return to the faculty pending retirement in Spring 2002.

This recommendation is made with the advice of the faculty and the Executive Committee of the school.

The vice president for academic affairs concurs.

I recommend approval.

On motion of Dr. Schmidt, this recommendation was approved by the following vote of members of the Executive Committee: Aye, Mr. Lamont, Dr. Schmidt, Mr. Shea; no, none.

This report was received for record.

SECRETARY'S REPORT

The secretary presented for record appointments to the faculty and changes of status made by the president, resignations, and terminations. A copy of the report is filed with the secretary.

DEGREES CONFERRED

The secretary presented for record the following list of degrees conferred on candidates at the Urbana-Champaign campus on December 17, 2001.

Summary

Graduate Degrees

Doctor of Education	1
Doctor of Philosophy.....	99
<i>Total, Doctors</i>	(100)
Master of Accounting Science.....	3
Master of Architecture.....	11
Master of Arts.....	29
Master of Business Administration.....	11
Master of Computer Science.....	12
Master of Education.....	35
Master of Fine Arts.....	6
Master of Human Resources and Industrial Relations	53
Master of Landscape Architecture	2
Master of Science.....	249

Master of Social Work	47
Master of Urban Planning	2
<i>Total, Masters</i>	(460)
Advanced Certificate in Education	5
<i>Total, Certificates</i>	(5)
<i>Total, Graduate Degrees</i>	565
<i>Professional Degrees</i>	
College of Law	
Juris Doctor	12
<i>Total, Professional Degrees</i>	12
<i>Undergraduate Degrees</i>	
College of Agricultural, Consumer and Environmental Sciences	
Bachelor of Science	99
College of Applied Life Studies	
Bachelor of Science	70
College of Commerce and Business Administration	
Bachelor of Science	221
College of Communications	
Bachelor of Science	25
College of Education	
Bachelor of Science	14
College of Engineering	
Bachelor of Science	278
College of Fine and Applied Arts	
Bachelor of Arts in Urban Planning	3
Bachelor of Fine Arts	32
Bachelor of Landscape Architecture	4
Bachelor of Music	6
Bachelor of Music Education	15
Bachelor of Science	9
<i>Total, College of Fine and Applied Arts</i>	(69)
College of Liberal Arts and Sciences	
Bachelor of Arts	314
Bachelor of Science	215
<i>Total, College of Liberal Arts and Sciences</i>	(529)
Institute of Aviation	
Bachelor of Science in Aviation Human Factors	1
<i>Total, Undergraduate Degrees</i>	1,306
<i>Total, Degrees Conferred December 17, 2001</i>	1,883

CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES AWARDED

The secretary presented for record the following list of certified public accountant (CPA) certificates awarded to candidates on the dates indicated. (Awards are made to candidates who have fulfilled all legal requirements based upon sections in the Illinois Public Accounting Act of 1994.)

Summary

<i>Certificates Awarded January 19, 2001</i>	
By Reciprocity	24
By Transfer of Examination Credit.	<u>107</u>
<i>Total, Certificates Awarded January 19, 2001</i>	131
<i>Certificates Awarded February 9, 2001</i>	
By Passing Written Examination on November 1-2, 2000, in Illinois	943
By Reciprocity	11
By Transfer of Examination Credit.	<u>29</u>
<i>Total, Certificates Awarded February 9, 2001</i>	983
<i>Certificates Awarded March 9, 2001</i>	
By Reciprocity	17
By Transfer of Examination Credit.	<u>41</u>
<i>Total, Certificates Awarded March 9, 2001</i>	58
<i>Certificates Awarded April 13, 2001</i>	
By Reciprocity	97
By Transfer of Examination Credit.	<u>36</u>
<i>Total, Certificates Awarded April 13, 2001</i>	133
<i>Certificates Awarded May 11, 2001</i>	
By Reciprocity	55
By Transfer of Examination Credit.	<u>26</u>
<i>Total, Certificates Awarded May 11, 2001</i>	81
<i>Certificates Awarded June 15, 2001</i>	
By Reciprocity	55
By Transfer of Examination Credit.	<u>32</u>
<i>Total, Certificates Awarded June 15, 2001</i>	87
<i>Certificates Awarded July 13, 2001</i>	
By Reciprocity	80
By Transfer of Examination Credit.	<u>23</u>
<i>Total, Certificates Awarded July 13, 2001</i>	103
<i>Certificates Awarded July 25, 2001</i>	
By Passing Written Examination on May 2-3, 2001, in Illinois	717
<i>Certificates Awarded August 10, 2001</i>	
By Reciprocity	19
By Transfer of Examination Credit.	<u>13</u>
<i>Total, Certificates Awarded August 10, 2001</i>	32
<i>Certificates Awarded September 14, 2001</i>	
By Reciprocity	26
By Transfer of Examination Credit.	<u>17</u>
<i>Total, Certificates Awarded September 14, 2001</i>	43
<i>Certificates Awarded October 12, 2001</i>	
By Reciprocity	10
By Transfer of Examination Credit.	<u>18</u>
<i>Total, Certificates Awarded October 12, 2001</i>	28
<i>Certificates Awarded November 21, 2001</i>	
By Reciprocity	25
By Transfer of Examination Credit.	<u>29</u>
<i>Total, Certificates Awarded November 21, 2001</i>	54

Certificates Awarded December 7, 2001

By Reciprocity	14
By Transfer of Examination Credit	<u>11</u>
<i>Total, Certificates Awarded December 7, 2001</i>	<u>25</u>

ANNOUNCEMENTS FROM THE CHAIR OF THE BOARD

(19) Chair Shea called attention to the schedule of meetings for the next few months: March 13-14, Urbana; May 15-16, Springfield; July 17-18, Urbana.

On motion of Dr. Schmidt, the board agreed unanimously to change the venue for the May 15-16 meeting to Chicago. Mrs. Gravenhorst asked if it might be possible to hold a board meeting at the Springfield campus sometime this year. Mr. Shea indicated that this would be considered.

There being no further business, the board adjourned.

MICHELE M. THOMPSON
Secretary

GERALD W. SHEA
Chair