

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, December 9, 2003.

The Board of Trustees of the University of Kentucky met at 10:30 a.m. (Lexington time) on Tuesday, December 9, 2003 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. Steven S. Reed, Chair, called the meeting to order at 10:35 a.m., and Ms. Marian Sims gave the invocation.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: James F. Hardyman, Marianne Smith Edge, Davy Jones, Michael Kennedy, Pamela R. May, Billy Joe Miles, Phillip Patton, Elissa Plattner, Steven S. Reed (Chair), Frank Shoop, Marian Moore Sims, Alice Stevens Sparks, Myra Leigh Tobin, Rachel Watts, JoEtta Y. Wickliffe, Billy B. Wilcoxson, Russ Williams, Elaine A. Wilson, and Barbara S. Young. Absent from the meeting was Robert P. Meriwether. The University administration was represented by President Lee T. Todd, Jr., Provost Michael Nietzel, Executive Vice President for Finance and Administration Dick Siemer, Executive Vice President of Health Affairs Michael Karpf and Associate General Counsel Barbara Jones.

Members of the various news media were also in attendance. A quorum being present, the Chair declared the meeting officially open for the conduct of business at 10:38 p.m.

C. Consent Agenda

Mr. Reed said that there were three items on the consent agenda: Minutes, PR 2 and AACR 1. He asked if anyone wanted any of the items removed from the consent agenda. Mr. Shoop moved that the items be approved. Ms. Smith Edge seconded the motion, and the consent agenda was approved without dissent.

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PR 2 – Personnel Actions
AACR 1 – Candidates for Degrees

D. President's Report to the Board of Trustees (PR 1)

President Todd said that he was going to be very brief with his report given the timeline for the meeting. He did not go through the items in PR 1 in detail but encouraged the Board to read the good things in the report.

President Todd said that PR 2 was on the consent agenda; however, he would like to mention one item to the Board that was recently reported in the news. Dr. James Holsinger, who retired as Chancellor of the Medical Center, has been named Secretary of the Kentucky Cabinet for Health Services in the administration of Governor Ernie Fletcher. Dr. Holsinger will be

working in Frankfort for the Commonwealth but will remain a tenured professor at UK. The Commonwealth will pay all of his salary and benefits while he is working for the state. Dr. Holsinger is just finishing his first six months of leave of absence that was previously approved by the Board. The other six months of his leave of absence will be delayed until he completes his duty in Frankfort. President Todd said that he is very pleased for Dr. Holsinger. He asked Associate General Counsel Barbara Jones if the Board needed to take action on this or was this just for the Board's information. Ms. Jones replied that this was just information for the Board. President Todd said that he looked forward to Dr. Holsinger serving in this new capacity.

E. Amendment to the Governing Regulations Regarding Staff Trustee Election (PR 3)

President Todd said that PR 3 is a recommendation that the responsibility of the election of the Staff Trustee be transferred from the Executive Vice President for Finance and Administration to the Staff Senate. When the Governing Regulations were amended in the summer of 2001, the election of the Staff Trustee was delegated to the Vice President level because the Staff Senate had not been established at that time. Now that the University has a Staff Senate, the responsibility needs to be transferred to that Senate. He asked that the recommendation be approved. Mr. Williams so moved. Ms. Sims seconded the motion, and it carried without dissent.

F. Amend the Statute Which Mandated When the Board Shall Meet (PR 4)

President Todd said that PR 4 is a recommendation to change the mandatory Board dates. He noted that this was discussed at the last Board meeting. He said that this meeting is a perfect example of the need to change the dates. It is a mandatory meeting, and the Governor's inauguration is also taking place. When the Board discussed this amendment to the statute previously, it included doing away with transcriptions of meetings. The transcription piece is no longer in the recommendation. Basically, the recommendation is asking for the Board's approval of a legislative initiative to amend KRS 164.170 during the next legislative session. This would authorize the Board of Trustees to meet at least quarterly each year rather than meeting on specific times as provided in the current statute. He explained that the recommendation is not intended to reduce the Board meetings but to allow flexibility with the meetings. He reminded the Board of having two meetings during one month because of the way the Board is mandated. He said that he did not believe that any other university had specific dates. This is not a major request, but the administration does need the Board's approval to take that action. Ms. Sparks moved approval. Ms. Smith Edge seconded the motion.

Mr. Reed said that he wanted to make it abundantly clear to the public that this is not an effort to meet less than the Board normally would meet. He wants it to be very clear that it is cumbersome because of days like this when the Board statutorily has to meet. It takes the Board away from having flexibility. It is important that the public know that the Board understands the importance of conveying information to the public, and it does so at the Board meetings. He reiterated that in no way does the Board intend to meet less, and quarterly is just the minimum that is being recommended for the statutes because the Board understands the importance of

getting information to the public. On the motion previously made by Ms. Sparks and seconded by Ms. Smith Edge, PR 4 carried without dissent. (See PR 4 at the end of the Minutes.)

G. Academic Affairs Committee Announcement

Mr. Reed announced that the Academic Affairs Committee would meet immediately following the Board meeting. He asked Ms. Sparks, Chair of the Committee, if she had any comments that she wanted to make at this time. Ms. Sparks replied that she did not have any comments at this time.

H. Capital Construction Report (FCR 1)

Mr. Hardymon, Chair of the Finance Committee, reported that the Committee met December 8th with a quorum present and has 15 items to bring to the Board. The Committee spent a great deal of time on the first two items thoroughly discussing them; however, he would try to cut that down for the Board's report.

Mr. Hardymon said that FCR 1 is the Capital Construction Report. This is one of his favorite items because, in his opinion, these are the big dollars and something the Finance Committee should have some oversight on.

Mr. Hardymon explained that the Committee's responsibility is to look at the projects to see how they are progressing from a budget and timing standpoint and also to note the change notices that are over \$25,000. The Committee then brings it to the Board as a quarterly report. This quarterly report is for the three months ending September 30th.

Mr. Hardymon called attention to the Major Project Summary Report. The paragraphs in this report concern the Coldstream Research Park, the biological sciences building, the Gill Heart Institute building, the parking structure, the UK Center for Rural Health, the Main Building, and some repair work on pharmacy fume hoods. All of these projects appear to be on a completion date that was scheduled either in 2004 or 2005, and they seem to be working towards the budget. He said that he was pleased to report there were only five change notices: one for the Aging Allied Health building, two for biological sciences building, one for the Gill Heart Institute, and one for the Main Building. These were pretty explainable.

This is a thorough report, well done, and very simple to understand. The Committee recommends the report to the Board for approval. On motion made by Mr. Hardymon and seconded by Ms. Wilson, FCR 1 carried without dissent. (See FCR 1 at the end of the Minutes.)

I. Patent Assignment Report (FCR 2)

Mr. Hardymon reported that the Committee had its usual discussion about the Patent Assignment Report. He said that there is an interesting fine line between honoring the people, supporting what they are doing, talking about their capabilities, and then trying to understand what they are doing. The Committee has very good people. They are all specialists in some

things, but they cannot cover all ten of the patents. The Committee had long discussions about the patents.

Mr. Hardymon said that he would tell the Board what he got out of the ten patents and put them in simpler language. He pointed out that the Committee did honor and recognize these people and talked to them by name during the meeting. He then reviewed the patents.

- The first one is about splicing plant genes. There are certain fine chemicals, expensive chemicals that come from plants. This project is to attempt to get these to come from the plants faster and more efficiently.
- The second one is process monitoring, and this process will make a deficiency or an error show up quicker.
- The third one is to make better cheese.
- The fourth one is in research and development now. It involves compounds that would enlarge the blood vessels and lower blood pressure. Obviously, this is something that would be tremendous if it can go from research and development into an everyday use.
- The fifth one is to put inhibitors in destructive items, such as pesticides, so they will not hurt animals.
- The sixth one is to prevent growth of harmful diseases in plants. They are using tobacco blue mold in the research and development project, but there could be other plants as well.
- The seventh one involves very small delivery systems to put vaccines in the body. This would avoid shots.
- The eighth one is a linear actuator. This is to be sure a person gets the right amount of medication.
- The ninth one involves certain eye degenerations that come with age. This is to test drugs and to find drugs to prevent this degeneration.
- The tenth one is to prevent large compounds of solid from dissolving into liquids.

Mr. Hardymon said that the Committee looked at what patents are doing for the University. He reminded the Board that an application is made for a patent, and sometimes it takes two or three years to get the patent. He said that it is hard to compare one quarter against another, but in 2003, the University had nine patent applications. Seven patents have been issued, and the patent income, which probably came from something that was approved sometime ago, was about \$168,000. He apologized for the length of the report but moved approval FCR 2. Ms. Sims seconded the motion, and it carried without dissent. (See FCR 2 at the end of the Minutes.)

J. Report of Leases (FCR 3)

Mr. Hardymon said that the Committee read the Report of Leases. He reminded the Board that the President is authorized to enter into leases not exceeding \$30,000 in value, and neither of the leases in FCR 3 are \$30,000. There is a lease in Glasgow and a lease in Berea. He reported that the dollars per square footage was competitive, and he moved approval of FCR 3. Ms. Smith Edge seconded the motion, and it carried without dissent. (See FCR 3 at the end of the Minutes.)

K. Acquisition of Real Property Referred to as Silver Lake Farm in Harrison County, Kentucky (FCR 4)

Mr. Hardymon said that FCR 4 is the acquisition of 400 acres of property known as the Silver Lake Farm in Harrison County, Kentucky. The University has a grant that would cover this acquisition of \$1,120,000. The recommendation is to give the Executive Vice President for Finance and Administration authority to negotiate the acquisition of this real property. The objective is to take this property that has some very valuable old plants and trees and do research. He moved approval of FCR 4. Professor Kennedy seconded the motion, and it carried without dissent. (See FCR 4 at the end of the Minutes.)

L. Intercollegiate Athletics Quasi-endowment Withdrawal (FCR 5)

Mr. Hardymon said that FCR 5 is a follow-up on what was presented at the last Board meeting. The Board previously approved the design work to start the expansion to Memorial Coliseum and the construction of a multi-purpose facility that would be an addition to the Nutter Field House. He said that the University has pledges, and these projects are to be fully funded by private gifts and pledges. He explained that the University would have to take some money out of the athletic endowment as it incurs expenses toward the project. The recommendation is to approve a withdrawal up to the full amount of \$6,500,000 for these two projects. This action will keep the projects on schedule. He moved the approval of FCR 5. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 5 at the end of the Minutes.)

M. 2003-04 Budget Revisions (FCR 6)

Mr. Hardymon said that you have to put FCR 6 in perspective. It involves about \$4M of a budget revision. That is less than ½ of 1 percent of the total budget; therefore, the modification/change is only a small amount. He said that each item is fully explained, and in his opinion, the write up is excellent. He then reviewed the items.

The first item listed under tuition is \$435,700. Lexington Community College drew more students into its system than budgeted; therefore, that money is going to be turned around to do what is necessary because of the additional students.

The next item is \$1,013,500 for the county appropriations increase. That is for a sports field and home economics programs in the Agricultural Extension Service.

There is \$1,600,000 which is another big number under the “other” category. This is a one-time deal with the tobacco funds that the University is getting from the settlement from the Kentucky Agricultural Development Board. Again, that will be used as some field extension work.

Restricted funds increased to approximately \$700,000 for various items. That is being used in the auxiliary fund for expenditures to serve support units and for the Provost area.

Again, Mr. Hardymon said the report was well explained with each item listed. The revisions illustrate where the money is going, and the Board gets this report periodically. He moved approval of FCR 6. Ms. Wilson seconded the motion, and it carried without dissent. (See FCR 6 at the end of the Minutes.)

N. University of Kentucky Employer-Assisted Housing Program (FCR 7)

Mr. Hardymon said that FCR 7 is the University of Kentucky Employer-Assisted Housing Program. This program will give loans up to \$15,000 to help employees with down payment, closing costs, etc. Loans will be secured by a lien against the property. He explained that the employee must agree to live in the house five years, and then the funding of the program is from private funds. This item has been discussed previously; however, the Board’s action at this meeting will make the program official because the University needs to increase the staff and retain people to work on this program. Mr. Hardymon moved approval of FCR 7. Ms. Sparks seconded the motion, and it carried without dissent. (See FCR 7 at the end of the Minutes.)

O. Approval of Amendments to University Section 125 Plan (FCR 8)

Mr. Hardymon said that FCR 8 includes a group of amendments to bring the Section 125 Plan up-to-date. There are certain codes that change in these type plans. This is a plan that allows employees to set aside pre-taxed dollars for health care and childcare. The first change is to open enrollment of a spouse as a qualifying event for plan changes. Another change is to increase the maximum amount for the Health Care Account from \$3,000 to \$4,000. A section would be added to grant the President of the University of Kentucky the authority to amend the Plan as needed in order to keep it up-to-date. This would also add the privacy provisions. He repeated that this is an administrative detail that needs to be brought up-to-date. He moved approval of FCR 8. Ms. Smith Edge seconded the motion.

Ms. May said that she reads things much differently than most people. She pointed out that this is not a plan that comes back up for review or reconsideration very often. It was adopted in 1987, revised once in 1994, and not again until now. She said that as you look at the changes that are being proposed, and this Board certainly has the right to change them, she would recommend that on the third page the names of the individuals who are listed be deleted because it is the position rather than an individual that should be listed in the document. She said, in her opinion, the Board is setting itself up, and she provided an example. If somebody forgets to bring a person’s change in position to the President, then suddenly there is an

individual who is not authorized to handle Personal Health Information. This is something that the Board can clean up very easily at this meeting rather than hoping that somebody brings it to President's desk every time there is a change in one of these positions. She emphasized that she is not saying nor predicting that there is going to be a change in anybody in any of these positions. It is cleaner if that change is made now.

Ms. May said that she understands very much why the Board needs to give the President the option to amend this Plan, and it really should be looked at more frequently than every nine years to make sure it is in compliance. But, the piece, as a Board member, that causes her concern is the amendment in section 13.2.1 that permits the President not to just amend the Plan but to terminate the Plan without Board involvement. She said that she thinks that is probably a little broader than is probably necessary because this obviously will be a significant issue for the employees of the University, given the fact that it does let them set aside pre-taxed dollars for health care. And, certainly it is something that should be a Board level issue considering how many people are impacted.

Ms. May said that those are the two items that she would suggest that the Board consider as amendments to the motion made. She moved that FCR 8 be amended. Professor Kennedy seconded her motion to amend FCR 8.

Mr. Reed asked if there were any other questions on the amended motion or any other comments.

Mr. Hardymon said that as Chairman of the Committee, the amendments are o.k.; however, the other Committee members should speak up if they do not agree with them.

Ms. Tobin asked why the names were put in the document.

Ms. Jones said that she thought it was just an oversight, and Ms. May's point is well taken.

Mr. Hardymon said that the Committee discussed this in their meeting, and the administration did not seem to have the reason.

Mr. Reed asked that the record note the comment of Counselor Jones that is was an oversight. He said that there was an amended motion, a second on the amended motion and asked for any questions. A vote was taken to approve FCR 8 as amended, and the motion carried without dissent. (See FCR 8 at the end of the Minutes.)

Mr. Williams asked if the Board just eliminated the part about termination of the Plan by the President.

Ms. May said her amendment was to have the Board be delegated to terminate the Plan.

Ms. Williams clarified the deletion of names in the last section, also.

Ms. Wickliffe asked for clarification as to whether the President still has the right to amend the Plan.

Mr. Williams said that the President has the right to amend the Plan but not terminate it.

P. Gifts and Pledges (FCR 9 through FCR 12)

Mr. Hardymon said that FCR 9 through 12 involves gifts and pledges. With the Chair's permission, he asked to have them as one report with one motion.

FCR 9 - accept a gift of \$10,000 and a pledge of \$25,000 from Louise Shouse of Lexington, Kentucky and a pledge of \$15,000 from the Lexington Opera Society to create and endow the Lexington Opera Society Community Endowment for Vocal Studies in the College of Fine Arts. This would fund visits by vocal artists and master teachers for master classes. Mr. Hardymon pointed out that the pledge from the Lexington Opera Society was made in honor of former mayor Pam Miller. This gift and pledge is to be matched by the Research Challenge Fund. (RCTF)

FCR 10 – accept gifts for the Dorothy Luther Nursing Fellowship. Dr. Dorothy Luther was a respected faculty member for many years in the College of Nursing adult nursing program. She died in 1999 and left \$47,184 to the College of Nursing. Friends and faculty of the College made additional gifts to bring the total to \$50,759 to create a fellowship for graduate students in her memory.

FCR 11 - accept gifts and pledges to the Earl Platt Slone Endowed Professorship in Pharmacy Practice and Science. Dr. Slone was very responsible for the transition of this Pharmacy College into the University of Kentucky. The members of the Class of 1952 chose to establish the professorship honoring Dr. Slone, who was a former dean of the College, during their fiftieth anniversary class reunion. Other graduates of the College also made gifts. The gifts and pledges total \$62,232 and are eligible to be matched by RCTF.

FCR 12 – accept a gift and pledge from the Amerman Family Foundation. Mrs. Amerman is involved with the Gluck Equine Research Foundation Board. Her husband was the former Chief Executive Officer of Mattel. Mr. and Mrs. Amerman own Amerman Racing Stables in California. They are interested in the rehabilitation of horses injured at race tracks or show rings. This is a \$500,000 commitment and is to be matched by RCTF. It is a \$100,000 gift and \$400,000 pledge.

Mr. Hardymon said that in no way did he want to cut short or say anything but nice things about these gifts. They are pretty straightforward. He moved approval of FCR 9 through 12. Ms. Wilson seconded the motion, and FCR 9 through 12 inclusive carried without dissent.

Q. A Resolution of the Board of Trustees of the University of Kentucky Approving the Action of the Board of Regents of the Kentucky Community and Technical College System (KCTCS) Directing the University of Kentucky to Call the Remaining University of Kentucky

Community College Educational Buildings Revenue Bonds Series A, C, F, and H (Second) and Further Authorizing the Treasurer of the University to Execute a Call of Said Bonds (FCR 13)

and

A Resolution of the Board of Trustees of the University of Kentucky Approving the Action of the Board of Regents of the Kentucky Community and Technical College System (KCTCS) Directing the University of Kentucky to Call University of Kentucky Community College Educational Buildings Revenue Bonds Series B and Further Authorizing the Treasurer of the University to Execute a Call of Said Bonds (FCR 14)

Mr. Hardymon said that he would like to present FCR 13 and FCR 14 together. They both involve bonds that were in use with the Community College System. When the Community College System was removed from the University of Kentucky, the properties and the bonds stayed with the University. The University has been periodically working those off as the regulations of the bonds would allow them to be changed. Now, these two are being changed from the University to the Commonwealth of Kentucky. The state will manage them and assume the debt. They will be coming off the university's books. When these are finished, the University will only have about \$1M left of this type of bond, an item that the University does not manage. The reason the University still has these bonds is because they are not ready to be redone according to the regulations. He recommended approval of FCR 13 and FCR 14. Ms. Smith Edge seconded the motion, and it carried without dissent.

R. A Resolution of the Board of Trustees of the University of Kentucky Authorizing the Issuance of Approximately \$23,780,000 of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series E, J and L (Third Series), to be Dated the First Day of the Month in Which the Bonds are Sold (FCR 15)

Mr. Hardymon said that FCR 15 is a movement to lower the interest the University is paying to support bonds. These bonds are involved with the Biological Sciences Building, a patient care addition to the University Medical Center and a Family Practice Facility Building, Robotics Facility, etc. By calling these bonds in and reissuing them at a lower rate will save \$80,000 a year in payments. This has been an ongoing thing during this time of low interest rates in the country. It is commonly done and very well done. He recommended approval of FCR 15. Ms. Wickliffe seconded the motion, and it carried without dissent.

Mr. Hardymon asked the Committee members for any comments.

Mr. Shoop said that he is particularly excited about the Employer-assisted Housing Program that was approved, and he is really excited that the University participating in it. The \$15,000 could be the difference in a member of the faculty or staff being able to purchase a home. He is glad to see the University do that type program.

Ms. Sparks said that the Town and Gown Committee worked on this for a long time, and they are very happy about it, also.

S. Investment Committee Report

Mr. Wilcoxson, Chair of the Investment Committee, reported that the Committee met in a special all day session on Monday, December 8th. Before reporting on the special session, Mr. Wilcoxson brought the Board up-to-date on how the University's endowment has done. He reported that in June of 2003, the University had a market value of \$424.6M and as of September 30th, it had a value of \$441.9M. There was an increase of about \$17.3M which is basically due to investment appreciation. Recently, the endowment investments had a return of about 4.5% for the quarter that ended September 30th. If you compare that to the blended market index and the endowment foundation index, they both returned 3.3%. That is pretty relative as to how the University performed, and again, the strong performance is primarily due to the favorable results that the University had with its equity managers.

Mr. Wilcoxson then reported on the special session. One of the items to cover was the infusion of more monies into venture capital. He reported that RFP documents were sent to 13 firms, and there were eight responses. The Investment Committee had a preliminary evaluation performed by the University consultants, Ennis Knupp, and the university's RFP Evaluation Committee. From the preliminary evaluations, three finalists were brought back to the Investment Committee.

Mr. Wilcoxson explained that one of the purposes of the special session was to interview and pick a manager or managers to manage additional venture capital money. The Investment Committee interviewed three venture capital firms, and it selected Fort Washington Capital of Cincinnati for a \$2M investment and Vital Venture Capital of Louisville for a \$500,000 investment. The Purchasing Department will initiate the contracts with these firms. With these two additional investments and the \$1M that have already been set aside to Chrysalis, that gives a total of \$3.5M invested in venture capital which is a very small percentage over the total endowment.

During the afternoon session, the Investment Committee had a long discussion about the university's asset allocation and spending policies. Basically, due to the expected lower return on stocks and bonds over the next 10 to 15 years, we are going to have to consider some modifications on asset allocation for more diversification in the university's portfolio in order to possibly increase the returns. The Committee is not going to move swiftly. It is going to move slowly and do its due diligence. Any changes that the Committee makes will be carefully considered relative to risk and return. The Committee is going to work with the consultants and the University staff and review the possible changes. Whatever the Committee does will be reported back to the Board, and hopefully, the Committee will have the Board's blessing. Mr. Wilcoxson said that he would be happy to answer any questions.

T. Other Business

President Todd mentioned a nice occurrence that happens this time of year. Dr. Meriwether's staff in Paducah gives him a Christmas gift each year by donating money to the Robert Meriwether Scholarship Fund in the Medical Center. President Todd reported that the

gift has been received, and he just wanted to acknowledge it at the Board meeting. He said that he liked that type of gift.

Mr. Reed said that he wanted to take this opportunity to say that he knows of the service, sacrifice, and contributions that Dr. Meriwether makes to the Board. It is nice to see that his staff sees the University the same way he does. He said that his appreciation and gratitude go out to both Dr. Meriwether and his staff.

Ms. Tobin said that the University has among its staff a very important gift to the University. It was his mother's gift to the world, and today is Terry Mobley's happy birthday. Mr. Mobley received a round of applause. Ms. Tobin said that Mr. Mobley has been a very special gift as an employee to the University and has done a lot to help secure a lot of gifts from many, many people.

Dr. Jones announced that there was an activity planned during the afternoon that involves the Board. He recognized Jeff Dembo and Sheila Brothers, who are chairs of the Staff and Senate Councils and who organized the activity. He deferred to them to describe the event because they were actually putting the event together.

Ms. Brothers said that this is the first year for the Staff Senate and the University Senate to partner with the Board of Trustees holiday reception. This will be a chance for the Board of Trustees, the University Senate, and the Staff Senate to mingle with each other. She encouraged everyone to attend the event scheduled at 3 p.m. in the lobby of the 18th floor.

Dr. Dembo said that the University Senate appreciates the numerous chances that they have had to partner with the Staff Senate on a number of issues. It is a very successful partnership.

Mr. Wilcoxson, on behalf of the Investment Committee, thanked Dick Siemer, Henry Clay Owen and their staff for the help that they have given to the Investment Committee. He said that he really appreciated the addition of Dick Siemer and his excellent help to the Committee. The Committee really appreciates what they do.

Ms. Plattner said that the University of Kentucky lost a great champion several weeks ago in the passing of Robert McCowan. Some of the Board members had an opportunity to meet Mr. McCowan when his family made a contribution to the University of Kentucky in honor of his mother. The Sanders-Brown Center initiated a great deal of fundraising and philanthropy, and Mr. McCowan was a longtime proponent of that. He was wonderful to everybody, very well met, very gracious, and extended himself in all ways to the University. She said that she wanted to make this comment to the current Board in his memory.

Ms. Plattner said that she had a job for the Board to do. She said that she did not attend the press conference at the University that morning. She explained that she and her family traditionally drive through their hometown of Frankfort on inauguration day before all the paper cups, the cardboard boxes and the car fumes fill the air. They drive around their hometown to see it in all of its glory. There is not a musical instrument left in the State of Kentucky. They are

all lining up on Capitol Avenue. She asked the Board members, after the day of celebration is over, to please contact their representative in the legislature and let them know how much it matters to them that they find a way to fund education in the state. It matters, not only to higher education but across the board, and guess what, the time for doing a lot of talking is over. The state is suffering from K right through 16. She said that she knew that the President of the University and others will carry the message, but it is time to say, find a way to do it, and let's do it. The responsibility belongs to each one of the Board members to get that flag up.

On a personal basis, Ms. Plattner offered her thanks to Paul Edward Patton, who is still the Governor of Kentucky, for being innovative and creative. He is a man who took a lot of risk politically to push education, particularly higher education in the state and who stood firm for KERA when a lot of the local legislative action went against him. He is a man who leaves office today and we are forever in his debt for taking the chance, taking the risk, going forward and giving us an opportunity to say we will no longer be at the end of the line. We will be at the front. She extended her deepest, personal appreciation to Governor Paul Patton, a man of vision.

Ms. Sparks reminded the Board of the Academic Affairs Committee meeting in the Board Room following a break.

U. Meeting Adjourned

With no further business to come before the Board, Mr. Reed adjourned the meeting at 11:17 a.m.

Respectfully submitted,

Russ Williams
Secretary, Board of Trustees

(PR 2, 3, and 4; AACR 1; and FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 which follow are official parts of the Minutes of the meeting.)