

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, June 17, 2008.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, June 17, 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 of the Board, 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, Dermonti Dawson, Jeff Dembo, Ann Haney, James Hardyman, Sandy Bugie Patterson, Phillip Patton, Nick Phelps, Charles Sachatello, Frank Shoop, Myra Leigh Tobin, JoEtta Wickliffe, Billy Wilcoxson, Russ Williams, and Ernie Yanarella. Absent from the meeting were Pamela May, Billy Joe Miles, and Erwin Roberts. 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 David Randall, and the university staff was represented by Chair of the Staff Senate Bart Miller.

Members of the various news media were also in attendance.

C. Consent Items

Ms. Ball called attention to the items on the consent agenda and asked if there were any questions. Mr. Shoop moved that the consent items be approved. Ms. Wickliffe seconded the motion, and it carried without dissent. (See consent items listed below at the end of the agenda.)

Minutes – April 22, 2008

PR 2 Personnel Actions

FCR 1 Elizabeth DuMez Gift and Replacement of Unfilled Pledge to Research Challenge Trust Fund (Consent)

FCR 2 Richard Kloepfer Gift and Pledge (Consent)

FCR 3 Makenna Foundation Gift and Pledge (Consent)

FCR 4 Dr. M. S. and Sowmya Viji Gift and Pledge (Consent)

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

President Todd said that there were some outstanding items in PR 1. He pointed out the following items:

- UK wins a \$10 million National Institutes of Health (NIH) grant to fight effects of Superfund wastes. The grants are very hard to win with the NIH budget as it is today. It has a far reaching opportunity from trying to solve environmentally difficult issues to driving some economic development opportunities.
- Presidents of the University of Kentucky, University of Louisville, Centre College, and Berea College met recently to discuss what the four institutions can do to have some impact on the state. The presidents chose energy as the topic and committed to three energy conferences. The first conference was held in Louisville, and Sandra Meyer, Duke Power Company's vice president for Kentucky and Ohio, did an outstanding job as the evening speaker. The second conference is scheduled for September. The topic at that conference will be governmental policies, and the keynote speaker will be Thomas Friedman who wrote *The World is Flat*. He is publishing a book on energy. The presidents feel that energy is an area that can touch a lot of things.
- Everett McCorvey has been elected as a faculty representative to the Board of Trustees.
- UK's College of Medicine joins Georgetown College to recruit minorities. Georgetown College will identify prospective "partnership students" as early as sixth grade and nurture these students through their college careers. UK's College of Medicine will provide special opportunities for them to observe, shadow, and be mentored by medical professionals with the hope that they will go into medical school.
- UK reports the highest six-year graduation rates in its history. The African-American graduation rates have exceeded 50 percent at UK.
- Twenty UK HealthCare physicians are named in two of the latest *America's Top Doctors* lists. Due to Dr. Karpf's leadership and the team that he has put together, the awards keep accumulating for the hospital and the individuals.
- The NCAA released its fourth annual Academic Progress Rate report which showed that all 22 of the UK sports teams surpassed the NCAA target score, and 13 of the 22 squads exceeded the national average for public universities in their sports. It is a pretty stringent requirement, and it is really influencing the counseling and the course taking for all athletes.

- The fabulous William T. Young Library celebrated 10 years of service to the public with a celebration on May 13.
- Professor Yanarella has received a follow-up \$103,000 grant from the Kentucky Department of Education to continue and expand his sustainability agenda on campus and within the larger Bluegrass community. That project is a perfect example of education, research, and outreach. They are going to develop a pilot course, and the grant will offer a community workshop. It will also extend environmental education programs at the national level to K-12 schools in the Lexington area.
- The sixth annual President's Awards for Diversity were recently presented to six individuals and one unit on campus. The awards recognize outstanding efforts toward advancing UK's mission to embrace diversity while maintaining academic excellence.
- Dean James Cibulka has been named the next president of the National Council for Accreditation of Teacher Education. He will be in Washington, DC.
- Dean of Arts and Sciences Stephen Hoch will be the provost at Washington State University.

Dean Cibulka and Dean Hoch did their jobs well at UK, and they will be missed.

President Todd recognized Jack Morgan, Executive Director of Omicron Delta Kappa (ODK), who was in the audience. He noted that ODK is the top leadership organization in the university campuses. He expressed appreciation to Mr. Morgan for attending the meeting.

President Todd then asked Nick Phelps to step forward and receive a certificate from ODK. Mr. Phelps was elected for this award from nominations from the circles of ODK throughout Alabama, Mississippi, Kentucky, Tennessee, West Virginia, Wisconsin, Michigan, Indiana, and Illinois. Four students are being considered for the national award which is named for General Russ Dougherty, a Kentuckian. This award will be given to the student who has made a quantitative difference in the institutions in the lives of others. President Todd congratulated Mr. Phelps on receiving the certificate. Mr. Phelps received a round of applause.

E. 2006-09 Strategic Plan Status Report

Provost Subbaswamy called attention to the 2006-09 Strategic Plan report that had been distributed to the Board and noted that this is the second year of the three-year plan. Through a series of slides, he reviewed the report, elaborating on each chart and pointing out the areas of progress.

2006-2009 Strategic Plan – Five Goals

- I. Enhance the University's Stature among its Peers. This is a statement about Top 20 aspirations.

- II. Prepare Students for Leadership in the Knowledge Economy and Global Society.
- III. Enhance the Intellectual and Economic Capital of Kentucky through Growth in Research.
This is a statement about the research mission.
- IV. Embrace and Nurture Diversity.
- V. Engage Kentuckians through Partnerships to Elevate Quality of Life. This is a statement about the land-grant mission.

2006-2009 Strategic Plan – Measures Across Six Domains

Undergraduate Education

Graduate and Professional Education

Faculty Development

Research

Engagement

Staff Development

Undergraduate Education/Highlights

Two universities have made statements that they will not be considering standardized tests as a part of their admission requirements. This is a trend that is likely to increase. More and more universities are getting away from standardized tests as a necessary requirement for even completing an application. The high school GPA and the rigor of courses taken during high school are better indicators of success in college than the standardized tests with the exception of the very low end. There are a lot of different things going on that will affect the ACT/SAT measure. During the next five-year plan, standardized tests may need to be reconsidered. The high school GPA is a measure that is here to stay, and it is a good indicator of success.

The university is closing the gap on the six-year graduation rate for African American students. It is 50.3 percent, which is the highest percentage ever.

The university is putting a lot of focus on advising, especially in the first two years. Tutoring has been increased, and an academic alert system has been put in place, using customer relation management types of software and intervening at the very early stages. There is now a hands-on approach in terms of how students progress in the system.

The university study of general education revision is on track. The University Senate passed guidelines on design principles, and there are faculty teams working this summer to develop particular plans that will be presented to the faculty for discussion at full length in the fall semester.

There has been a drop in transfer students. The staff is working on a plan for a dual admission system for Bluegrass Community and Technical College students, and they hope to unveil the plan in the fall.

Graduate/Professional Education and Highlights

There is good news about graduate and professional education. The number of doctorates and professional doctorates awarded has increased from 634 to 653. The goal is 694. Likewise,

graduate degrees awarded to African Americans have increased. There is progress on both of those measures for the Strategic Plan.

Significant investments will be needed to increase the number of graduate students. Graduate fellowships and assistantships are essential to recruit good students. The university has not made significant investments in that area yet, especially in the current fiscal environment.

There is a lot of national exposure for UK graduate students. Over 560 students were funded to present research findings at national conferences. A tremendous number of UK's students have gone to national meetings this way. UK hosted a national conference on graduate student leadership. International applications have increased by 9 percent.

Faculty Development

The number of faculty has increased. A lot of the increase comes from the growth in the College of Medicine but also because of the 74 new faculty lines added. Obviously, the current reduction has not shown up in the numbers, but it will show up in the next couple of years. That increase has led to the university actually having reached the milestone. The milestone was 2,023 faculty, and the last measure, which was the November census, was 2,057. Since that census, the number might have gone down.

Diversity of full-time faculty in terms of gender and ethnicity diversity has increased. For the first time ever, UK has exceeded the EEOC target. The EEOC goal was 34 percent, and it is currently at 34.6 percent.

The university is separately tracking African Americans and all minorities. In terms of all minorities, the university has made progress from a baseline of 14.7 percent up to 16.1 percent. For African American faculty, these are small numbers. The 2009 target is 4 percent, and the administration is working very hard, even through hard times, to try to meet that target by recruiting the best possible faculty of color.

Research Productivity

In terms of research productivity there are several measures, including the number of programs in the top quartile. These measures and where you find these rankings are fairly controversial, but none the less, the baseline was 17. For this year, there is an increase by one in the number of programs. The 2009 milestone is 20. This achievement will depend on the investments the university is able to make. It will be dicey to get further improvement without further investments.

The milestone goal for total research expenditures is \$350 million. The baseline was \$307 million, and that has now increased to \$332 million. That is based on 2006 data from the National Science Foundation.

There is nice progress in the number of citations of publications. That number has increased from 44,000 to 48,000 and is headed towards the milestone of 49,000.

The total research expenditures growth is behind schedule. Space is a great barrier for the university to grow research. The university did not get any new academic or research buildings in the last General Assembly.

Research Highlights

There were record-high research expenditures in 2007. Unfortunately, awards are down by 8 percent. That is a reflection of the federal environment among other things. There are several large, very important, and competitive grants: \$5.4 million from the Gates Foundation to the College of Agriculture, \$4.5 million to medicine from KCHFS, \$3.1 million to the Center on Aging from NIH, \$10.2 million to agriculture from NIH Superfund Grant, \$5 million from the state legislature to the Kentucky Geological Survey, and \$2 million to the Center for Applied Energy Research for the research on energy and for infrastructure development.

Engagement/Highlights

This is an important goal for the university because everything from teaching to research is to serve the Commonwealth. There are no well documented measures that everybody follows with engagement. In year one, a process was set up to have as a baseline. The university now has a six-point assessment strategy that has been established and can move towards documenting the outcomes.

Another measure of progress was to undertake and evaluate at least three major engagement projects designed to have significant economic impact. Six projects have been identified, and the university is beginning to follow and track that progress.

The engagement measurement has begun. The Carnegie Outreach and Partnerships Classification was obtained. Thirteen new Commonwealth Collaboratives were launched. These are engagement projects funded by the university in small seed grants. The Kentucky Engagement Conference that UK has been sponsoring is getting a dialogue across the Commonwealth. Regional development has taken place, and Kentucky is being seen as a model nationally in terms of engagement activities.

Staff Development/Highlights

There were two specific items in terms of measurement for staff development. One was to complete a compensation analysis and implement an enhancement plan based on the compensation study. That has been completed. The Board approved salary increments associated with the staff salary enhancement pool.

The other item was to monitor and develop UK's diversity in executive, administrative, and managerial positions. The goal for African Americans in those ranks is 5 percent, and currently, UK is 4.6 percent. These are very small numbers. All it takes is one individual to leave, and the number can shift significantly. For all minorities, UK does better. UK exceeds the EEOC target by 6 percent for African Americans.

The shared leave pool and the family education program have been established. The program enhancements for career advancement and professional development as well as supervisor effectiveness training have also been launched.

Key Indicator Summary

The university has already achieved some of the three-year milestones, and except for the undergraduate student input measures dealing with the test scores of students coming in, there is progress being made in spite of some set back. In spite of fiscal liability, UK will continue to try to make progress.

President Todd asked if there were any questions for Provost Subbaswamy on any of the information he presented. He then continued with his report to the Board.

F. Budget Presentation

President Todd began his budget presentation by talking about Governor Steve Beshear's budget address. Prior to the address, he and his staff were informed that there would be a 12 percent budget cut. This would be in addition to a previous 3 percent budget cut. He reported that \$50 million was cut out of a \$300 million base. He said that his feelings were that of grief. At first, he got angry and questioned why it happened. He became angry because he thought UK was getting its message across, and for once higher education was going to be put on a road with the business plan that had been written, endorsed, and supported. He then became embarrassed because he had brought staff such as Dr. Karpf, Dr. Subbaswamy, and Dr. James Tracy to the University of Kentucky when they had options to be at top five universities. The faculty and staff hopes were up because they thought the university would move forward. There were 210 faculty members hired, which is 56 percent of the American graduates from the top 20 institutions such as Yale, Princeton, Harvard, and MIT. The budget cut was extremely disappointing to him. He said he then remembered the bottom line of a story that Mr. Jim Stuckert, chair of the capital campaign, told him about a consultant, "what is is -- deal with it." And, that is what UK has to do.

President Todd said that there were a couple of things that happened that gave him tremendous faith in the institution. He and his staff went to the legislative session and worked to get the 12 percent budget cut down to 3 percent. This was not where he wanted it to be. It is \$40 million below what he was hoping for this year. It was a time higher education was still being discussed behind the conference room doors. The university has some good friends in the legislature that were trying to do their best to find funds to get UK back to where it needed to be. They know that the business plan is still out there, and they feel some responsibility for it. He took some consolation in that.

President Todd said that a basket of flowers were delivered to his office the day following the budget address from a faculty member on campus. The note with the flowers said, "Hang in there." Another faculty member expressed gladness that the decision was made to not give salary increases, and keep the cost of tuition down so it would not be in the double digits. E-mails were sent to him in response to his campus e-mails thanking him for the communications.

President Todd told of Mrs. Todd's first meeting of the Women & Philanthropy organization where he talked about the collaboratives and Provost Subbaswamy's retreat with the

deans where he expected to walk into the room and see a bunch of deans complaining about the budget situation. The moderator, who took notes for the deans' retreat, summarized what the deans had come up with as their priorities. The first thing on the list was to continue to increase the academic success of the student body. The second thing on the list was to continue to serve and meet the needs through outreach of the Commonwealth of Kentucky. Since most of them are not Kentuckians, this was very heartwarming. The third thing on the list was to increase collaboration across campus. While the deans probably felt like whining and moaning, they were there to work. They were there to continue to push forward.

President Todd told the deans of his emotion to have a press conference on the steps of the Capitol and burn the Top 20 business plan because UK has only received an approximate \$12 million increase in the base budget in the past nine years. He wanted to say, "Let's get real;" however, he feared there would be a lot of people that would say that the state could not afford it anyway. He stressed that the state cannot afford not to do it.

President Todd talked about the pride he has in the faculty and staff that have not said a word to him personally about backing off the plan. They know it is tough. The university will not achieve all the measures in the strategic plan right now, but the university will be much better off trying to achieve them.

There is nobody in the state going to move the state forward any better than the institution. The university touches education, health care, and economic development. All of these aspects need to be touched. The state is one of the worst in health care in the country. It has been ranked low in education, due to the lack of commitment for so many years. And, the economy does not reflect where the state has to be in order to offer competitive jobs. There are people at this meeting who are willing to fight for that and who think it is important to do that. For these things, it is worth continuing to ask for more money.

Due to research and the medical center, the university is building on revenue streams. It is time that serious conversations begin with the legislature about stepping up and providing the university the ability and flexibility to do what needs to be done. The university needs a bonding capacity that is comparable to \$2.2 billion, a AAA rated corporation. The university needs the ability to sign leases because it is a very responsible party. The university cannot sign a lease over two years now. Somebody who might want to build the university a building could not get a bank loan under the current conditions. The university needs to be able to get out from under some of the other situations as well.

Indirect cost reimbursement keeps going down nationally. The university did not receive any overhead money for the \$5 million grant to the Kentucky Geological Survey to drill two large holes in eastern and western Kentucky to look at carbon sequestration. While it is nice to get the \$5 million from the state, there are operational costs needed. The state needs to realize the research universities are doing work for the state, and the universities need to have some overhead coverage. The university's public and government relations groups need to schedule campus tours for the legislators so they can see firsthand what is happening on campus.

President Todd said that he wanted to mention another point that he meant to make about embarrassment. The School of Music has wonderful professors that could go to any university they chose. He noted that some professors have been on the stage of Carnegie Hall. UK has some of the best professors in the country, and it is embarrassing that they will not receive a salary increase this year. The state desperately needs the arts, and it desperately needs culture.

President Todd said that he had received only one or two e-mails from the faculty and staff about not getting a salary increase this year. UK is a pretty incredible place. It is hanging in there and meeting a need for the state. He expressed appreciation for the leadership of the Board, and said that he appreciated the faculty, staff, and students that the university is attracting. He also expressed appreciation for the administrative support. He does not think that there has been a team at this administrative level since he has known about the university.

President Todd did not review the specifics of the budget since that had been done in the Finance Committee meeting. He did, however, display a series of slides which showed that the university has not received much of an increase in the base budget since he became president.

The state has got to decide to invest in education. UK is doing its part and will continue doing its part. The university has friends in the legislature. Governor Beshear's recent appointments to CPE have been very strong, and UK is going to get attention. The administrative staff has to be more aggressive because nobody else is going to do the job for the university.

When they reformed higher education in 1997, the University of Kentucky was the only university that gave up anything. The deal was that UK could now become a Top 20 university. The administration has been working on that plan, and it has to work hard to continue to sell the message.

President Todd said that they did have some principles in doing the budget. They tried to preserve as many jobs as possible and also take care of health care benefits. He urged the Board to pass the budget when Mr. Branscum presented it in his Finance Committee report.

G. Proposed Amendment to Governing Regulations: Investment Committee (PR 3)

President Todd said that this is the second reading of PR 3. It is a change in the Governing Regulations which will add some community members to the Investment Committee. He said that Chair Wilcoxson is strongly behind the recommendation, and he urged passage of the second reading. On motion made by Mr. Branscum, seconded by Ms. Haney and passed, PR 3 was approved without dissent. (See PR 3 at the end of the Minutes.)

H. Proposed Amendment to Governing Regulations: Faculty Vacation Leave, Sabbatical Leave, and Delay of Probation Period (PR 4)

President Todd said that this is the first reading of PR 4. It is a Governing Regulation change dealing with vacation leave, sabbatical leave, and delay of the probationary period for faculty. The deans and the University Senate have reviewed it. The revision will change a

current policy for 12-month faculty. Previously, the faculty was allowed to carry forward unused vacation leave. This revision will require that faculty use vacation leave within a 12-month period of time. The clarification of eligibility requirements for sabbatical and the processes by which the various categories of events are reviewed and approved for delay of the probationary period are further clarified in this regulation. He asked for approval of the first reading.

Mr. Dawson moved approval, and Mr. Shoop seconded the motion. Ms. Ball asked for any questions or discussions.

Dr. Yanarella said that there has been a significant number of communications to both of the faculty trustees regarding this proposed amendment. It was vetted through the Senate Council. The Senate Council, after raising some issues with administrative representatives, did endorse the policy. Since that time, there has emanated, particularly from medical college faculty, serious concern about the particulars of this. Since this is the first reading, Dr. Yanarella offered a friendly amendment that the proposed recommendation be vetted through the Human Resources Committee in September for an opportunity to examine its various parts and for an opportunity for various faculty to communicate their concern.

Dr. Dembo seconded the motion to amend PR 4.

President Todd said that he did not have any problems with the amendment going through the Human Resources Committee; however, it has been vetted a lot. He pointed out that this has an approximate \$12 million repercussion. While some might feel they have had something taken away from them, this does give the employees the opportunity to tell their management that they should take a vacation. He thinks that this is the right policy. Most companies have gone toward this kind of policy. He urged the Human Resources Committee to have a recommendation to present at the September Board meeting.

Provost Subbaswamy explained that in making this transition there is a one-year grace period that has been given to those that have vacation to be carried forward to next year. They will be able to carry that vacation leave forward. The new policy will start with vacation accrued next year.

Ms. Ball called for a vote on the amendment presented by Dr. Yanarella that PR 4 be accepted for the first reading but go back to the Human Resources Committee before being presented to the Board for the second reading. PR 4 with the amendment carried without dissent.

I. Appointment/Reappointment of Board of Directors University of Kentucky Research Foundation (PR 5)

President Todd recommended approval of the appointment of Hollie Swanson, a faculty member, to the Board of Directors of the Research Foundation. He noted that her biography was included in PR 5. She is an associate professor in the Department of Pharmacology and will be filling an unexpired term ending June 30, 2010.

President Todd also recommended the reappointment of Henry Jackson, a public member, to the Board of Directors of the Research Foundation for a three-year term ending June 30, 2011.

Ms. Tobin moved approval. Her motion, seconded by Judge Patton, carried without dissent. (See PR 5 at the end of the Minutes.)

J. Appointment/Reappointment of Board of Directors University of Kentucky Mining Engineering Foundation, Inc. (PR 6)

President Todd recommended approval of the individuals listed in PR 6 to the Board of Directors of the University of Kentucky Mining Engineering Foundation. He said that the Mining Engineering Board has been very active and noted that this is a very important Board. UK was losing a lot of potential Mining Engineering graduates to other states because of the aggressiveness of those states, and the Mining Engineering Board stepped up. It has been successful at allowing UK to get additional funding from corporations for mining scholarships as well as from the state government the last two sessions. Many of the members are being reappointed.

Mr. Shoop moved approval of PR 6. Dr. Yanarella seconded his motion, and it carried without dissent. (See PR 6 at the end of the Minutes.)

K. Reappointment to Board of Directors of the Fund for Advancement of Education and Research in the University of Kentucky Medical Center (PR 7)

President Todd recommended that the Board approve the reappointment of Henry Jackson to the Board of Directors of The Fund for Advancement of Education and Research in the University of Kentucky Medical Center for a two-year term ending June 30, 2010.

Ms. Patterson moved approval of PR 7. Mr. Williams seconded her motion, and it carried without dissent. (See PR 7 at the end of the Minutes.)

L. Naming of University Pediatric Emergency Center – Makenna David Pediatric Emergency Center (PR 8)

President Todd recommended that the Board of Trustees approve the naming of the pediatric emergency center in the new Albert B. Chandler Hospital the Makenna David Pediatric Emergency Center. There are many people familiar with the Makenna Foundation and the amount of work that it has done for children at the Kentucky Children's Hospital. The naming of the center is very fitting. Dr. Karpf has been working with Greg and Sheila David to have Makenna David's name displayed at the Children's Hospital in the new hospital.

Mr. Dawson moved approval of PR 8. Dr. Sachatello seconded his motion, and it carried without dissent. (See PR 8 at the end of the Minutes.)

M. Naming of University Albert B. Chandler Hospital Chapel – Myra Leigh Tobin Chapel (PR 9)

President Todd said that it was indeed a pleasure to ask the Board to approve naming the chapel in the new Albert B. Chandler Hospital the Myra Leigh Tobin Chapel in her honor. Dr. Karpf has also worked with Ms. Tobin to have her name displayed at the chapel. The chapel is going to be a singularly important piece of the new hospital that is being constructed.

Ms. Haney, along with several other members, made a motion to approve PR 9. Mr. Williams seconded the motion, and it carried without dissent. (See PR 9 at the end of the Minutes.)

N. Candidates for Degrees (AACR 1)

Ms. Tobin, chair of the Academic Affairs Committee, said that AACR 1 involves the candidates for degrees. It is recommended that the president be authorized to confer upon each individual whose name appears on the attached list the degree to which he or she is entitled, upon certification by the university registrar that the individual has satisfactorily completed all requirements for the degree for which application has been made and as approved by the elected faculty of the university and the Academic Affairs Committee of the Board of Trustees.

Ms. Tobin noted that these are the summer 2008 graduates which total 410. In that number are 276 undergraduates and 162 graduate and professional degrees. She moved that the Board approve AACR 1. Dr. Sachatello seconded the motion, and it carried without dissent. (See AACR 1 at the end of the Minutes.)

O. Establishment of the Center for Muscle Biology (AACR 2)

Ms. Tobin recommended that the Board of Trustees approve the establishment of the Center for Muscle Biology in the College of Medicine.

The background is that this center will build on existing strengths to create a nationally-recognizable program that expands research, promotes educational activities, and enhances the university's progress toward Top 20 status. The center will foster basic and translational research collaborations, expand training opportunities for graduate and professional students, provide an intellectual environment for new programmatic grants, enhance faculty recruitment, and give muscle biology at UK an identity for national recognition.

The proposal has been reviewed and recommended by the Senate Committee on Academic Organization and Structure and the Senate Council and recommended for approval by the University Senate. The provost of the university supports this recommendation. As discussed in the Academic Affairs Committee meeting, this is an extremely important move forward.

Ms. Patterson seconded the motion, and it carried without dissent. (See AACR 2 at the end of the Minutes.)

P. Deletion of Degree – College of Health Sciences (AACR 3)

Ms. Tobin said that AACR 3 is the deletion of a degree in the College of Health Sciences. It is recommended that the Board of Trustees approve the deletion of the Doctor of Science degree with a major in Clinical Sciences, effective with the spring 2011 semester.

The reason to close this program is based on resource consolidation. The students currently involved in the program will not be negatively impacted. This proposal has been vetted by the Graduate Council, Senate Council, and University Senate, and the provost supports this recommendation. She moved approval of AACR 3. Dr. Yanarella seconded the motion, and it carried without dissent. (See AACR 3 at the end of the Minutes.)

Q. Change in Name of Degree – College of Agriculture (AACR 4)

Ms. Tobin said that AACR 4 is a change in the name of a degree in the College of Agriculture. This has resulted from interior design moving out of the College of Agriculture. The change in degree is the Master of Science in Interior Design, Merchandising and Textiles with a major in Interior Design, Merchandising, and Textiles to the Master of Science in Merchandising, Apparel, and Textiles with a major in Merchandising, Apparel, and Textiles, effective with the fall 2008 semester.

The proposal has the approval of the Graduate Council, Senate Council, and University Senate, and the provost supports the recommendation. Ms. Tobin recommended approval of AACR 4. Mr. Dawson seconded the motion, and it carried without dissent. (See AACR 4 at the end of the Minutes.)

R. Change in Name of Degree – College of Design (AACR 5)

Ms. Tobin said that AACR 5 is a recommendation that the Board of Trustees approve a change in the name of the Master of Arts in Interior Design, Merchandising, and Textiles with a major in Interior Design, Merchandising, and Textiles to Master of Arts in Interior Design with a major in Interior Design, effective with the fall 2008 semester.

This proposal has the approval of the Graduate Council, Senate Council, and University Senate as well as support from the provost. Ms. Tobin moved approval of AACR 5. Mr. Phelps seconded the motion, and it carried without dissent. (See AACR 5 at the end of the Minutes.)

S. Change in Names of Degrees – College of Education (AACR 6)

Ms. Tobin said that AACR 6 recommends that the Board of Trustees approve the following degree changes, effective with the fall 2008 semester:

1. Change the name of the Masters in Education with a major in School Administration to Masters in Education with a major in Educational Leadership

2. Change the name of the Specialist in Education with a major in Administration and Supervision to Specialist in Education with a major in Educational Leadership
3. Change the name of the Doctor of Education with a major in Administration and Supervision to Doctor of Education with a major in Educational Leadership

When the name of the Department of Educational Leadership and Studies was changed several years ago, the names of the degrees were not changed at that time. This proposal has the approval of the Graduate Council, Senate Council, and University Senate as well as the provost. Ms. Tobin moved approval of AACR 6. Mr. Williams seconded the motion, and it carried without dissent. (See AACR 6 at the end of the Minutes.)

Ms. Tobin reported that Dr. Philipp Kraemer, associate provost for undergraduate education, gave the committee an end of the academic year update. Dr. Jeannine Blackwell, interim associate provost for undergraduate education, offered a few words as she takes on that roll while a search is made.

T. Audit Subcommittee Report

Ms. Wickliffe, chair of the Audit Subcommittee, reported that the Audit Subcommittee met that morning. There were two items of business.

The Audit Subcommittee heard from the university's new external auditors, BKD. Mary McKinley is the partner in charge for the UK audit. The subcommittee reviewed the firm's preliminary audit plan for the year ending June 30, 2008. The subcommittee had the opportunity to ask questions about the audit engagement and other areas that were emphasized in this year's audit.

The subcommittee also heard from Joseph Reed, UK's Senior Director of Internal Audit. Mr. Reed presented the 2008-09 Internal Audit work plan for the subcommittee's review. The plan calls for over 12,000 hours of audit work. They will focus on the following audit service areas:

- Continuous monitoring
- Compliance
- Core reviews
- Advisory
- Information systems

The subcommittee also reviewed the progress on the 2007-08 work plan.

The subcommittee's next meeting will be in October to receive the management's presentation of the audited financial statements for the year ended June 30, 2008.

U. University Health Care Committee Report

Mr. Hardymon, chair of the University Health Care Committee, reported that most of the trustees attended the hospital retreat on Monday. He said that he wanted to report on the year-to-date financials through April. The outstanding things are that the revenue is running over budget. It is hard to compare with last year's budget because UK only had Good Samaritan for a limited time, but it is important to look at the operating margin. UK is over budget in dollars, but in margin, it is at 6.4 percent today. It was 4.5 percent last year. This is another way of showing that Good Samaritan has come in very well. The committee feels that UK is on track to make the operating income previously predicted.

The committee went over the budget information in great detail. It saw that as part of the consolidated budget and approved it.

Mr. Hardymon said that it was an excellent retreat. Retreats are very hard to put on. There is a tendency to talk about a long-range item that the committee talks about for the next several years, and it does not do much about it. The committee was able to tag both results with vision in this particular retreat, which is a very strong goal.

The committee had two presentations on the market for hospital care. It is obvious that UK is doing much better than the market as a whole. In turn, you must be conscious of markets because they do have an influence. It was good having that information and good to have the speakers comment on performance individually. The committee discussed the current and future facilities. It also covered operational issues such as quality, safety, and efficiency that are very important to the committee and the board. The committee has goals, and it is tracking those goals.

The College of Medicine has had great success in improving faculty and good students. Provost Subbaswamy gave an update on the research growth. All in all, it was a good day at the retreat.

Mr. Hardymon referred to UHCCR 1 which recommends that the Board approve the appointment of new board members to the Board of Directors of the Center on the Aging Foundation. He moved that the Board approve the three individuals listed in Exhibit A and noted that a biographical statement about each was included behind the summary page. On behalf of the committee, he moved approval of UHCCR 1. Mr. Shoop seconded the motion, and it carried without dissent. (See UHCCR 1 at the end of the Minutes.)

V. Finance Committee Report

Mr. Branscum, chair of the Finance Committee, reported that the Finance Committee met that morning and had a very good meeting with most of the trustees in attendance. FCR 1 through 4 were consent items. They include gifts and pledges totaling \$2,563,273. He highlighted the \$1 million gift and pledge from the Makenna Foundation. In recognition of the

foundation's many contributions to the university, the Committee on Naming University Buildings recommended the pediatric center to be named the Makenna David Pediatric Emergency Center, and this was presented and approved in PR 8.

Mr. Branscum also recognized the \$1 million gift and pledge from Dr. Viji and his wife for their gift and pledge to fund a professorship in India studies in the Gatton College of Business and Economics.

W. Department of Behavioral Science Internal Transfer for Vaughan Professorship in Behavioral Science Quasi-Endowment (FCR 5)

Mr. Branscum said that FCR 5 is a request to approve an internal transfer of \$100,000 from the College of Medicine's Department of Behavioral Science to create and endow the Vaughan Professorship in Behavioral Science Quasi-Endowment in the Department of Behavioral Science in the College of Medicine. These funds combined with previous pledges will provide full funding for the endowed professorship. On behalf of the Finance Committee, he recommended approval of FCR 5. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 5 at the end of the Minutes.)

X. Establishment of Quasi-Endowment for the Endowed Opera Studies Chair Support Fund (FCR 6)

Mr. Branscum said that FCR 6 is the request to establish a quasi-endowment for the Endowed Opera Studies Chair Support Fund. The university has received a commitment of \$10,000 from the UK Athletic Association in honor of Everett McCorvey, Director of Opera in the College of Fine Arts. The quasi-endowment will provide support for education and research related to Opera Studies. On behalf of the Finance Committee, he recommended approval of FCR 6. Ms. Tobin seconded the motion, and it carried without dissent. (See FCR 6 at the end of the Minutes.)

Y. Name Change Request for the University Professorship in Dentistry (FCR 7)

Mr. Branscum reported that FCR 7 was withdrawn from the agenda. It will be brought back at a later time.

Z. 2008-2009 Operating and Capital Budget (FCR 8)

Mr. Branscum said that FCR 8 is the 2008-2009 Operating and Capital Budget. The committee received a very good presentation by Ms. Angie Martin, vice president for planning, budget, and policy analysis. Mr. Martin, her staff, Mr. Butler, and other administrative support staff did an excellent job in putting a very challenging budget together this year.

Mr. Branscum highlighted a few items that Ms. Martin gave in a PowerPoint presentation to the committee.

- The budget totals \$2.2 billion, a net increase of \$113.7 million, or a 5.4 percent increase. The increase is primarily from hospital revenues and transfers from KMSF, Inc. for physician salaries.
- The Undesignated General Fund revenues, including state funds and tuition revenue, will be \$9.2 million less in 2008-09 because of the 6 percent state budget cut and an expected decline in enrollment.
- The Undesignated General Fund expenses are expected to increase \$11 million, creating a \$20.2 million funding gap.

He commended everyone for pulling the budget together. On behalf of the Finance Committee, he recommended approval of FCR 8. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 8 at the end of the Minutes.)

AA. Expand and Upgrade Livestock Disease Diagnostic Center (LDDC) (FCR 9)

Mr. Branscum said that FCR 9 is a request for approval to initiate Phase II of the Expand and Upgrade Livestock Disease Diagnostic Center (LDDC) project and consolidate Phase I and Phase II for a total combined scope of \$28.5 million.

In 2004, the Kentucky General Assembly authorized Phase I of the Diagnostic Center project for \$8.5 million in state bonds. The 2008 Kentucky General Assembly authorized \$20 million in state bonds for Phase II. The university will request authorization from the Capital Projects and Bond Oversight Committee to consolidate Phase I and Phase II at its July meeting.

Mr. Branscum said that it is his understanding that this is the only new capital project that UK has slated, and the RFPs for construction manager were sent out with the intent upon its approval to bid in October, start construction in November, and be completed by the opening of the World Equestrian Games in 2010. On behalf of the Finance Committee, he recommended approval of FCR 9. Ms. Haney seconded the motion, and it carried without dissent. (See FCR 9 at the end of the Minutes.)

BB. Lease/Purchase of Equipment and Information Technology Items (FCR 10)

Mr. Branscum said that FCR 10 is a request to approve the acquisition of five major equipment and information technology items totaling \$2.78 million by lease-purchase financing. The university's Debt Committee has determined that this request is consistent with the Debt Policy. A description of each item is provided as an attachment to FCR 10. On behalf of the Finance Committee, he recommended approval of FCR 10. Mr. Hardymon seconded the motion, and it carried without dissent. (See FCR 10 at the end of the Minutes.)

CC. Disposal of Personal Property (FCR 11)

Mr. Branscum said that FCR 11 is the disposal of personal property. The annual plan for disposal of personal property is submitted to the Board each year. This FCR will allow the

disposal of items having values of less than \$25,000 during fiscal year 2008-09. The previous limit, established in 1994, was \$10,000. The surplus personal property may include minor equipment, vehicles, livestock, and other materials no longer needed by the university. The various methods of disposal for each type of property are listed in the FCR. On behalf of the Finance Committee, he recommended approval of FCR 11. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 11 at the end of the Minutes.)

DD. Capital Construction Report (FCR 12)

Mr. Branscum said that each quarter the Finance Committee receives updates from Mr. Bob Wiseman, vice president for facilities management. FCR 12 is the lengthy Capital Construction Report which refers only to projects that had activity within this quarter. The Capital Construction Report for the three months ending March 31, 2008 represents six new contracts, five contracts completed, 1 contract amended, and 11 change orders greater than \$25,000:

The six new contracts were:

- A \$4.9 million contract with Woodford Builders for the Upgrade Cancer Center Radiologic Facility project;
- A \$687,001 contract with Denham Blythe Company for the Renovate Central Vivarium project;
- A \$3 million contract with Denham Blythe Company for the Expand Chemistry Physics Building project;
- A \$956,000 contract with Woodford Builders for the Renovate M. I. King Library project;
- A \$654,000 contract with M. P. Kelly Construction for the Fit-up Education Space in Health Sciences Building project; and
- A \$1.59 million contract with Denham Blythe Company for the Upgrade Fume Hoods T. H. Morgan – Life Safety project.

The five contracts completed were:

- The \$3.3 million contract with Woodford Builders for the Upgrade Surgical Services project;
- The \$1.79 million contract with Lagco for the Replace Steam and Condensate Pipe project;
- The \$5.1 million contract with Jarboe Construction Company for the Renovate-Expand Boone Faculty Center project;
- The \$1.2 million contract with Woodford Builders for the Renovate 3rd Floor Little Library project; and
- The \$834,907 contract with The Wagner Company for the Renovate Hospital Nursing Units – Hospital (NICU) project.

The 11 change orders that were greater than \$25,000 were all typical start up type change orders.

On behalf of the Finance Committee, he recommended acceptance of FCR 12. Ms. Wickliffe seconded the motion, and it carried without dissent. (See FCR 12 at the end of the Minutes.)

EE. Investment Committee Report

Mr. Wilcoxson, chair of the Investment Committee, said the Endowment had a market value at March 31, 2008 of \$888.6 million, decreasing \$28.0 million in the current fiscal year. The fiscal year-to-date Endowment investment loss through March 2008 was -6.9 percent.

For the eleven months ended May 31, 2008, the Endowment had an estimated return of -2.5 percent, underperforming the policy benchmark return by 182 basis points due to underperformance by the U.S. equity asset class.

The Investment Committee met on Monday, June 16 and approved a revised investment policy, which includes major revisions to the target asset allocation and manager structure. One of the most important things in investing is the asset allocation, and the committee is making changes. The committee is impressed with the new consultant, R. V. Kuhns & Associates as well as UK's staff.

Investment staff and the newly hired consultant performed a detailed review of the policy in conjunction with an asset allocation study. New asset class allocations to absolute return, real return and value-added and opportunistic real estate will be implemented in order to increase future endowment returns and decrease the volatility (risk) of future returns. The university will have a 36 percent target allocation to alternative investments versus the previous target of 13 percent. This is comparable to the university's nineteen benchmark institutions as well as other institutions with large endowments.

The committee is moving 23 percent of the U.S. Equity, Non U.S. Equity, Global Equity, and Fixed Income asset classes over to alternative investments, including private equity, real return, real estate and absolute return. While some people may not like that, the committee has to make decisions based on returns, past history, and what is going on in the market today. Most people probably know what private equity, real return, and real estate are, but they may not know what absolute return is, which consists of investing in hedge funds.

Mr. Wilcoxson said that he thought that the committee would have never gotten into hedge funds, but that time is here. That is part of the committee's move. Currently, there are zero dollars in hedge funds; however, the committee is going to go to 10 percent in hedge funds. Hedge funds are designed to provide consistent positive returns with relatively low correlation to other asset classes. The university will utilize a fund-of-funds strategy that invests in a diversified range of underlying hedge funds. The consultant informed the committee that there are more than 8,000 hedge funds out there. There might be 200 or 250 hedge funds that are any good. Be assured that the committee will be dealing with a fund-to-fund manager who will be dealing with those 250 and not the others.

The Investment Committee also approved an implementation plan for the revised asset allocation and manager structure, which includes the issuance of several RFPs in the coming months. The Investment Committee is planning to meet in special sessions on October 13, 2008 and December 8, 2008 for the purpose of interviewing prospective investment managers.

Mr. Wilcoxson added that in the last ten years that ended in March 2008 the total UK Endowment return by asset classes for the 10 years was 6.0 percent, and the policy benchmark was 5.9 percent.

Mr. Williams said that the Investment Committee is set up differently and functions independently from all of the other committees, and there is a reason for that. With the change in philosophy, he requested some information from Mr. Wilcoxson, the Treasurer's Office, or one of the managers. He said that he would like more detail and explanation about the significance of the committee's latest decisions. He needs to know more about hedge funds and what that means before he will be comfortable with it.

Mr. Wilcoxson said he would be pleased to furnish that information as well as historical data on hedge funds.

Ms. Ball pointed out that this will be implemented in the course of probably a year. It will not automatically happen right away.

FF. Student Affairs Committee Report

Ms. Haney, chair of the Student Affairs Committee, reported that the committee met that morning. Jared Tippets, director of new student programs, shared some of the upcoming events for K Week this fall. K week follows up on summer advising to provide orientation for new students. It helps acclimate the students to campus, introduces them to the myriad opportunities for academic and co-curricular success, and informs them of activities in the greater Lexington area as well as the town and gown programs in which they can participate.

There is a new video available on the new student programs web site. This video helps introduce all new students, parents, and families to UK and gives them an opportunity to learn about what to expect when they arrive on campus.

Last year there were approximately 170 events during K Week. Some new events have been added this year, including a parents' reception so parents can meet with university staff and feel better about leaving their children on campus. They also have added more student assistants who are part of K Week. New students are more likely to listen to experienced students more than somebody who looks like their mother, grandmother, or grandfather.

Approximately 96 percent of new students participated in some K Week activities last year. The staff is not satisfied with that percentage and hopes that the number will increase this year. It is an important, far reaching aspect in welcoming new students, making them more comfortable on campus and hopefully enhancing the university's retention rate.

New Student Government President Tyler Montell shared his goals and plans for Student Government for the upcoming academic year. He would like to see stronger connections between the students and the university. He is meeting with different departments to learn what they can do for students. He is meeting with the staff because he wants to find out what the expectations are for students so that students in turn know how to meet those expectations. He hopes to increase student representation on various Lexington community committees and create programs to help keep track of students when they are involved with community activities.

A concern was expressed about the transfer of University Health Services to the executive branch of health affairs. This is quite a major change for some members of the committee, and several people were not sure what was happening. The committee wants to make sure that it is kept informed about the level of student services and student processes. The committee would like to request frequent updated information on the transition of the program as well as actual program organization.

Ms. Haney concluded her remarks by complimenting the excellent staff in Student Affairs and the outstanding student body.

GG. Executive Committee Report

Ms. Ball, chair of the Executive Committee, reported that the committee met at 11 o'clock that morning. Most all of the Board members attended the committee's meeting. The purpose of the meeting was to discuss President Todd's evaluation, consider his bonus, and an extension of his contract.

Ms. Ball reported that there was a great response to the evaluation form. In totaling the percentage on the forms, the evaluation score was 96.8 percent. It was a very high performance year for the president. She asked for a motion for President Todd to receive \$95,500 as a performance award for the fiscal year 2007-08. She said that the additional \$50,000 of the bonus will be retained by the university to be designated to campus programs that will be determined at later dates by President and Mrs. Todd. Mr. Shoop made the motion for approval of a \$145,500 bonus with \$50,000 of the bonus to be retained by the university and designated to various programs by President and Mrs. Todd later. Judge Patton seconded the motion, and it passed without dissent.

Ms. Ball said the next item is a one-page amendment to President Todd's employment contract. The only change is in the bonus, which states that the bonus could be deferred without it becoming a taxable item to him. This wording enables the Board to defer the bonus. The bonus is increased by \$25,000 per year. She asked for a motion to approve the extension of President Todd's contract to 2011. Mr. Branscum moved approval. His motion, seconded by Mr. Williams, carried without dissent. President Todd received a round of applause.

Mr. Shoop said that it is very admirable of President and Mrs. Todd to donate \$50,000 of his bonus back to the university. He should really be commended for that act. He has done that for years, and this is not the first time.

President Todd expressed appreciation to the Board. He said that the campus would not look, feel, or operate the same if it was not for his wife Patsy. She is a major player in a lot of things that happen around campus and at their home. He said that he appreciates the things that Patsy has done to this point. Being native to the state, he and Patsy are honored and challenged by having the position. He thanked the Board for its confidence.

HH. Athletic Association Board of Directors Report

Mr. Dawson reported that the Athletic Board met May 1. Dr. Todd commended 53 student-athletes who made the SEC Honor Roll this year. He noted that UK trumped Vanderbilt this year for the first time.

Athletics Director Mitch Barnhart commended four student-athletes for their dedication to academics and community service. Each had recently received a postgraduate scholarship. Those student-athletes were Greg Dombrowski (Baseball), Crissy Cannon (Gymnastics), Ashley Dimkich (Softball), and Wesley Woodyard (Football).

Mr. Barnhart informed the board of three new hires since the last meeting: Chris Thurmond (football), Kyra Elzy (women's basketball), and Matt Insell (women's basketball). He also discussed UKAA's commitment to the diversity initiative as well as its participation in the campus Diversity Fair. He gave a brief recap of the spring sports season.

Mr. Frank Butler recommended approval of the FY09 budget presented by Rob Mullens during the Finance Committee meeting and the Board meeting. The recommendation was unanimously approved by the Athletic Board.

Mr. Frank Shoop congratulated the Athletics Department for their success with this year's CATSPY's awards. President Todd thanked Professor Gerald Smith for his time served on the board. He wished Professor Smith well.

II. Business Partnership Foundation Board Report

Ms. Patterson reported that the Business Partnership Foundation Board had meetings in October and February. Three new members were appointed to the Board. The focus in both meetings was on the proposed new building for the Gatton College. Dean Sudharshan reported that close to \$20 million had been pledged out of a goal of \$25 million, which is pretty spectacular. He also provided information for two signature undergraduate programs: Global Scholars Program and Scholars in Engineering and Management, which is a joint program with the College of Engineering. He provided details about the 11-month MBA program that is doing very well and is attracting diverse students and employers.

There is an Executive Development Program being developed, and the College has hired a part-time consultant to help develop the program.

At the February meeting, the architects for the concept design phase for the new building gave a detailed presentation of the concept, its rationale, and renderings of the exterior. It is an

exciting time on the board.

JJ. The Fund for Advancement of Education and Research in the University of Kentucky Medical Center (The FUND)

Ms. Ball distributed a report that provided background information about the establishment and purpose of The FUND. She reported that the board meets once a year, and that meeting was May 29. At that meeting, the board approved the \$16.1 million 2008-09 unrestricted FUND budget. Of that amount, \$12.9 million, or 80 percent, is generated by the clinical programs in the College of Dentistry, with the remaining amounts generated by the University Health Service, the Colleges of Pharmacy, Nursing, and Health Sciences, Pilot Research, and interest earnings. The 2008-09 restricted FUND budget is \$3.5 million, and \$3.4 million, or 96 percent, is donated from KMSF to the College of Medicine for purposes of enhancement of programs in that college.

KK. The University of Kentucky Research Foundation Report

Judge Patton reported that The University of Kentucky Research Foundation board met on May 27. The board heard from the Nominating Committee and approved the nominations of the individuals that the Board of Trustees voted on and passed in PR 5.

The board heard from President Todd and Dr. Tracy about the continued growth in research by the faculty as well as research by undergraduates. They also discussed the general decline in federal grants, which is impacting all the universities.

President Todd reported that the university is presently negotiating with five new companies about possibly locating at Coldstream. There are now 49 companies there, including six new companies.

Judge Patton concluded his report by mentioning that the board adopted a resolution thanking and honoring retiree Henry Clay Owen.

LL. University of Kentucky Mining Engineering Foundation Report

Dr. Yanarella reported that the Mining Engineering Foundation board met twice this past academic year. The fall meeting was November 9, 2007. The board heard a number of reports. One was from the College of Engineering Associate Dean, Richard J. Sweigard who underlined that the College was undertaking a plan to strengthen recruiting efforts and to promote retention of students as well as being involved in a variety of programs to engage the interest of young Kentuckians in the areas of math, science, and technology.

The Mining Engineering Department Chair Rick Honaker reported that the department has the highest enrollment since the early 1980s. There were several other reports at this meeting, including the Nominating Committee report that presented a list of names of nominees to the Mining Engineering Foundation Board. Those names were approved by the Board of Trustees in PR 6 at this meeting.

The Fund Raising Committee reported donations of \$44,450 since the last meeting.

At the spring meeting held April 18, 2008, esteemed President Todd spoke of the success of the Mining Engineering Department in raising scholarship funds from the mining industry and from the Kentucky legislature as well as the department's recruitment program. He also mentioned the success of the Robinson Scholars Program and the impact those graduates are having on their communities when they return.

Dean Lester commented that the Mining Department and faculty were very engaged with their industry, following precisely the course that President Todd had outlined. He thanked Bill Caylor for his efforts with the legislature that resulted in an increase in scholarship money for mining students.

At this meeting, Mining Engineering Department Chair Rick Honaker reported again on enrollment and degree production indicating that both had increase.

Finally, the Nominating Committee issued several other nominations that the Mining Engineering Foundation Board approved.

The Fall 2008 meeting is tentatively scheduled for the second week in November.

MM. Resolution Honoring Jeff Dembo

Dr. Yanarella said it was his pleasure and honor to put forth a resolution on behalf of the Board of Trustees to a friend, a mentor, and an exemplar over the last six years, one Jeff Dembo. The resolution is as follows:

WHEREAS, Jeffrey B. Dembo, a member of the University of Kentucky Board of Trustees since 2005, has demonstrated exceptional dedication and commitment to UK as a faculty trustee and in a number of other important roles, and

WHEREAS, he has served with distinction and tireless service as a member of the Board's Human Resources Committee, Student Affairs Committee, and University Relations Committee, and

WHEREAS, he has endeavored to maintain close communications with the University faculty through periodic e-mails, surveys, and individual conversations, and

WHEREAS, he has previously served as the university's academic ombud, chair of the University Senate Council, and presiding officer of the University Senate, and

WHEREAS, he has twice been voted instructor of the year by students in the UK College of Dentistry, where he serves as a professor of oral and maxillofacial surgery, and

WHEREAS, he also holds joint appointments in the Departments of Surgery and Anesthesia in the UK College of Medicine,

NOW THEREFORE BE IT RESOLVED that the University of Kentucky Board of Trustees extends its heartiest thanks and congratulations to Jeffrey B. Dembo and wishes him continued success in all of his future endeavors.

Dr. Dembo received a round of applause from the Board.

Dr. Dembo said that it has been a privilege and an honor to have had the chance to work with this board and with President Todd and his administration. It is primarily because of the common bond of the love for and dedication to the University of Kentucky. He said that he deeply appreciated and cherished the friendships that he has made while on the board as well.

Each member brings their own opinions, occupations, life experiences, values, and certainly visions for what the future should hold not only for the university but for the world. One of the most effective ways for somebody to personally grow is to be able to interact with people whose opinions are not the same but often differ from one's own because the best way to grow is to learn how other people view things and to be able to compare opinions.

Sitting around the table discussing, debating, questioning, revamping, and reinventing things has afforded him the privilege of great personal growth, and he is a better person for having had the chance to be with the Board.

Dr. Dembo said that he is confident that his colleague Dr. Everett McCorvey, who will be an equally and probably better, more effective board member than him, will also effectively represent the faculty of the university.

Even though it will be from the sidelines, he will be looking forward to watching the board question, ponder, reinvent, and debate the future of the university. He thanked the Board for the privilege.

Dr. Dembo received a round of applause from the Board.

NN. Resolution Honoring Nick Phelps

Ms. Haney said it was a delight and pleasure for her to present the resolution honoring Nick Phelps. She has really enjoyed getting to know and work with him over the past year. She read the following resolution:

WHEREAS, Nicholas C. "Nick" Phelps of Goshen, Kentucky, a member of the University of Kentucky Board of Trustees for the past year, has demonstrated tremendous dedication and commitment to UK, serving as Student Government President, Senate President, and Cabinet Secretary during his college career, and

WHEREAS, he has served as president of his fraternity, Sigma Chi, and as an executive officer of DanceBlue, the state's largest student-run philanthropy, while also earning a dual degree in economics and finance, and

WHEREAS, he was recently selected as the Omicron Delta Kappa (ODK) Region 3 Leader of the Year, making him one of only four students in the country to be considered for ODK's National Student Leader of the Year Award, and

WHEREAS, during his tenure on the UK Board of Trustees, Nick served on the Academic Affairs Committee and the Student Affairs Committee and represented the interests of his fellow students most admirably, and

NOW THEREFORE BE IT RESOLVED that the University of Kentucky Board of Trustees extends its heartfelt thanks and congratulations to Nicholas C. Phelps and wishes him continued success in all of his future endeavors.

Mr. Phelps received a round of applause from the Board.

Mr. Phelps expressed appreciation to everybody around the table and around the room. He said that he got to work with many people on campus, and the experience was special and unbelievable. He said that he hoped he lived his life so that one day he could return to the Board table in another way. The University of Kentucky could not have pieced together a better four years for him. He knows that he is one of many students who can say that, and he hopes that the Board will continue to make it that way for many to follow. He thanked everyone for his wonderful experience.

OO. Announcement and Other Comments

Ms. Ball announced that the Board will have a retreat in August. A tentative agenda and details for the retreat will be sent to the Board closer to the date.

Mr. Williams recognized the outgoing chair of the Staff Senate Kenny Blair, who is retiring from the position. During this year, Mr. Blair accomplished quite a bit and led the Staff Senate admirably. For the first time, the Staff Senate coordinated the Staff Appreciation Day this year. It also conducted senatorial elections, and for the first time, UK Good Samaritan Hospital employees are represented in the Senate.

Mr. Blair made contact with other staff senates and councils with the other state universities around the state. He particularly worked with them during the legislative session to get their support for higher education and to show that the staff of all of higher education has a vested interest. He expressed appreciation to Mr. Blair for his good work this year and said he will certainly miss working with him.

Mr. Williams also recognized the new chair of the Staff Senate Bart Miller. He said that Mr. Miller is a colleague in Human Resources and noted that they will be working very closely together.

President Todd recognized the incoming chair of the Senate Council Dr. David Randall and asked him to stand and be recognized. He said that Dr. Randall attended 90 percent of the meetings he had with former chair Dr. Kaveh Tagavi, and it was very helpful to get to know him through those meetings and discussions.

President Todd also thanked Kenny Blair for the wonderful job that he did. He said that he was surprised someone of his youth would take on that role. Mr. Blair did an outstanding job. He said that he looked forward to working with Mr. Miller as well.

PP. Meeting Adjourned

With no further business, Ms. Ball asked for a motion of adjournment, and the meeting adjourned at 2:58 p.m.

Respectfully submitted,

Barbara W. Jones
Assistant Secretary, Board of Trustees

(PR 2, 3, 4, 5, 6, 7, 8, and 9; AACR 1, 2, 3, 4, 5, and 6; FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12; and UHCCR1 which follow are official parts of the Minutes of the meeting.)