

Minutes of the Meeting of the Board of Trustees of the University of Kentucky,
Tuesday, January 22, 2008.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, January 22, 2008, in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Ms. Mira Ball, chair, called the meeting to order at 1:00 p.m. and asked Ms. Barbara Jones, Assistant Secretary and General Counsel, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mira Ball (chair), Stephen Branscum, Penelope Brown, Dermontti Dawson, Jeff Dembo, Ann Haney, James Hardymon, Billy Joe Miles, Sandy Bugie Patterson, Phillip Patton, Nick Phelps, Erwin Roberts, Charles R. Sachatello, Frank Shoop, Myra Leigh Tobin, JoEtta Wickliffe, Billy Wilcoxson, Russ Williams, and Ernest Yanarella. Absent from the meeting was Pamela May. Ms. Jones reported that a quorum was present.

The university administration was represented by President Lee T. Todd, Jr., Provost Kumble Subbaswamy, Executive Vice President for Finance and Administration Frank Butler, Executive Vice President for Health Affairs Michael Karpf, and General Counsel Barbara W. Jones.

The university faculty was represented by Chair of the University Senate Council Kaveh Tagavi, and the university staff was represented by Chair of the Staff Senate Kenneth Blair.

Members of the various news media were also in attendance.

C. Consent Items

Ms. Ball called attention to the following consent items on the agenda and asked if there were any questions about the items:

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PR 2 Personnel Actions

Ms. Haney moved that the consent items be approved. Mr. Dawson seconded the motion, and it carried without dissent. (See consent items at the end of the agenda.)

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

President Todd reported that the National Institutes of Health awards, as well as other awards, had increased in the College of Nursing. He applauded Dean Jane Kirschling, College of Nursing, for her efforts in increasing the awards for the college. He noted that the College of Nursing is not only doing well in the size of its program, but it is also doing well in research.

University of Kentucky Advocacy Network (UKAN)

President Todd reported that the university had the UKAN annual luncheon in Frankfort to kick off the legislative session. During the morning, university officials talked to the committees about the university's priorities for the legislative session, and legislators were invited to attend a luncheon. Nick Phelps did a great job of moderating the luncheon. Dean Jane Kirschling talked about doubling the size of the nursing program since that is important to the legislators and the state as a whole. UK student Andrew Lynch, who is from Whitley County, did a tremendous job speaking about undergraduate research and his experience at UK. There were 109 of the 138 legislators in attendance, which was a phenomenal turnout and served the university well. President Todd noted that he also spoke to the legislators.

UK Pharmacy Residency Program Wins Top National Honor for Training

UK HealthCare's pharmacy residency program has been awarded a top national honor in the training of pharmacy residents. The program had been ranked 3rd previously; however, it is now ranked 8th due to its current situation with facilities. The new pharmacy building is now underway, and Dean Kenneth Roberts says that it is going to be the largest academic pharmacy building in the world when it is finished. The new facility, along with the other programs in the college, will put the college back up in the ranking.

SEC Names Jacob Tamme Its Scholar-Athlete of the Year

UK football team tight end Jacob Tamme has been named SEC Scholar-Athlete of the Year. This is the second consecutive year a Wildcat has been chosen SEC Scholar-Athlete of the Year, which is quite a commendation to the university's young people. Mr. Tamme had also been selected by the National Football Foundation as one of 15 scholar-athletes. Although he did not win the award, he was chosen to speak on behalf of the 15 athletes at the event in New York City, and approximately 3,000 people were in attendance. He is an outstanding young man and will do well in life.

UK Opera Singers Advance in Metropolitan Opera Regional Auditions

President Todd said that it is phenomenal for UK to have regional competitions on campus. Vocalists from UK Opera Theatre sang their way to the top of district auditions for the Metropolitan Opera in November. There were several UK students highlighted in the competition, and First Lady Patsy Todd attended the event.

UK Jazz Ensemble Is Selected for 2007 Midwest Clinic Concert

The UK Jazz Ensemble traveled to Chicago to perform at the 2007 Midwest Clinic 61st Annual Conference. The School of Music Jazz Ensemble continues to do well under the leadership of Miles Osland. They were one of only seven jazz ensembles of any level selected from worldwide applicants to perform recently at the international band and orchestra conference.

President Todd encouraged the Board to read the other interesting items in PR 1.

Commercialization and Economic Development Report

President Todd introduced Dr. Len Heller, vice president for commercialization and economic development, and expressed pleasure in having him at the university. He noted that Dr. Heller was with the university previously. He was also with the secretary of health and human resources under Governor Brereton Jones. He took a real leadership role in setting up the Bluegrass Angle Network and the Bluegrass Angel Venture Fund. He became an investor and then provided leadership to others. He said that Dr. Heller was a great choice for the vice president of commercialization and economic development position and asked him to give his report.

Dr. Heller said the purpose of his presentation is to give the Board some highlights to get acquainted with commercialization and economic development accomplishments the past year. The Office of Commercialization and Economic Development was created by the Board of Trustees in October 2005. The joint goal was to move research into the marketplace and drive statewide economic development. He explained that the intellectual properties disclosures start with this office. They move it into incubators, find investments, create businesses, and create jobs.

Dr. Heller said that his major philosophy to be competitive against Massachusetts Institute of Technology, Stanford University, or any other university is to realize that everyone is working in the same intellectual property domains. The way to be successful is to get there with UK's Intellectual Property faster than others. The university's goal is to get good business transactions signed as fast as possible.

Dr. Heller provided the following update on royalties and licenses for the 2007 fiscal year:

24 new licenses and options, including 11 to UK startups
109 active licenses
\$1,385,780 in royalties

He noted that his goal is to increase these numbers substantially.

Dr. Heller talked about a new state match program that helps UK faculty with commercialize innovations. The faculty now can write SBIR or STTR grants which go to the major federal agencies, like NIH and the National Science Foundation. During the

first year of the new program, 14 faculty members received awards with SBIR or STTR grants.

He explained that a Phase One awards are worth \$100,000, and the state match is \$100,000. Phase Two awards are up to \$500,000 each year, and the state's match is \$500,000. Several faculty received these awards. He noted that the university has done very well with faculty start-up companies getting these types of awards. Several companies have decided to locate in Kentucky to take advantage of the state matching program.

Dr. Heller showed a slide highlighting press releases about LevTech and Allylix and talked about each business. He reported that LevTech was sold January 11 for \$27 million to ATMI, which is a \$400 million company. This is a good example of the university's intellectual property starting a business and then selling it to a larger corporation.

Allylix is a company that started at Coldstream and is now in its third round of venture capital. It just raised \$3.7 million. The interesting thing about this company is it involves national venture funds including the Tech Coast Angels in California, and the company that manufactures Splenda.

Dr. Heller talked about the university's business development activities. He reported that there are 55 early stage companies in the Bluegrass region. It is important to note that 32 of the companies have UK research behind them. Nearly 40 percent of these companies are high tech or biotech and healthcare. From 2005 to 2007 the number of people hired at these companies has increased to 402 people with 162 people hired this year. This is about 35 percent a year in creating new jobs with new early stage companies in Lexington. The average full time salaries were \$60,000.

Dr. Heller called attention to the university's statewide mission and talked about their work throughout the state. He specifically mentioned a company in Falmouth, Kentucky that has 40 employees. It is anticipated that the number of employees for that company will increase to 500 employees. He also mentioned a company in Middlesboro, Kentucky that has 15 employees. Not only does UK promote companies, it also tries to preserve jobs and keep companies alive and viable.

Dr. Heller pointed out that UK is training individuals how to be strong business people in the community. This year 893 veterans, 917 minorities, 86 Hispanics, and 3,077 women have participated in the training sessions.

Dr. Heller pointed out that state funding plays a critical role in seed funding and helps leverage private investments. He displayed a slide showing the impact on 55 early stage companies in the Bluegrass Region. He said that the 2007 source of funds amounts to \$64 million and noted that \$3 million is in state dollars, \$4 million is federal money, but the remainder is strategic partners and private equity.

Dr. Heller reported that the university started the Bluegrass Angels in 2004. That is 50 business people in the community who want to invest in startups and other businesses in the Bluegrass Region, in Louisville, and throughout the state. This is the only organized angel group in Kentucky to date. The Angels also created a side car venture fund so when individual Bluegrass Angels invest in a company the venture fund joins in the investment. This venture fund has UK dollars, state dollars, and private dollars in it. The Bluegrass Angels have networked with five angel groups in the surrounding states. The investment terms are agreed upon, and the angels can move very fast in the decision-making process.

Dr. Heller referred back to the Allylix business because it is a very important story. His slide demonstrated that Bluegrass Angels investment occurs at early stages and is replaced by venture capital as the companies require larger investment. Companies begin with state incentive dollars and angel investors, and then moves into the equity market.

Kentucky Technology Inc. (KTI) is the for-profit company of UKRF. KTI has three major missions. If there is a need to convert an academic program to a new business, KTI can manage the process. The most recent example is Coldstream Laboratories that was taken out of the College of Pharmacy as an academic unit and created as a for-profit business. KTI also invests in real estate development that supports UK's mission, primarily those investments on the Coldstream Research Campus. KTI also invests in UK businesses.

There are two campus incubators for faculty startups. They are the Advanced Science & Technology Commercialization Center (ASTeCC) and the Agriculture Technologies Commercialization Center (AgTeCC). ASTeCC has 12 startups with seven startups on the waiting list. There are 24 faculty research groups located in the incubators. Thirty three (33) companies have "graduated." The goal is to graduate companies within a three-year period so they can locate in the business community or Coldstream. AgTeCC has 3 plant biotech-related companies and is housed in the Kentucky Tobacco Research and Development Center.

Dr. Heller concluded his presentation by talking about the university's Coldstream Research Campus. He said that Coldstream is a wonderful resource and is a diamond in the rough. We are creating a new vision for Coldstream that will transform it from an industrial park design to a high tech city.

He gave several illustrations explaining the size of the Coldstream Research Campus and said there should be 20 high technology buildings built within the next 20 years. Currently, there are 770 jobs and 47 companies at Coldstream. It has 600,000 square feet developed and occupied and another 332,000 square feet under construction. There is also 45,000 square feet under contract. He noted that the city is moving its Emergency Operations Center to Coldstream in spring 2008.

President Todd asked if there were any questions. He said that it is interesting to look at the state investment going down while private investment is going up because that is how you build an economy as well as increase the number of jobs. He thanked Dr. Heller for his presentation and said he appreciated the manner in which Dr. Heller is developing Coldstream.

Before continuing with PR 3, President Todd mentioned that the UK cheerleaders won the 16th national championship and would be recognized at the basketball game that evening.

E. Appointment of Dean of the College of Design (PR 3)

President Todd said that PR 3 is the appointment of the dean of the College of Design. He asked Provost Subbaswamy to speak about the recommendation.

Provost Subbaswamy said that he was proud to ask for approval of the appointment of Dr. Michael Speaks as dean of the College of Design, effective February 1, 2008. He reminded the Board of the wonderful job that Dean David Mohny did with the College of Architecture first and then with the merger and inevitable transitions of interior design and historic preservation to form the College of Design. After 13 years of serving as dean, Dean Mohny wanted to return to his professional and scholarly interests, which he had put on the back burner for such a long time.

A national search was conducted for the well known, promising College of Design. There was a lot of interest, and Dr. Michael Speaks was the top choice. He is a very well known young critic and commentator on contemporary design concept theories and practices, and he has a nationally and internationally network. He will bring a lot of energy and new focus into contemporary design concepts and the future of design to the students and the community. Unfortunately, he could not attend this meeting; however, he will attend the March Board meeting.

On motion made by Mr. Branscum, seconded by Dr. Yanarella and carried, PR 3 was approved. (See PR 3 at the end of the Minutes.)

F. Report on Results of Alumni Member Election (PR 4)

President Todd reported that Myra Leigh Tobin's term as an alumna member will expire June 30, 2008, and an election among the graduates of the University of Kentucky had been held. The leading vote receiver is Thomas Taylor Hammond. John Cain came in second, and Jo Hern Curris came in third. The recommendation is that the Secretary of the Board be authorized to certify to Governor Steve Beshear the names of the three persons receiving the largest number of votes. Governor Beshear will make an appointment from the three names submitted.

Mr. Dawson moved approval of PR 4. Ms. Wickliffe seconded the motion, and it carried without dissent. (See PR 4 at the end of the Minutes.)

G. Update on Vice President for Institutional Diversity Search

President Todd reported that there are two finalists for the position of vice president for institutional diversity on campus, and they are extremely pleased with the two candidates that visited campus. He and Provost Subbaswamy will proceed to close that position in the very near future.

H. Budget Comments

President Todd said that everyone was anxiously awaiting the Governor's budget address next week. He said that he had several people on his staff working on white papers regarding some things that have been done on campus to reduce health care cost for retirees and thoughts that Bob Lawson, Barbara Jones, and others have on corrections cost. He said that he would like to position the university with the Governor and the legislature as a source of solutions rather than a source of cash in solving some of the budget problems. He does not doubt that there are issues. It is a very good time for the state to look at some of the places where money is spent. It is a shame that the state has to throw money down holes that have existed for a long time. Corrections, health care, and other systems need to be fixed so that money can be used to apply toward education which, in his opinion, is the true solution to Kentucky's problem.

President Todd reported that the university's budget has already been cut \$10 million or 3 percent. It was necessary to cover \$5 million of the budget cut out of reserves to try to reduce the effect on the colleges. The provost is working with the deans and vice presidents to allocate the remainder of the \$5 million cut. As in past situations with budget cuts, less of the cut will be proportioned toward the academic side in order to try to reduce the problem with the colleges because they are doing so well and have such momentum now.

President Todd said that the first section of his white papers binder will have 13 national articles that have been written about the University of Kentucky. These articles have been in *The Chronicle of Higher Education*, *New York Times*, *The Atlanta Constitution*, *The Capital Times* (Madison Wisconsin), and others about the momentum at the University of Kentucky. This momentum brings candidates such as Michael Speaks to campus as well as diversity candidates to the campus.

Provost Subbaswamy has put together a book of the university's first-year faculty. Because of the funding UK received in the last budget session, 60 new positions were created, and there were approximately 200 new hires in total. Many were from the benchmark institutions, and many were from private universities that are in the top 10 to top 20 positions. This will be highlighted in the white papers to try to continue to impress on the governor and the legislature that in times like this the state needs a Top 20 university. If Kentucky had a Top 20 university now, it would not have some of the economic problems in revenue generation. In this difficult budget time, the university needs to be a potential solution to some of the issues.

The university has a lot of recruits in progress, and many of them are on the bubble. They send their resumes because they hear that UK is on the move, and then they hear of a potential \$50 million budget cut in the base allocation. Some of the university's people get nervous about even asking others to come to campus until the budget issue is resolved. Creating the impression that the university was only funded for one year of the business plan creates fear that the university will not recover from this for a long time because it cannot hire the people that are interested right now. Hopefully, the Governor and legislature will deal with the issue speedily.

The university's first priority for this session is operating dollars because that is what pays the salaries, hires the people, and does the things that need to be done to keep the fundamental operations on the move.

The second priority is construction because, as Mr. Hardymon has pointed out, that will be the long-term hindrance for the institution. Currently, the university has "Bucks for Brains" positions that cannot be filled because there is no research space for recruits to occupy. You cannot hire people without a startup package or without facilities.

The university needs the new Carol Martin Gatton building and another research building. A new research building will generate \$54 million per year when it is built. The BBSRB building was constructed a few years ago, and it is generating approximately \$23 million now. A research building is one of the best economic development moves the state can make.

The third priority for the university is "Bucks for Brains." It is a fascinating program that has served the university very well. Ideally, if you want to build research institutions and you have plenty of money, you should have a parallel track where you have funds such as "Bucks for Brains" available to bring in faculty. In parallel to that, you are making a commitment to space. In a state where you have to make choices, you have to have an alternating scheme. With the billion dollar campaign and the number of endowed positions created, the university has to have more space. If the "Bucks for Brains" program comes back and the state puts some money into it, the university needs some flexibility to use some of that money for capital. UK has requested funds for two buildings in this session.

President Todd concluded his budget remarks by stating that it is a challenging time. It happens every two years. The university received tremendous support during the last session, and it has a lot of positive support now. He said that he and his staff are talking to many legislators, and he will keep the Board informed.

I. Change in Name of a Degree (AACR 1)

Ms. Tobin, chair of the Academic Affairs Committee, said that AACR 1 recommends that the Board approve a change in the name of the Bachelor of Science in Family and Consumer Science to Bachelor of Science in Family Science, effective in the spring 2008 semester.

The proposed change eliminates the ongoing confusion between whether students are majoring in FCS education or FCS (non-teaching option). The proposed title reflects the home department's name, the faculty expertise, and the research and teaching mission of the department. It has the approval of the Undergraduate Council, Senate Council, and University Senate. Provost Subbaswamy supports this recommendation.

Ms. Tobin moved approval of AACR 1. Her motion was seconded by Dr. Yanarella and carried without dissent. (See AACR 1 at the end of the Minutes.)

Ms. Tobin reported that Dean Scott Smith, College of Agriculture, and Ann Vail, director of Human Environmental Sciences, met with the committee and gave an informational update on the goals that they have set in the next five-year plan. The committee members were very pleased to have them at the meeting.

J. Audit Subcommittee Report

Ms. Wickliffe, chair of the Audit Subcommittee, reported that the Audit Subcommittee met in closed session to interview the finalist in the External Auditor Request for Proposal (RFP) process. Following the closed session, the Audit Subcommittee met and voted on a recommendation to the Purchasing Division to enter into contract negotiations with the selected firm. Because their commendation is preliminary, and the contract negotiations have not been concluded, the committee cannot disclose the name of the firm at the present time.

K. Finance Committee Report

Mr. Branscum, chair of the Finance Committee, reported that the Finance Committee met that morning and had nearly full participation from the entire Board. There were two reports and five action items on the agenda.

Executive Vice President for Finance and Administration Frank Butler presented the first report on the recent meeting of the University Debt Committee. The committee reviewed the status of the debt capacity of the institution and the proposed lease/purchase acquisitions that will be presented in FCR 4. The university is in a good financial position and has sufficient debt capacity for the foreseeable future.

Treasurer Marc Mathews presented the second report on the draft consolidated financial statement as of December 31, 2007. The financial operations are on target. For

the first six months, revenues and appropriated fund balances have exceeded expenditures to date by \$176.2 million. The final audited financial statements will be presented at the Board meeting in March for approval.

L. Authorization for Disposal of Surplus Property (FCR 1)

Mr. Branscum said that FCR 1 is the Authorization for Disposal of Surplus Property. The recommendation is that the Board authorize the disposal of surplus property consisting of the floor from the 1996 NCAA men's basketball national championship. The method of disposal will be from sealed bids to be received in February 2008. The sale will be made to the highest bidder and could exceed \$10,000. On behalf of the Finance Committee, he recommended that FCR 1 be approved. Mr. Dawson seconded his motion, and it carried without dissent. (See FCR 1 at the end of the Minutes.)

M. Approval of Ground Lease to Kentucky Farmhouse Association, Inc. for 454 and 456 Rose Lane, Lexington, Kentucky (FCR 2)

Mr. Branscum said that FCR 2 recommends that the Board of Trustees authorize the executive vice president for finance and administration to negotiate and execute a ground lease between the University of Kentucky and Kentucky FarmHouse Association, Inc., for 454 and 456 Rose Lane, Lexington, Kentucky. The term of the lease is expected to be 99 years.

The ½ acre property is located within the Greek Park area north of the W. T. Young Library. The Farmhouse Fraternity proposes to construct a new 20,000 sq. ft. fraternity house on this site. This use and construction is consistent with the 2002 Physical Development Plan. Any building constructed on the property must be approved by the university's Design and Review Committee and comply with all applicable zoning, licensing, permitting, and certifications required by any Governmental Authority having jurisdiction over the construction or property. On behalf of the Finance Committee, he recommended approval of FCR 2. His motion, seconded by Mr. Phelps, carried without dissent. (See FCR 2 at the end of the Minutes.)

N. Capital Projects (FCR 3)

Mr. Branscum said that FCR 3 recommends that the Board approve the initiation of two capital projects which will be funded by the UK HealthCare Enterprise. Both projects have been authorized by the 2006 Kentucky General Assembly.

The Renovate Outpatient Clinic project involves 13,300 square feet on the first floor of the main campus Kentucky Clinic and will create outpatient space for the Neurology, Neurosurgery, and Physical Medicine and Rehabilitation clinics. This project is expected to cost \$2.93 million.

The Expand Ophthalmology Clinic project will renovate and expand the Ophthalmology Clinic to approximately 12,500 square feet. The clinic is located in the main campus Kentucky Clinic. The project will provide upgraded and additional space to improve efficiency and customer service. This project is expected to cost \$3.1 million.

On behalf of the Finance Committee, he recommended approval of FCR 3. Ms. Wickliffe seconded the motion, and it carried without dissent. (See FCR 3 at the end of the Minutes.)

O. Lease/Purchase of Equipment and Information Technology Items (FCR 4)

Mr. Branscum said that FCR 4 recommends that the Board approve the acquisition of seven major equipment and information technology items totaling \$26.88 million using a lease/purchase method of procurement. The University Debt Committee has reviewed these acquisitions and determined that they are consistent with the Debt Policy. The items include:

1. UK HealthCare Enterprise Equipment Lease Pool - \$10 million
2. Markey Cancer Center Facility Equipment - \$8 million
3. Picture, Archiving, and Collection System (PACS) - \$7 million
4. Cone Beam CT - \$250,000
5. Dental Vacuum System - \$880,000
6. Disk Storage - \$350,000
7. IBM P-Series Server - \$400,000

Items 1 through 5 are for UK HealthCare, and a description of each item was provided in the Board packet. On behalf of the Finance Committee, he recommended approval of FCR 4. Mr. Shoop seconded his motion, and it carried without dissent. (See FCR 4 at the end of the Minutes.)

P. Authorization to Convey 15 Acres at Southeast Kentucky Community and Technical College to the Kentucky Community and Technical College System (FCR 5)

Mr. Branscum said that FCR 5 recommends that the Board authorize the executive vice president for finance and administration to convey 15 acres of unimproved university property at the rear of the Southeast Kentucky Community and Technical College (SKCTC) Cumberland Campus in Harlan County to the Kentucky Community and Technical College System (KCTCS) for the development of a Scholar House program.

The Scholar House program is a grant program of the Kentucky Housing Corporation intended to provide transitional housing for single parents with young children who wish to further their education. SKCTC President Bruce Ayers, the SKCTC Board of Directors, and KCTCS President Michael McCall support the program and request this property donation. This property is now surplus to the needs of the university, and this proposed conveyance is in the best interest of the Commonwealth.

On behalf of the Finance Committee, he recommended approval of FCR 5. Mr. Dawson seconded his motion, and it carried without dissent. (See FCR 5 at the end of the Minutes.)

Q. Proposed Revision to Administrative Regulation: University of Kentucky Retirement Plan (HRCR 1)

Judge Patton, chair of the Human Resources Committee, said that HRCR 1 deals with the retirement plan. It was considered at the December 11 Human Resources Committee meeting and adopted by the Board later that same day. However, it was realized that the version that was contained in our agenda book was not the same version that was passed by the committee or explained at the Board meeting. Therefore, it needs to be addressed again to correct that deficiency.

HRCR 1 provides for a transition to online enrollment, offers greater flexibility and designation of executive officers, permits hardship withdrawals, addresses excess contributions consistent with IRS regulations, and designates the executive vice president for finance and administration to execute plan documents. On behalf of the Human Resources Committee, he moved the adoption of HRCR 1. Mr. Williams seconded his motion, and it carried without dissent. (See HRCR 1 at the end of the Minutes.)

R. Student Affairs Committee Report

Ms. Haney, chair of the Student Affairs Committee, reported that the Student Affairs Committee had a rather long and enjoyable meeting that morning. One of the major points of emphasis was student and campus diversity. The committee had a number of speakers and presentations. Mahjabeen Rafiuddin, director of Student Diversity Programming, works directly from Goal IV of the university's Strategic Plan to embrace and nurture diversity. She gave an extensive review of the various areas that are covered by her office which includes workshops on cultural diversity for staff and students. She initiated the Diversity Dialogue Series to promote respectful conversation on campus. The series has encouraged international relationships between multicultural organizations and promotes inter-Greek relationships with roundtable discussions. Her philosophy is that this is a work in progress. Diversity programming is more than sponsored events.

The committee also had an overview of the Martin Luther King, Jr. Cultural Center presented by Director Veleshia Smith. The Martin Luther King, Jr. Cultural Center has a mission to provide space for cultural programming, student support and development, and community outreach and development. They have initiated several programs, including the Women's Empowerment Group, National Pan-Hellenic Greek Week, Martin Luther King, Jr. Candlelight Vigil on campus, and Honoring our Lineage, which includes a dinner and stories from multicultural alumni.

Mela Poonacha, secretary of the Student Health Advisory Council (SHAC), gave a presentation. The council is a more formalized group than some of the other student

organizations. The council serves as student advocates to help students make better choices about health care and behavioral changes. The current issues under review by SHAC are student health fees and mandatory student health insurance. Ms. Haney noted that mandatory student health insurance is something the committee would like to look further into with the permission of Provost Subbaswamy.

Christopher Harper, president of the Black Student Union, also made a presentation. He reported that the Black Student Union was formed in 1966 as a social and cultural outlet for African American students at UK. The organization promotes a positive image of African Americans; African American students as an intrinsic part of UK; and community service. Many BSU programs involve student tutoring as well as outreach in the community. BSU also participates in many things such as Relay for Life and Black Student Union Week. Every year they produce Apollo which is a talent showcase from students on campus. The BSU also serves as an aid to the Office of Admissions and Recruitment.

Ms. Haney called upon Mr. Phelps to introduce the students with the DanceBlue program to give a presentation about their upcoming event to raise money for UK's Pediatric Oncology program.

Mr. Phelps thanked President Todd and Chair Ball for allowing him to extend an invitation to three of the university's top student leaders to speak to the Board. He introduced David Ritchie, Nathan Samone, and Britt Pennington, leaders of DanceBlue on campus. He announced that it was exactly one month until the event, and he wanted the leaders of DanceBlue to share some of the exciting things happening this year.

Mr. Ritchie presented a PowerPoint presentation providing some history about DanceBlue. It is the annual 24-hour dance marathon that started in 2006. DanceBlue supports the needs of the Pediatric Oncology Clinic financially and emotionally. It is located within the Kentucky Clinic on campus. Since 2006, there has been over \$364,000 raised through DanceBlue. He informed the Board of a few things planned for the exciting event this year.

Mr. Ritchie provided some information about the clinic. Because of the convenient location, it is possible to see firsthand the impact that DanceBlue is making on the children served through the clinic and to see how it is improving their lives. The clinic serves 96 counties throughout the state of Kentucky, and they schedule over 4,000 patient visits each year. It is obvious that this is a critical need and something everyone can be very proud to support at UK. The support from the students, faculty, and staff members of the administration is tremendous.

Last year, there were 60 different student organizations that participated in the event, and there are 75 student organizations registered to participate in the event this year. The program is not exclusive. There are campus ministry groups and Greek groups, as well as some of the groups that may not be as well represented in other

programs. A Staff Senate team will be featured this year. There are some staff members who are also part-time students, and they will be trying to participate for 24 hours.

Mr. Ritchie said that this event is the most amazing thing that he has been a part of during his four-year tenure at UK. Although he will be graduating in May with a bachelor's degree in biology, he has been accepted into the College of Medicine and will be returning the UK. He hopes to continue to be a part of DanceBlue for years to come.

He said that this event is beginning to instill a corporate philanthropy on UK's campus, and hopefully, that culture of giving will continue for students as they graduate and become alumni. Three students, who are former participants in DanceBlue, have become young University of Kentucky Fellows and are designating those funds to the DanceBlue marathon each year. Students are supporting this event, and hopefully, will continue to do so for years to come and increase the number of gifts received from the alumni as well.

Mr. Ritchie said that he had been a volunteer in the clinic for the past eight months. He has been able to witness on a first-hand basis the impact that DanceBlue has had within the clinic, and it is very empowering. With the \$364,000 that has been raised, half of that goes to cancer research at the Markey Cancer Center and half of it subsidizes the salaries of a clinical psychologist and a full-time social worker that are employed within the clinic. Both of these needs are critical services that every patient needs.

Thanks to the support from the Lexington Rotary Club and others, we now have a state-of-the-art clinic on campus with an infusion suite. Children can receive their chemotherapy there on an outpatient basis as opposed to having to go to the hospital. It minimizes their stay and improves their recovery time.

The goal of DanceBlue was to take that state-of-the-art clinic and make sure that it has all of the critical patient services to accompany it. To this point, DanceBlue has been very successful in doing that. Hopefully, there will be a new follow-up clinic within the Kentucky Clinic in the future. The goal of that clinic will be to follow children, who have been diagnosed with cancer and treated for cancer from their childhood into adulthood. It is important that these children are aware of the risk that they have after receiving chemotherapy and radiation during their childhood. The follow-up has not been done, but Dr. Jeff Moscow, director of the Pediatric Oncology Clinic, is heading up a personal effort to try to make that become a reality soon.

Mr. Samone, corporate relations chair, commented on the success of the local and statewide support from businesses and corporations. He pointed out that Mira Ball and Ball Homes have been fabulous sponsors for DanceBlue and expressed appreciation for their very generous support. He reported that the number of sponsors continues to grow and expand. Over 30 companies have given to DanceBlue, and there is a first time \$10,000 sponsor this year. He said that DanceBlue is the most unbelievable experience he has had in college, and it is almost addictive. He encouraged the esteemed community

and business leaders on the Board to get involved in DanceBlue by making a donation. He thanked the Board for their support and the opportunity to speak at the meeting.

Ms. Pennington, dance programming chair, said that the dance marathon is a big task and a lot of work goes into it. Because the students have worked so hard raising money, it is important that they relax and have fun at the 24-hour event. Her job is to plan the entire 24 hours. Each hour, the participants are reminded that the event is for the children. When their feet hurt and they do not feel like staying awake, they are reminded that children cannot get rid of cancer and be well again. She expressed excitement about the event and encouraged the Board to attend DanceBlue beginning at 7:00 p.m. February 22 and continuing until 7:00 p.m. February 23.

President Todd thanked the students for coming to the meeting, and the students received a round of applause.

Mr. Ritchie acknowledged the fact that 100 percent of the funds raised for DanceBlue go directly to the Pediatric Oncology Clinic. Due to the support from the Student Government Association (SGA), there is no overhead. He thanked SGA President Nick Phelps and Dr. Pat Terrell, vice president for student affairs, for their support. He also noted that 100 percent of the funds raised are matched in full by the cigarette excise tax in Kentucky, and those funds go to the Markey Cancer Center for cancer research. Half of the funds raised go to the clinic for patient services, and the other half of the funds go to the Markey Cancer Center for research. He encouraged everyone to attend the event. The Board gave Mr. Ritchie a round of applause.

President Todd pointed out that the children and their parents are there toward the end of the event and said that it is an emotional time for everyone. It is a fabulous opportunity for campus, and the students have done a wonderful job.

Ms. Ball said that the students are very enthusiastic when they visit the corporate businesses, and the Board can be very proud of them.

Ms. Haney informed the Board that they could go to goodsearch.com and specify University of Kentucky Dance Marathon to donate a penny to DanceBlue. It is a way of giving to this exciting organization. She said that she is thrilled and honored to be a part of the Student Affairs Committee because the university is all about students. There are fantastic students all over campus.

President Todd recognized Susannah Denomme, development director, in the audience and said that she puts a lot of effort in this event. He also recognized her husband Mark Denomme, who often assists with PowerPoint presentations at the Board meetings, and noted that they are quite a team.

S. University Health Care Committee Report

Mr. Hardymon, chair of the University Health Care Committee, reported that the committee met that morning and had full attendance. Some fellow trustees and hospital staff were also in attendance.

He reported that the financials for November were complete, and the committee feels very good about December. The committee is following the total package of everything involved with the hospital financials on a consolidated basis.

He said that the hospital is doing well. It is right at budget with revenues and ahead of budget with operating income. The margin is good, and the margin year-to-date in November is 6.6 percent, which is always good to know. The committee is being challenged now to look at the operating numbers because of the \$215 million that is in the endowment area that the Investment Committee is looking after. It is taking a bit of a beating now.

The hospital is ahead year-to-date because it got off to a good start. January, however, has gotten off to a poor start. There will probably be some difficult numbers below the line, but the committee will continue watching the operating margin as well as the cash flow. With the profit that is being generated at the operating line and with the collections that are going on, the committee is still very positive about that. The finances are in good shape.

Mr. Hardymon said that the committee did not talk about Good Samaritan's financials, but it will always worry about that acquisition. The committee has gone from probably surprised at how well it started to satisfaction, and now, the committee is going to expect it. The committee considers it running very well, and it has been a big contributor to the finances. The culture between the organizations is working well, which is extremely important.

The hospital has two capital projects, and the committee received reports about both of them. They were listed in FCR 3 and 4.

The committee had a graduate medical education status report for the first time. The report compares how the College of Medicine is doing versus some national averages on recruiting, mean scores, and scholarly achievement. It also includes items such as faculty spending sufficient time in supervising programs and the feedback received on performance rotation. The results of the report came out very well. With the large number of student applications and the low number of positions, the College of Medicine should be able to choose strong people. The committee will continue to follow this report in order to see how the university is doing nationally.

Mr. Hardymon talked about the patient satisfaction survey form that patients complete following dismissal from the hospital. The hospital is documenting the survey

forms, responding to them, and reporting them to the committee. The last presentation to the committee showed that the Chandler Hospital does well in a number of areas but needs to give more attention to the emergency department. The survey form was recently started at Good Samaritan. The national hospital average is approximately 81 to 82 percent satisfaction. The University Hospital has run as low as 60 to 61 percent. In December, it was 73 percent. There is concern that it will not get to the national average before the facilities are completed because space is a problem, and the biggest dissatisfaction is waiting time. The staff is working at this to try to find the little things that will at least make people more comfortable in their delays. The committee plans to track this about every meeting to see if it can improve the 73 percent rating.

He reported that the committee receives a quality and safety report periodically. It received the numbers for the four quarters of 2007 versus the national mean data. There were 17 items in the fourth quarter that were tracked, and UK HealthCare was either above the national average or within 5 percent of the national average on all but two items. The two items were probably in the communications area. It is under the heart failure patients, and that is discharge instructions and ceasing of smoking. The report is a communication device.

Mr. Hardymon concluded his remarks by reporting that the committee received the medical staff report, which had some appointments and reappointments to reconsider and approve for Good Samaritan. The Chandler Hospital did not have any to report at this meeting.

T. Athletic Association Board of Directors Report

Mr. Dawson, one of the trustee representatives on the Athletic Association Board of Directors, reported that the Athletic Board met December 13, 2007. At that meeting, President Todd expressed pleasure with the football and volleyball seasons and congratulated Coach Rich Brooks and Coach Craig Skinner. He also welcomed Coach Myra Blackwelder as the new women's golf coach.

President Todd highlighted the many accomplishments in the Athletics Department over the past five years and complimented Mitch Barnhart's leadership as Athletics Director. He presented Mr. Barnhart with a new five-year contract which goes through 2012.

Mr. Barnhart updated the Athletic Association Board on the fall sports' season endings. Each member received a copy of the "*We Believe*" publication highlighting the record breaking 2007 football season and some of the players. He recognized football player Jacob Tamme and women's golfer Beth Felts for their incredible academic success at UK. Mr. Tamme and Ms. Felts spoke on their collegiate experiences as a student-athlete at UK and told how rewarding it was.

Mr. Barnhart introduced Rifle Coach Harry Mullins, who gave a PowerPoint presentation explaining the sport of rifle. Coach Mullins distributed a publication with information about each student-athlete in the rifle program.

Scott Ramsey and Dale Polley, officials from the Music City Bowl, were in attendance and gave the official invitation to the University of Kentucky to participate in the Music City Bowl. They also presented Coach Brooks with the Music City Bowl guitar. Mr. Dawson noted that UK won another exciting bowl game.

U. Other Business

Comment about Trustee Erwin Roberts

Ms. Ball mentioned that Mr. Roberts has been called into active duty with the United States Army Reserves. He does not know his assignment at this time, but hopefully, he will be at the March Board meeting. She wished him well.

Individuals Recognized in Audience

President Todd introduced Anthony Beatty, assistant vice president for public safety, and said that he is extremely pleased to have him on campus as part of the university's organization. He will be overseeing a lot of areas on campus and has vast experience with the city. Mr. Beatty received a round of applause.

President Todd recognized Mitch Barnhart and thanked him for the manner in which he handled one of the most positive news conferences since he has been at the university. The news conference named Assistant Football Coach Joker Phillips as the future head football coach of the University of Kentucky. Mr. Barnhart met with Coach Rich Brooks and Assistant Coach Phillips and worked out an arrangement which has been extremely well received nationally. He expressed appreciation to Mr. Barnhart for everything that he does in the Athletics Department.

Myra Tobin's Comments

Ms. Tobin expressed appreciation to the Board and her UK family for their cards, phone calls, flowers, and well wishes during the last eight months. She said that it helped her get through the year. Ms. Tobin received a round of applause.

Website Navigational Training

Ms. Ball reminded the Board of the website navigational training immediately following the Board meeting in room A.

Invitation from the Chair of the Investment Committee

Mr. Wilcoxson invited the members of the Board to the Investment Committee meeting at 8:30 a.m. Wednesday morning. He welcomed them to spend the day with the committee and said the committee would love to have them attend the meeting.

V. Meeting Adjourned

With no further business, Ms. Ball asked for a motion to adjourn, and the meeting adjourned at 2:15 p.m.

Respectfully submitted,

Barbara W. Jones
Assistant Secretary, Board of Trustees

(PR 2, 3 and 4; AACR 1; FCR 1, 2, 3, 4, and 5; and HRCR 1 which follow are official parts of the Minutes of the meeting.)