

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, December 14, 2004.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, December 14, 2004, in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. James Hardymon, Chair, called the meeting to order at 1:00 p.m. and asked Dr. Roy Moore to begin the meeting with a quote.

Dr. Moore read the following quote written by Joseph Epstein: “All men and women are born, live, suffer, and die; what distinguishes us from one another is our dreams, whether they be dreams about worldly or unworldly things, and what we do to make them come about. We do not choose to be born. We do not choose our parents. We do not choose our historical epoch, the country of our birth, or the immediate circumstances of our upbringing. We do not, most of us, choose to die; nor do we choose the time and conditions of our death. But within this realm of choicelessness, we do choose how we live.”

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mira S. Ball, Stephen P. Branscum, Marianne Smith Edge, Ann Brand Haney, James F. Hardymon (Chair), Michael Kennedy, Billy Joe Miles, Roy Moore, Phillip Patton, Steven S. Reed, Frank Shoop, Myra Leigh Tobin, Rachel Watts, JoEtta Y. Wickliffe, Russ Williams, Elaine A. Wilson, and Barbara S. Young. Absent from the meeting were Pamela May, Alice Sparks, and Billy B. Wilcoxson. The University administration was represented by President Lee T. Todd, Jr., Provost Michael Nietzel, Acting Executive Vice President for Finance and Administration Frank Butler, Executive Vice President for Health Affairs Michael Karpf, Executive Vice President for Research Wendy Baldwin, and General Counsel Barbara W. 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 1:04 p.m.

Mr. Hardymon said the Board had a very important and busy day. He explained that the deans' college reports were not on the agenda because of the committee meeting following the Board meeting and the Senates' holiday reception. He said that the college reports will be continued until all of the deans have had an opportunity to make a presentation about their college.

Mr. Hardymon mentioned the following consent items on the agenda:

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PR 2 Personnel Actions

AACR 1 Candidates for Degrees – University System

- FCR 1 Michael T. Nietzel Pledge
- FCR 2 Kentucky Medical Services Foundation, Inc. Gift
- FCR 3 Gifts and Pledges to the Symptom Management and Palliative Care
Professorship (Consent)
- FCR 4 Lucille Caudill Little Trust Gift (Consent)
- FCR 5 Markey Cancer Center Foundation Gift (Consent)
- FCR 6 Report of Lease (Consent)

He asked if there were any comments and then called for a motion for approval of the consent items. On motion made by Ms. Smith Edge and seconded by Ms. Haney, the items on the consent agenda were approved without dissent.

C. President's Report

President Todd called attention to the following items in PR 1:

He reported that he had a nice correction to item 1 in his report. UK's strong congressional delegation was even more successful than the \$17 million shown in PR 1. UK now has a total of \$25 million earmarked for various programs. He noted that all of the deans, several officers of the university, and Patsy and he went to Washington, DC to attend a reception for the staffers who get the paperwork done and take it through the process. Bill Schweri, Jim Duff, and Dr. Baldwin do a great job working with the staff to make sure that UK follows the procedures. UK has gone from \$5 million in federal earmarks to \$25 million in federal earmarks over the past four years. He said that he feels very good about that.

Belcan Engineering Group has received a contract from Sikorsky Aircraft Corporation. They will be bringing 40 jobs initially and as many as 300 by the end of 2005 to Lexington. Their location has not been determined at this time. Professor Bruce Walcott has been a tremendous help with this and has worked closely with the Governor's Office. Mr. Ralph Anderson, owner of Belcan, took two days out of his Maui vacation to stop in Connecticut and present a concept on using engineering talent at UK to try to develop a competitive rate for allowing Belcan to compete with offshore prices. Gene Strong said that it was the biggest economic development contract in Lexington in the past 20 years.

UK has been announcing multi-million dollar grants. A team of UK's top research faculty was awarded a \$7.5 million grant to aid in the fight against Alzheimer's disease.

Congressman Harold Rogers announced \$4 million worth of funding for homeland security. There are 11 projects, and UK is involved in 8 of them. They will be shared with many of the universities throughout the state. This is just the beginning of what Congressman Rogers calls the virtual federal laboratory in Kentucky for homeland security.

UK honored 224 new Fellows at the annual Fellows Dinner. The last count toward the university's billion dollar capital campaign goal was \$709 million.

UK joined Stu Silberman, Fayette County Public Schools superintendent, in announcing a new partnership to raise student achievement. UK has adopted Booker T. Washington Elementary School and the Academy at Lexington with a goal of having them achieve the best test scores in the state of Kentucky. Mitch Barnhart held the first event for the students from those two schools at the Nutter Center. This was the first time that many of the students had been on campus. One of the principals put it best when she said that a lot of the students hear about UK, but now they can say they have been on campus. This is an effort to start breaking the intimidation layer for some of these young students. President Todd applauded Mr. Barnhart for having the event.

UK had its Second Kentucky Conference on Natural Products Innovation. This conference had twice the attendance of the conference last year.

UK had nine football players nominated for the Academic All-American Team.

Chairman Hardymon was named one of eight outstanding directors for 2004 by the Institute of Outstanding Directors. To be recognized among all the directors for publicly held companies in the United States is a great honor, and the university is very proud of the recognition that Mr. Hardymon has received. President Todd asked that this be reflected in the minutes.

President Todd called upon Provost Nietzel to address PR 3 through PR 6.

Provost Nietzel said that he appreciated the opportunity to introduce to the Board three academic leaders for their approval. He introduced the academic leaders individually and commented about each of them. He noted that the three individuals are native Kentuckians and said that it is a great day for the Commonwealth, the Board, and the university to welcome some people back home and also keep some at home.

D. Appointment of Dean of the College of Health Sciences (PR 3)

Provost Nietzel said that PR 3 is the Appointment of the Dean of the College of Health Sciences. This is an important appointment because there have only been three deans in the history of the college. The college was formally named the College of Allied Health. Joe Hamburg served as dean for about 18 years, and Tom Robinson served as dean for 20 years. Provost Nietzel said that he hoped Dr. Lori Gonzalez will complete a length of term that will be equal to the first two deans.

Dr. Gonzalez was born in Mt. Vernon, Kentucky. Her area of expertise is Communication Disorders. She was instrumental in the leadership of that program in the college, and she also served as associate dean for academic affairs in the college.

The college attracted a wonderful slate of candidates, which is a testimony to the prior work of Dean Robinson and also the faculty in the college. Dr. Gonzalez emerged from that competition as a very clear choice for the university. In 2003 Dr. Gonzalez received an

American Council on Education (ACE) Fellowship, and she served that year as a Fellow between Berea College and UK. Many people got to know her for the half year she spent in a variety of positions at the University of Kentucky.

Dr. Gonzalez has been chosen to co-chair the UK Fayette County Task Force on Closing the Gap that President Todd mentioned in his report with respect to Booker T. Washington Elementary School and the Academy at Lexington. Dr. Gonzalez co-chairs that committee with Arnold Gaither from Fayette County Public Schools and has gotten UK off to a terrific start.

Provost Nietzel asked Dr. Gonzalez to come forward and give a few remarks.

Dr. Gonzalez said that it is a very exiting day for her. She came on campus the very first time in 1972 to participate in a 4-H camp. She came back year after year for different camps. When she got ready to go to college, the University of Kentucky was the place she wanted to be. She graduated from the College of Education and then went on to other things. She left the state, and in 1991 her husband, Randy, encouraged her to apply for a faculty position at UK and come back home. It was the best professional decision that she has ever made. She recognized her husband in the audience.

She said that the College of Health Sciences is strong, and many may have received treatments from some of the first-line providers that the college has educated. She pledged that the college will continue to have first-line providers, and with the provost's help, she hoped the Board would be hearing about the college's excellent achievements in the research arena. She said that she pledged as a Kentuckian to do all she can to make UK proud. Dr. Gonzalez received a round of applause.

Mr. Hardymon said there was a motion by Mr. Williams and second by Mr. Shoop to approve PR 3. The motion carried without dissent, and PR 3 was approved. (See PR 3 at the end of the Minutes.)

E. Appointment of Dean of the College of Public Health (PR 4)

Provost Nietzel said PR 4 is the Appointment of the Dean of the College of Public Health. In this case, this is the inaugural dean for this college. He reminded the Board of their approval for the formation of the College of Public Health last year. Once again because of the good start this college had, the university was able to attract an excellent slate of candidates for the position. None better, however, than someone that was born in Kentucky, educated at the University, and a member of the staff. It is Dr. Stephen Wyatt.

Dr. Wyatt is a dentist by training. He got his degree at UK and also a master's in public health. He has been instrumental in cancer control and cancer prevention. He was the associate director for cancer control at the UK Markey Cancer Center, and he has held a number of national and regional positions in the area of cancer prevention and control. He served in the U.S. Public Health Service and also worked at the Centers for Disease Control and Prevention (CDC).

Provost Nietzel said that he had the good fortune of working with Dr. Wyatt in guiding the process towards the formation of the college and a recommendation for the establishment of the college. He remains convinced this was a very good thing for the university to have done, to bring about this unit which will help address one of the key areas that President Todd has identified as a “Kentucky ugly.” He asked Dr. Wyatt to come forward and give some comments.

Dr. Wyatt said that he and his wife are native Kentuckians. When he returned six years ago, it was to work in the Markey Cancer Center. It was a tough decision for him to leave his position working with Dr. Al Cohen and Dr. Jay Perman, but he feels this college is very important to both the university and the state of Kentucky. As a Kentuckian, he is very loyal to the state, and he cares deeply about the state. As a graduate of the university, he cares deeply about the university. This opportunity is just too good to pass up.

Dr. Wyatt said that he thinks the college can help on the research side. The college can make all the other colleges stronger and better, which is an important contribution the college can make. On the education side, 50 percent of the public health workforce nationally will be retiring in the next five years. So there is a huge void to fill both in Kentucky and nationally.

Dr. Wyatt said that he is excited and honored to have been selected for the position, and he appreciates the opportunity to serve the university as dean of the College of Public Health. Dr. Wyatt received a round of applause.

Mr. Hardymon said that PR 4 is a recommendation that the Board approve the appointment of Dr. Stephen W. Wyatt as dean of the College of Public Health. On motion by Dr. Moore and second by Mr. Branscum, PR 4 was approved without dissent. (See PR 4 at the end of the Minutes.)

F. Appointment of Associate Provost for Educational Partnerships (PR 5)

Provost Nietzel said that he was particularly happy to recommend PR 5 because he got to introduce a former graduate dean. It is always good for him to see graduate deans do well in life. In this case, it is Dr. John Yopp. Dr. Yopp was born in Paducah and has had a wonderful career in higher education.

Provost Nietzel said that this is a new position entitled Associate Provost for Educational Partnerships, and it involves the combination of two activities on campus. One is a replacement for Dr. Wimberly Royster, who has been the project director for the Appalachian Math Science Partnership (AMSP) grant. That is that \$22 million NSF grant that UK has for extending math and science education into Appalachia.

Dr. Yopp was on the advisory board for the AMSP project and is very familiar with it as well as similar math and science projects across the country. Dr. Yopp was the graduate dean at Southern Illinois University. He also has served as the senior scholar in residence at the Council of Graduate Schools in Washington. He served as the vice president for graduate and professional education at the Educational Testing Service in Princeton, New Jersey. He has had

a wonderful career in graduate education and international affairs, an area in which UK will benefit from his expertise as well.

Provost Nietzel said that it is particularly gratifying for him to be able to introduce Dr. Yopp. In addition to the AMSP project and the Close the Gap Partnership, he is looking to Dr. Yopp for additional leadership in developing educational partnerships between the University of Kentucky and primary and secondary education and responses to some of the needs across the state of Kentucky.

Dr. Yopp said that he wanted to express his deep gratitude to President Todd and Provost Nietzel for providing him this opportunity to come to the University of Kentucky and engage in these exciting projects and special initiatives. President Todd and Provost Nietzel's leadership is impressive, and their vision is even more impressive. They make great recruitment tools and are very convincing. It also makes the University of Kentucky a particularly desirable place for him to continue what is now becoming a very long career.

Dr. Yopp said that he first learned of the University of Kentucky from his home in Paducah where his family had an agriculture business. His first tutors were extension specialists from the University of Kentucky. He said he and his wife are native Kentuckians, and he expressed his special appreciation to the members of the Board for the approval of the position. Dr. Yopp received a round of applause.

Mr. Hardymon said that PR 5 is the Appointment of the Associate Provost for Educational Partnerships and called for a motion. Ms. Ball moved approval. Her motion, seconded by Ms. Tobin, carried without dissent. (See PR 5 at the end of the Minutes.)

President Todd welcomed the three deans. He said it was good to have these Kentuckians, particularly with the passion that is so important to try to build the university. He noted their great credentials and said he was glad to have them at the university.

G. Waiver of Administrative Regulation Pertaining to Retirement (PR 6)

Provost Nietzel said that PR 6 concerns his request that the Board grant a waiver of the Administrative Regulation pertaining to mandatory retirement for university executives. In this case, he is asking the Board to approve a waiver for up to two years for the extension of the appointment of Dean Carolyn Williams as dean of the College of Nursing. He said that he has shared the justification with the Academic Affairs Committee as well as has had discussions with the college and other leaders about the request. Primarily, a continuation of some stability of leadership in the academic programs in the Medical Center is particularly important. Carolyn Williams has been a wonderful dean for the College of Nursing. It is a very well-administered college, and it is for that reason that he is asking for the extension of her appointment as dean, to benefit from her leadership, wisdom, and experience and especially to assist Dr. Karpf with respect to facilities and programs in the clinical enterprise. He asked Ms. Young for any summary she would like to give of the discussion that took place at the Academic Affairs Committee meeting in support of the request.

Ms. Young said the committee's discussion revolved around the need for continuity and historical perspective that Carolyn Williams would bring to the table as dean of nursing. There was some concern because an exception is being made, but these seem to be extraordinary circumstances. Dean Williams is completely qualified, and the Academic Affairs Committee was completely comfortable with this extension.

Mr. Hardymon asked Ms. Young if she moved approval of PR 6, and she moved approval. Her motion, seconded by Ms. Ball, carried without dissent. (See PR 6 at the end of the Minutes.) Those attending from the College of Nursing gave Dean Williams a standing ovation even though she was unable to attend the meeting.

H. Athletics Self-Study Report (PR 7)

President Todd asked Dr. Connie Ray to give her report on the athletics self-study. He mentioned the volume of work required for the task and complimented the staff who put forth a tremendous effort to complete the report.

Dr. Ray acknowledged those in the audience who worked on the report and asked them to stand and be recognized. There were about 50 or more staff involved in this project, including students in general, student-athletes, faculty, and associate deans. She said that the group had been working for over a year, and they are glad to bring this report to the Board's attention for approval.

Dr. Ray explained that the report is submitted in the same format that is required for submission to the National Collegiate Athletic Association on the web-based online submission form. There are three plans in this report for improvement. The Board will be approving the three plans for improvement when they approve PR 7.

The group was required to have an improvement plan that addressed any concern about a given principle that they found. This report has a plan to improve the graduation rates of the university's student-athletes, especially those in the revenue-producing sports where they found a significant difference between the student-athletes and students in general. The report also has a gender equity plan that asks athletics to reach a couple of milestones in terms of beginning to plan for a new athletic opportunity for female student-athletes. There is also a minority plan in the report that is a continuation of the efforts that the Athletics Department has been pursuing over the past several years. Dr. Ray said that she would be happy to answer any questions that the Board might have.

Mr. Hardymon thanked Dr. Ray for getting the document out earlier than the normal Board packet so the Board would have an opportunity to review it. He also thanked Dr. Ray for her presentation at the Athletic Board meeting in November. He asked for a motion of approval of PR 7. Mr. Shoop moved approval. His motion, seconded by Mr. Reed, carried without dissent. (See PR 7 at the end of the Minutes.)

President Todd said that he also wanted to thank Mitch Barnhart, Rob Mullens, and many members of the staff that put a lot of time and effort into this great plan. Fortunately, the university will not have to do it again for another 10 years.

I. Administrative Regulation: Capital Project Approval (PR 8)

President Todd said that PR 8 is a change in the Administrative Regulations, and he asked Frank Butler to address the change.

Mr. Butler said that one of the first things that President Todd asked him to do when he accepted the additional responsibility of Acting Executive Vice President for Finance and Administration was to look at the process for capital projects. One of the things that became apparent very quickly is that there was an informal process but not a formal process in place. Periodically, some of the capital projects were getting to agencies outside the university for approval before going to the Board.

He said that this policy has been written to ensure that all capital projects go to the Board for review and approval before going to the Council on Postsecondary Education, the Capital Project Oversight Committee, or anyone else. This change will put some discipline in the university's capital project review process to make sure that the Board reviews and acts on the projects first.

Mr. Butler said that this regulation actually originated from the Finance Committee in discussions about how the university handles capital projects, and there were some legitimate questions about why the projects were not following a route through the Board of Trustees. PR 8 is in response to the committee's concern.

Mr. Hardymon thanked Mr. Butler for his help with the quick follow-up on the Finance Committee's request. He asked for a motion of approval of PR 8. Ms. Haney moved approval. Mr. Miles seconded her motion, and it carried without dissent. (See PR 8 at the end of the Minutes.)

J. Academic Affairs Committee Report

Ms. Young, standing in for Alice Sparks who chairs the Academic Affairs Committee, presented the Academic Affairs Committee report. She mentioned that AACR 1 is part of the consent agenda.

K. Change in Name of an Interdisciplinary Program (AACR 2)

Ms. Young said that AACRs 2 through 7 involve either name changes in an academic unit or a program merger. She suggested that because of time limitations she be allowed to review each of them, and then the Board vote on them as a unit at the end. Discussion on any individual item would take place at the time it is reviewed. Ms. Young noted that each of the proposals has been reviewed and recommended by the Senate Committee on Academic

Organization and Structure, the Senate Council on behalf of the University Senate, and the provost of the university.

Ms. Young reported that AACR 2 is a Change in Name of an Interdisciplinary Program. The recommendation is that the Board approve a change in the name of the College of Arts and Sciences' program in American Culture to American Studies, effective in the spring 2005 semester. Basically, this reflects the change in the nature of the program and refocuses scholarly attention on the multicultural character of the United States. The proposal has been approved by the program faculty and the Arts and Sciences College Council.

L. Change in Name of an Educational Unit (AACR 3)

Ms. Young said that AACR 3 is a Change in Name of an Educational Unit. The recommendation is that the Board of Trustees approve a change in name of the College of Education's Department of Administration and Supervision (EDA) to the Department of Educational Leadership Studies (EDL), effective in the spring 2005 semester.

Changing the name of the department signifies recognition of the changing nature of the discipline as well as the continuing contributions of the department to the field and to the mission of the University of Kentucky. The change in name also signals the research community and potential students that the University of Kentucky continues in its role as the leader of developing innovations for the improvement of educational systems in the Commonwealth as well as nationally and internationally. This proposal has been approved by the department faculty and the College of Education Courses and Curricula Committee.

M. Change in Name of an Education Unit (AACR 4)

Ms. Young said that AACR 4 is a recommendation that the Board of Trustees approve a change in the name of the College of Agriculture's Department of Agronomy to the Department of Plant and Soil Sciences, effective in the spring 2005 semester.

The name Plant and Soil Sciences better communicates this range to persons outside the department and is better understood than the name Agronomy. The new name reflects two of the degree programs associated with the department faculty, and this identity will aid in recruitment and decrease confusion among applicants. The new name will also help align the faculty with opportunities in plant bioengineering and environmental sciences. The proposal has been approved by the department faculty, the Agriculture Faculty Council, and the College Curriculum Committee.

N. Change in Name of an Educational Unit (AACR 5)

Ms. Young said that AACR 5 is a recommendation that the Board of Trustees approve a change in the name of the College of Agriculture's Department of Animal Sciences to the Department of Animal and Food Sciences, effective for the spring 2005 semester. She noted that the word *science* should be *sciences* and not *science*, as mistakenly written on the AACR submitted in the Board packet.

She said that there are numerous benefits for the name change. The new name will greatly enhance the visibility of the Food Sciences Section and help recruit undergraduate and graduate students, postdoctoral researchers, and young faculty, and facilitate the interaction with other food and animal science peers nationwide. The proposed name change to Department of Animal and Food Sciences will identify one of its main missions, namely to link animal production with food, considering animal-derived foods as a major component of our daily diet. The proposal has been approved by the department faculty and the Agriculture Faculty Council and the College Curriculum Committee.

Professor Kennedy reiterated that on line two of the recommendation the word *science* should be *sciences* in both instances. He asked that it be changed in both places.

O. Change in Name of a Degree (AACR 6)

Ms. Young said that AACR 6 is a recommendation that the Board of Trustees approve a change in the name of the Bachelor of Science in Plant and Soil Sciences to Bachelor of Science in Horticulture, Plant and Soil Sciences, effective in the spring 2005 semester.

The proposed name better reflects the contributions of the Department of Horticulture and the Department of Plant and Soil Sciences in the growing interdepartmental undergraduate program. It has the approval of the Undergraduate Council, Senate Council, and University Senate.

P. Change in Name of an Educational Unit (AACR 7)

Ms. Young said that AACR 7 is a recommendation that the Board of Trustees approve a change in the name of the Center for Micro-Magnetic and Electronic Devices (CMMED) to the Center for Nanoscale Science and Engineering (CeNSE), effective in the spring 2005 semester.

The Center for Micro-Magnetic and Electronic Devices is an interdisciplinary, user-cost facility that supports and promotes research in nanoscale science and engineering including bio-medical and opto-electronic devices at the University and across the state.

The proposed change to Center for Nanoscale Science and Engineering better reflects the ongoing activities of the center. It has been approved by the faculty affiliated with the center and the faculty of the College of Engineering.

Provost Nietzel reported that all of these recommendations have received a very thorough review and have support along the academic lines. There are not any controversies associated with them.

Mr. Hardymon said that the Board had heard the report on AACRs 2 through 7. He said that he feels it is appropriate to group them together and have one vote for them. The Board could obviously have individual comments and questions at any time.

On a motion made by Professor Kennedy and seconded by Dr. Moore, AACRs 2 through 7 were approved without dissent. (See AACRs 2, 3, 4, 5, 6, and 7 at the end of the Minutes.)

Ms. Young said that Provost Nietzel reported on undergraduate enrollment and how this has affected the undergraduate experience. She noted that many of the Board members have received questions from alumni and parents, and the committee had asked him to look into the matter. Dr. Connie Ray put together a very fine report which the committee has asked Provost Nietzel and Dr. Ray to present at the January Board meeting. The Board will get an extensive report at that time.

She said that the report looks at three areas involving growth in student numbers versus the overall educational experience, the students' satisfaction with their experience, and student outcomes. In each case, the university is doing a very good job.

One area that many Board members have been concerned about is the size of classes. The report shows that the majority of freshman students have three classes with less than 30 students in each class. The statistics show that the university is coping very well with the enrollment growth. GPA overall is up, and student satisfaction based on the evaluation of professors show that satisfaction is pretty level. It has been almost the same since 2001.

This report will show that the faculty has worked exceedingly hard to make this happen. The Board should be very appreciative of what the faculty has had to do to accommodate so many students in their classes.

The study also looked at the number of high-growth areas, the classes that really have exceeded other classes in their growth size. They looked specifically at these classes to see how that is working out. The provost has addressed this issue. Attaching a surcharge to upper-level classes and putting the monies that have been generated from this surcharge towards hiring more instructors has helped this situation. This has freed up faculty to teach some of the upper-level classes.

Basically, the university is doing a very good job. There are a lot of statistics in the report, and the Board will receive more information at the January meeting.

Q. Finance Committee Report - Gifts and Pledges (FCRs 1 through 5)

Ms. Wickliffe, chair of the Finance Committee, said that FCRs 1 through 5 were consent items. She did, however, want to call attention to a pledge from Provost Nietzel to honor his mother and father. It is a Visiting Distinguished Faculty Endowment in the Graduate School. She reported that gifts and pledges total \$1,170,875, and that amount will be matched by the state's Research Challenge Trust Fund (RCTF) grant.

R. Report of Lease (FCR 6)

Ms. Wickliffe said that FCR 6 is a lease of 600 square feet of office space in Glasgow, Kentucky. This is for a lay health worker program, and the annual cost of the lease is \$6,360.

On motion made by Ms. Wickliffe and seconded by Mr. Williams, FCR 6 carried without dissent. (See FCR 6 at the end of the Minutes.)

S. Approval of Sale and Purchase Agreement (FCR 7)

Ms. Wickliffe said that FCR 7 is the Approval of Sale and Purchase Agreement. This is the sale of the journal *Growth and Change: A Journal of Urban and Regional Policy*. It is published by the Center for Business and Economic Research. The Blackwell Publishing Company has submitted a bid for \$200,000. On behalf of the Finance Committee, she moved the adoption of FCR 7. Ms. Tobin seconded her motion, and it carried without dissent. (See FCR 7 at the end of the Minutes.)

T. UK HealthCare Patient Care Facility and Other Project Approvals (FCR 8)

Ms. Wickliffe said that FCR 8 is the UK HealthCare Patient Care Facility and Other Project Approvals, and the committee had a very lengthy discussion about this recommendation. Dr. Karpf gave a presentation, and Chairman Hardymon felt that the presentation should be given to the entire Board.

Mr. Hardymon said that almost 100 percent of the Board had spent individual time understanding this request, and most of the Board had heard the presentation. He said that he thought it was important to have the presentation again at the Board meeting. While this is a big item for the Board, the Board also has a link to these concerns. The Board is looking for a strategy, particularly for facilities but also for other parts of running the hospital, which can be used as the basis for operation of the patient care facility for years to come. He said that he liked it when there was a strategy. If a request was part of the strategy, it would be approved, and if not, there would need to be an update. He asked Dr. Karpf to make his presentation.

Dr. Karpf said that when he was recruited about 15 months ago he felt there were two immediate challenges that he needed to address. One was the challenge of House Bill 1 which encourages the university to strive to become a Top 20 public institution. The other was the challenge of what he hoped will be a transient decline in patients sent to the University Hospital. In order to face these two challenges, he thought it was very important that he involve the faculty in developing an overall comprehensive strategic plan with a vision for the future that allowed everyone to understand what needs to be done over the next several years and gave a framework to work through to 2020.

Dr. Karpf said that he and his staff undertook this challenge last year with financial planning, facilities planning, and strategic planning. After the recruitment of Dean Jay Perman, they actively engaged in aggressive academic planning. To insure the involvement of the faculty, they established several different committee structures, a very large health care advisory board that involves all the constituencies that he is responsible to, a smaller but still extensive executive committee that has met very frequently, and a number of subcommittees to help serve as the executive committee.

Dr. Karpf gave a PowerPoint presentation which can be reviewed at the end of the Minutes. He summarized his presentation by stating that the financial models demonstrate that through operating cash flows and UK debt of approximately \$250 million, the university will be able to fund Phase 1A and still sustain an appropriate financial position to continue with subsequent phases. He noted that no state funding is planned for any of this project. He mentioned that the hospital has had a number of early successes. The operating margins are up, the discharges are up, and practice faculty plan billings are up.

He said that there have been concerns about recruitment and retention at UK. Twelve outstanding leaders have been recruited from outside Kentucky. He was very fortunate to have recruited Dr. Jay Perman, an outstanding dean who has been integral to recruiting really wonderful people from around the country. He noted that leading medical faculty and administrators have also been promoted from within the university.

Dr. Karpf said a similar approach was planned for research. Research dollars have shown over 20 percent growth this quarter compared to last year's first quarter. This proposed program is good for the university in terms of movement towards Top 20 status. The capital improvement plan is important to the community because it provides better access to medical care in both the short and long term. The plan will have a tremendous economic impact on the community. At the peak of construction, 1,600 jobs will be generated. After construction, 1,300 permanent jobs will be generated, many of them being very high-paying jobs such as those of physicians, laboratory technicians, and radiology technicians. This is good for the economy of Lexington and the state of Kentucky. These are not jobs that are going to be outsourced out of the United States.

Dr. Karpf said that FCR 8 is asking the Board to support and approve the plans for the patient care facility, the ambulatory care facility, and a number of projects that are needed to continue to make progress. These plans and the people who support them will poise the University of Kentucky to achieve Top 20 status as an academic medical center. More important, these plans will allow UK HealthCare to serve the citizens and patients of Kentucky better. The proposed changes will be an important economic stimulus for the region and the state.

On behalf of the Finance Committee, Ms. Wickliffe moved approval of FCR 8. Mr. Hardymon enthusiastically suggested that the entire Board second the motion, which they did. FCR 8 was approved without dissent. (See FCR 8 at the end of the Minutes.)

U. Project Approval for Federally Qualified Health Center in Hazard To Be Known as North Fork Valley Community Health Center of the University of Kentucky (FCR 9)

Ms. Wickliffe said that FCR 9 recommends the creation of a collaborative health center in Hazard, Kentucky with the North Fork Valley Community Health Center to qualify for federal funds. She noted that the committee had a presentation on the recommendation. Ms. Ball moved approval. Her motion, seconded by Mr. Reed, carried without dissent. (See FCR 9 at the end of the Minutes.)

V. Pilot Plan for the Distribution and Use of Professional Income under the University of Kentucky Center for Manufacturing, Lean Program (FCR 10)

Ms. Wickliffe said that FCR 10 is the Pilot Plan for the Distribution and Use of Professional Income under the University of Kentucky Center for Manufacturing Lean Program. This is a pilot plan that is related to the Center for the Manufacturing Lean Program. It was initiated in 1993 with a partnership with Toyota. The goals of the pilot plan include helping to retain and recruit faculty by offering competitive salaries and to provide academic support to the institution by assisting manufacturing companies throughout the world to improve their processes. On behalf of the Finance Committee, she moved the adoption of FCR 10. Mr. Miles seconded the motion, and it carried without dissent. (See FCR 10 at the end of the Minutes.)

W. Approval of Lease (FCR 11)

Ms. Wickliffe said that FCR 11 recommends the approval to lease 83,380 square feet of floor space in the Coldstream Research Campus. This space is for Kentucky Technology, Inc. for the purpose of subleasing space to start-up companies, established businesses, and research centers. This lease represents about half of the space of the facility, and the remaining space is currently leased by the University to the Lexel Corporation. On behalf of the Finance Committee, she moved the adoption of FCR 11. Ms. Tobin seconded the motion, and it carried without dissent. (See FCR 11 at the end of the Minutes.)

X. 2004-06 Capital Request Status Report (FCR 12)

Ms. Wickliffe said that FCR 12 is the Capital Request Status Report. The committee had a lengthy discussion and received an update by Angie Martin. This action is pursuant to the Administrative Regulation the Board was asked to approve in PR 8. FCR 12 recommends that the Board approve the Capital Request Status Report. On behalf of the Finance Committee, she moved the adoption of FCR 12.

Mr. Hardymon said that FCR 12 was a little complicated because the charts look difficult. He reiterated that the Finance Committee spent a lot of time on FCR 12. He asked for a second to Ms. Wickliffe's motion. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 12 at the end of the Minutes.)

Y. 2004-05 Budget Revisions (FCR 13)

Ms. Wickliffe said that FCR 13 is the 2004-05 Budget Revisions, and the committee reviewed FCR 13 in detail. She noted that this will increase the budget by about 1 percent. She moved the adoption of FCR 13. Ms. Tobin seconded the motion, and it carried without dissent. (See FCR 13 at the end of the Minutes.)

Z. Patent Assignment Report (FCR 14)

Ms. Wickliffe said that FCR 14 is the Patent Assignment Report which has several patents. She noted that the report has been streamlined and commended Dr. Baldwin for the improvement. She said that there were seven patent applications, and two patents have been issued. The income to date is \$275,874. On behalf of the Finance Committee, she moved the adoption of FCR 14. Professor Kennedy seconded the motion, and it carried without dissent. (See FCR 14 at the end of the Minutes.)

AA. Capital Construction Report (FCR 15)

Ms. Wickliffe said that FCR 15 is the Capital Construction Report. Mr. Bob Wiseman brought the committee up to date on the report and discussed the changes of significance in the report. There were five new contracts. On behalf of the Finance Committee, she moved the adoption of FCR 15. Ms. Watts seconded the motion, and it carried without dissent. (See FCR 15 at the end of the Minutes.)

BB. Investment Committee Report

Mr. Hardymon said that Mr. Wilcoxson called to let him know that he is out of town on a business trip. The business trip had taken him even further out of town than he expected; therefore, he could not attend the Board meeting.

Mr. Hardymon reported that the committee is moving into some items that will require consideration by the Board. The committee has asked for proposals and more data. The Board will be receiving that report at the January meeting.

CC. Appointments to University Hospital of the Albert B. Chandler Medical Center, Inc. Board of Directors (NCR 1)

Mr. Shoop, Chair of the Nominating Committee, reported that the committee had met that morning to approve the NCRs. NCR 1 recommends the Appointments to the University Hospital of the Albert B. Chandler Medical Center, Inc. Board of Directors. He said that the committee recommends the appointment of Mira Ball and Marianne Smith Edge, and he moved approval of NCR 1. Ms. Haney seconded the motion, and it carried without dissent. (See NCR 1 at the end of the Minutes.)

DD. Reappointment to University of Kentucky Equine Research Foundation (NCR 2)

Mr. Shoop said that NCR 2 involves a Reappointment to the University of Kentucky Equine Research Foundation Board of Directors. The committee recommends the reappointment of Frank Shoop. He said that he would make the motion; however, he asked that the record show that he abstained from voting. Mr. Hardymon seconded the motion, and it carried without dissent. (See NCR 2 at the end of the Minutes.)

EE. Appointments to University of Kentucky Mining Engineering Foundation (NCR 3)

Mr. Shoop said that NCR 3 is the Appointments to University of Kentucky Mining Engineering Foundation Board of Directors. The committee recommends the appointments of Dr. Roy Moore and Mr. Russ Williams. He moved approval of NCR 3. Ms. Smith Edge seconded the motion, and it carried without dissent. (See NCR 3 at the end of the Minutes.)

FF. Other Business

President Todd asked Mr. Reed to step forward. He said that he had started a new tradition of offering some indication of gratitude for service to those who serve as Chairman of the Board of Trustees. He presented a plaque to Mr. Reed for his service as chairman from 2002 to 2004. Mr. Reed received a round of applause.

Mr. Harydmon expressed appreciation for the nice job that Mr. Reed did as Chairman of the Board.

Mr. Hardymon announced that the annual Board and Senates' Holiday Reception would be in the Main Building, Lexmark Public Room, at 3:00 p.m. and reminded the members of the Student Affairs Committee meeting at 2:30 p.m.

GG. Meeting adjourned

With no further business to come before the Board, Mr. Hardymon adjourned the meeting at 2:20 p.m.

Respectfully submitted,

Elaine Wilson
Secretary, Board of Trustees

(PRs 2, 3, 4, 5, 6, 7, and 8; AACRs 1, 2, 3, 4, 5, 6, and 7; FCRs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15; NCRs 1, 2, and 3; and Dr. Michael Karpf's PowerPoint presentation which follow are official parts of the Minutes of the meeting.)