

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, April 27, 2010.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, April 27, 2010 in the Board Room on the 18<sup>th</sup> 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. Pamela May, 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, E. Britt Brockman, Penelope Brown, Jo Hern Curris, Dermontti Dawson, Carol Martin "Bill" Gatton, Ann Haney, Pamela T. May, Everett McCorvey, Billy Joe Miles, Sandy Bugie Patterson, Robynn Pease, Erwin Roberts, Charles R. Sachatello, Frank Shoop, Ryan Smith, James W. Stuckert, Ernest Yanarella, and Barbara Young. Ms. May announced that all members were present.

The university administration was represented by President Lee T. Todd, Jr., and Vice President for Finance and Administration Frank Butler.

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 Bryan Back.

Members of the various news media were also in attendance.

C. Consent Items

Ms. Ball called attention to the consent items which included the minutes, PR 2 Personnel Actions, and acceptance of a gift. Mr. Shoop moved approval of the consent items. Mr. Stuckert seconded the motion, and it carried without dissent. (See consent items listed below at the end of the Minutes.)

Minutes – March 9, 2010  
PR 2 Personnel Actions  
FCR 1 Kentucky Christian Foundation Gift

D. President's Report (PR1)

President Todd announced that there would be two presentations given as part of his report. He called attention to the following items in PR 1:

UK Reaffirmation of SACS Accreditation Process Commences

The University of Kentucky is accredited by the Southern Association of Colleges and Schools (SACS) Commission on Colleges. The university must be reaffirmed every 10 years by a peer review process. A report about the SACS process will be given by Dr. Deanna Sellnow, co-chair

of the university's Leadership Team, later in the meeting. Dr. Diane Snow co-chairs the team; however, she could not attend this meeting. Dr. Sellnow and Dr. Snow are ably assisted by Vice President Constance Ray and her staff who have always done an excellent job of providing information. He noted that there are some exciting, different things about the process this time and said that Dr. Sellnow would talk about those in her presentation.

#### UK Medicine Alumni Generate \$6.3 Billion, Create Nearly 50,000 Jobs in Kentucky

In total, 2,730 University of Kentucky College of Medicine alumni currently practice across the Commonwealth, generating \$6.3 billion annually into Kentucky's economy and creating at least 49,140 jobs. College of Medicine alumni are currently practicing and impacting communities in 88 percent of Kentucky's counties.

#### UK Nursing Researcher Wins \$1.9 Million from NIH for Cardio Research in Prisons

UK College of Nursing researcher Debra Moser has been awarded \$1.9 million by the National Institutes of Health (NIH) to implement a cardiovascular risk reduction intervention in four Kentucky Department of Corrections state-run prisons. UK's NIH awards continue to increase, and a lot of these awards have a higher purpose.

#### Assistant Secretary of Commerce for Economic Development Holds Roundtable at UK

John Fernandez, who heads the Economic Development Administration, held a roundtable discussion at UK on the role of technology commercialization and entrepreneurship in economic development. President Todd met Mr. Fernandez at a summit for university presidents in Washington, D.C. and invited him to campus. Mr. Fernandez liked some of the things UK is doing to start new businesses, and he and his staff came to visit campus. They were given a tour of ASTeCC and showed some of the work that is being done with Dr. Leonard Heller in the Office of Commercialization and Economic Development. President Todd will be meeting with Mr. Fernandez this summer to look at how they distribute money to the universities. They have been distributing it on a formula basis, but they are trying to incorporate some performance criteria.

#### Senior Lesley Mann Wins Prestigious Scholarship for Graduate Study at Cambridge

Lesley Mann, a UK agricultural biotechnology senior from Calhoun, Kentucky has been awarded one of only 29 prestigious Gates Cambridge Scholarships presented nationally to students hoping to pursue graduate studies at the University of Cambridge in England. She is only one of seven students representing a public university, and this speaks well of the University of Kentucky.

Miss Mann had already won a Goldwater Scholarship and a Beckman Fellowship. She has already been accepted to the Ph.D. program at MIT and wants to be a biomedical entrepreneur. She plans to come back to Kentucky after she completes her Ph.D. degree.

This is the second Gates Cambridge Scholarship that a UK student has received. The previous scholarship was awarded to Andrew Lynch from Corbin, Kentucky. Mr. Lynch is currently at Cambridge on a Gates Scholarship.

#### 2010's DanceBlue Raises More Than \$636,000 for UK Pediatric Oncology Clinic

DanceBlue is a student run event, and it continues to grow. It topped the number of funds raised last year, and over \$600,000 in cash will be provided for oncology. The Pediatric Oncology Clinic budgets that money to hire some people to help families whose children have cancer.

#### Gatton College Hosts Former India President Kalam, Holds 'Global Business' Forum

A. P. J. Abdul Kalam, former president of India, visited campus for two weeks. This was his second return visit. President Kalam met with students and many others while on campus. He is an engineer and scientist and built the rocket program in India. He was called the people's president of India when he served in that capacity. He has a 20/20 plan to make India a developed country not just a developing country. While President Kalam was here, Dr. Sibul Saha made a \$1 million gift to the cardiovascular area, and President Kalam was asked to inaugurate the Sibul P. and Rebecca J. Saha Cardiovascular Research Center.

#### UK to Host Confucius Institute to Promote Exchange between China and Other Countries

UK will be one of fewer than 300 organizations worldwide to host a Confucius Institute in America. The family foundation of the Jones family, who founded Humana, has committed \$50,000 a year for three years. The Chinese government will provide \$150,000. They will provide faculty to UK to teach the language and to also focus on the history of Chinese art and music, which is a specialty that would fit well with UK.

#### USEF Drug Testing and Research Lab to Relocate to Coldstream Research Campus

The drug testing and research lab for the United States Equestrian Federation (USEF) will relocate from Ithaca, N.Y. to UK's Coldstream Research Campus the end of the year. There will be 12 jobs created immediately paying \$26 an hour.

#### Small Business Development Center Helps State's Economy, Study Shows

The Kentucky Small Business Development Center, a division of the University of Kentucky's Office of Commercialization and Economic Development, is a network of 17 service centers located throughout Kentucky. They have worked with companies and helped many that were facing bankruptcy.

#### Both UK Basketball Teams Venture Deep into NCAA Tournaments

The UK men and women's basketball teams advanced to the elite eight in the NCAA Tournaments. Both Matthew Mitchell and John Calipari were selected as coaches of the year for men's and women's sports at the Catspy's.

#### Activist Hasan Ashrawi Presents Lecture Outlining Palestinian Issues

Palestinian activist Hasan Ashrawi presented a free public lecture on the Israeli-Palestinian conflict on March 23 at the Singletary Center for the Arts. His lecture was the second of two the university sponsored this academic year as part of a continuing campus and community dialogue on the Middle East. Both events were extremely well attended.

UK Office of Adult Student Services Hosts Record Crowd at Back to School Workshop

A record 85 prospective adult students recently attended the UK Office of Adult Student Services' Back to School Workshop. One of the goals in Kentucky is to increase the number of bachelor's degree candidates in the workforce, and one way to do that is to reach out and find adults who got close to finishing their degree but did not graduate. Since the partnership's inception nearly two years ago, 44 Project Graduate students have returned to UK to complete their degrees. That is 44 people whose lives have changed significantly. This is a powerful program at UK.

President Todd then asked Dr. Deanna Sellnow to give a presentation about the reaffirmation of the SACS accreditation process.

E. UK Reaffirmation of SACS Accreditation Process

Dr. Sellnow presented progress to date on developing the Quality Enhancement Plan (QEP), a core requirement for SACS reaffirmation of accreditation. The primary purpose of the presentation was to inform Trustees about SACS accreditation and to engage them in the QEP development process.

The QEP is "...a carefully designed course of action that addresses a well-defined and focused topic or issue related to enhancing student learning." It is a new requirement designed to make the accreditation process less prescriptive and to give institutions more control and flexibility, resulting in a planning initiative that is then implemented to improve student learning. SACS reaffirmation also involves completion of a Compliance Certification report that is due September 2012; the QEP is due January 2013. SACS review by a team of peers will take place in spring 2013 to determine the acceptability of the QEP, based on key criteria. To be "acceptable" the QEP must be:

- developed through a broad-based institutional process;
- focused on student learning and learning outcomes;
- based on key issues emerging from assessment and aligned with the strategic plan; and
- supported appropriately to ensure institutional capability to implement, complete, and assess it.

Examples of QEPs at other institutions addressed topics such as ethics, enhancing learning through advising, enhancing student-faculty engagement, and transforming the undergraduate experience through research.

Progress to date at UK includes: completion of a Topic Selection Plan by a pre-planning team and implementation of the Topic Selection Plan in spring 2010 by a broad-based, faculty-led team representative of all colleges and many support units across the University. The Topic Selection Team, under the leadership of faculty co-chairs, Dr. Sellnow and Dr. Snow, is conducting a campus-wide brainstorming session to solicit "big ideas" for a QEP topic. Next steps include reviewing available formal and informal assessment data; reviewing the big ideas in relation to assessment data; and categorizing the ideas into emergent themes. In fall 2010 the

campus will be engaged in submitting pre-proposals based on the emergent themes. Several (8-10) pre-proposals will be selected for further development as a white paper, from which three potential QEP topics will be identified. The three potential topics will be forwarded to the SACS Reaffirmation Leadership Team, chaired by President Todd, for final selection. Once the topic is determined, a new team comprised of content experts, among others, will develop the QEP for SACS review. Trustees and all members of the University community are encouraged to submit their “big ideas” on the QEP website (<http://www.uky.edu/QEP>) which Dr. Sellnow demonstrated. Regular updates on the reaffirmation process will be presented at future Trustee meetings.

President Todd thanked Dr. Sellnow, Dr. Snow, and Dr. Ray for the work they have done and will continue to do for the SACS accreditation process. The QEP is a very enlightened approach by SACS.

President Todd mentioned that the war on attrition that Provost Kumble Subbaswamy introduced and the general studies reform that Dr. Yanarella was actively involved in when he was head of the Senate Council could have been QEPs. When you look at the emphasis the administration has put on undergraduate research across the curriculum, it also could have been a QEP.

In addition to the QEP selected, there should be a list of strong suggestions that the administration can choose to do. This will be a campus thought process which is very different than having to have 400 or 500 must statements like the previous process and not having anything to really take forward. President Todd applauded SACS for this new approach and said it will be very good for everyone.

#### F. Discover Germany Program

Dr. Judy “J.J.” Jackson, Vice President for Institutional Diversity, gave the second presentation entitled “Discover Germany Program:” a grant-funded diversity collaborative between UK, the German-American Fulbright Commission, and the Hertie Foundation. The grant-funded initiative sends 20 diverse German university students to UK at the beginning of each fall semester and 20 diverse UK students to Germany at the end of each spring semester. She distributed a sheet of facts giving specifics about the program.

Dr. Jackson said that the university’s Strategic Plan involves the goal of nurturing diversity and inclusion but also looking at closing the gap between international education and multi-cultural education as well as seizing those opportunities for giving students a chance to broaden their horizons. With the German-American Fulbright Commission, the Hertie Foundation, and the Provost’s Office, this goal is possible. She noted that there is funding for three more years to take 20 students to Germany with all expenses paid for a month. As the University strives toward premier status, it needs to give the students these opportunities so they can compete on a more global scale.

Dr. Jackson said that she and others try to learn from the experience every year in order to do things better the next year. This year, there is a required reading about German culture,

economy, history, and language, and they will have pre-departure sessions to better prepare the students. They are also giving the students a three-week intensive German language course. The German Department has agreed to an arrangement, and most of the students are taking that three-week course during the first summer session prior to departure on June 4.

Dr. Jackson said that she will go with the students and stay about five days. She has the students identify two or three among them that will be called leaders. These leaders are responsible for knowing any changes in schedules and keeping the group together. She leaves it up to the students to make their way back to Lexington.

Dr. Jackson said that the lives of all of those students have been transformed in ways that even the students do not yet fully realize. She introduced Jasmine Whitlow and Jeremy Ridgeway who were in the first cohort last year. She said she wanted the Board to hear from them regarding their experiences in the program.

Each student gave comments regarding their personal experiences and thanked Dr. Jackson and the University for making it possible for them to be a part of the program. Mr. Ridgeway was able to make some connections and became a Fulbright finalist to study law at the University of Berlin.

Dr. Jackson reported that the whole exchange helps UK gain global visibility and provides more international contacts for domestic students, even those who do not go abroad. The genesis of the program emanated from contacts and conversations between Dr. John Yopp, associate provost, and executives of the German-American Fulbright Commission.

Dr. Jackson and the students entertained questions from the Board, following which they were given a round of applause.

President Todd thanked Dr. Jackson and Dr. Yopp. He said that education is a process of removing intimidation levels. If you are an American, you are intimidated by Europe until you go there. These students will not be intimidated to return to Europe. He expressed appreciation to the students for coming to the Board meeting.

G. Reappointment to Board of Directors of the Fund for Advancement of Education and Research in the University of Kentucky Medical Center (PR 3)

President Todd said that PR 3 is a recommendation that the Board approve the reappointment of Henry L. 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. Mr. Jackson has served on several university committees. He is chairman and president of Jackson Plastics, Inc. He was chief financial officer for Clark Material Handling Company and also has served on the University of Kentucky Board of Trustees. On motion made by Dr. Sachatello and seconded by Dr. McCorvey, PR 3 passed without dissent. (See PR 3 at the end of the Minutes.)

#### H. Naming of University Property (PR 4)

President Todd said that PR 4 is recommending that the Board approve naming the Digital Village Phase II building the “Davis Marksbury Building.” This name is appropriate since Mr. Marksbury, his wife Beverly, and the foundation have provided \$6 million in pledges to build the facility.

President Todd applauded Dean Tom Lester and Vice President Bob Wiseman for getting the building erected so quickly. He noted that the “Bucks for Brains” program matched the \$6 million pledge; therefore, that provided \$12 million to build the facility. Mr. and Mrs. James Hardymon and Mr. Jim McDonald also provided two gifts that were matched by “Bucks for Brains.”

Mr. Stuckert moved that PR 4 be approved. Ms. Curris seconded the motion, and it carried without dissent. (See PR 4 at the end of the Minutes.)

#### I. Candidates for Degrees – University System (AACR 1)

Ms. Brown, chair of the Academic Affairs Committee, reported that the Committee met that morning with all members present and many additional Board members. The Committee had two action items and an informational update from Dr. Melody Noland.

AACR 1 is for candidates for degrees in the University system. Ms. Brown noted that there was an additional list because another student was added. The recommendation is 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 Senate and the Academic Affairs Committee of the Board of Trustees.

Since commencement exercises are held immediately following completion of examinations, it is not possible for the University registrar to certify satisfactory completion of requirements prior to commencement exercises for those candidates who complete their requirements in May. The candidates who completed their requirements in August 2009 and December 2009 were approved by the Board of Trustees at earlier meetings.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 1. Ms. Haney seconded the motion, and it passed without dissent. (See AACR 1 at the end of the Minutes.) Ms. Haney congratulated student Trustee Smith whose name was on the list.

#### J. Academic Degree Transfer Recommendation (AACR 2)

Ms. Brown said that AACR 2 recommends that the Board of Trustees approve the transfer of the Master of Health Administration (MHA) with a major in Health Administration from the Martin School of Public Policy and Administration to the Department of Health Services Management in the College of Public Health, effective July 1, 2010.

The MHA accreditation requirements have changed considerably in recent years, including more stringent faculty complement requirements, the mandatory development of competencies to be addressed in the curriculum, and participation in health-related community and professional service. As the Martin School of Public Policy and Administration has achieved prominence in public policy research and education, the differences between the MHA program and the Martin School's primary focus have become more pronounced.

Serious resource constraints also make it problematic to maintain health management education in two distinct institutional units. As one of the six health care colleges, the College of Public Health is well-positioned to integrate the MHA curriculum with UK's health care enterprise as a learning laboratory.

The transfer has been reviewed and recommended by the Senate Committee on Academic Organization and Structure and the Senate Council. The University Senate approved the academic merits and endorsed the non-academic merits of the move. The provost of the university supports this recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown recommended approval of AACR 2. Dr. Pease seconded the motion, and it carried without dissent. (See AACR 2 at the end of the Minutes.)

Ms. Brown reported that the Committee was given an informational update from Dr. Melody Noland, chair of the Department of Kinesiology and Health Promotion. She shared the following information about the Department:

- Has 15 faculty in a variety of areas,
- Has 17 teaching and research associates,
- Offers the B.S., an M.S. degree, an Ed.D., and a Ph.D. in various areas,
- Has 467 undergraduate majors,
- Has increased undergraduate enrollment by 33 percent in the last two years,
- Has approximately 105 graduate students,
- Has physical activity in wellness where they do ongoing research,
- Has the PAH Institute for Training Teachers in Physical Activity and Health,
- Has a pediatric exercise physiology lab,
- Has a fire fighter training project,
- Has a biomechanical approach for preventing spinal disorders, and
- Has some internationalization grants.

Ms. Brown noted that one of the Department's current initiatives includes P through 20 innovation labs.

K. Finance Committee Report

Mr. Branscum, chair of the Finance Committee, reported that the Committee met that morning, and all members were present as well as many other Board members. The Committee



had six action items and reports. FCR 1 was a consent item; however he wanted to recognize the Kentucky Christian Foundation of Lexington, Kentucky for their \$100,000 gift which is eligible to be matched by the state through the Endowment Match Program. On behalf of the University, he thanked the Kentucky Christian Foundation and others for their generous support and contribution to the University.

L. Proposed 2010-11 Tuition and Mandatory Fees Schedule (FCR 2)

Mr. Branscum said that FCR 2 is for the proposed 2010-11 tuition and mandatory fees schedule. Vice President of Financial Operations and Treasurer Angie Martin made an excellent PowerPoint presentation and provided a lot of good information about the University financials, budget support, and documents as well.

FCR 2 requests that the Board approve the proposed 2010-11 tuition and mandatory fee schedule. The tuition and mandatory fee rates reflect a 6 percent increase for most resident and non-resident students.

At its April 23, 2010 meeting, the Council on Postsecondary Education established maximum increases for undergraduate, in-state tuition and mandatory fees: four percent for KCTCS; five percent for comprehensive institutions; and six percent for research institutions (UK and University of Louisville). The different increases by sector reflect the distinct missions and mandates of the institutions.

At UK, undergraduate resident tuition and mandatory fees will increase from \$4,061.50 to \$4,305.00 per semester for incoming freshmen. The University expects the resident undergraduate rates to remain below the median rate of the Top 20 institutions. Applications to the University remain strong.

UK's recommended rates were based upon five considerations:

- CPE parameters.
- State appropriations, which are expected to decrease 1.4 percent or \$4.3 million.
- Estimated fixed cost increases.
- Investments in General Education reform to maintain momentum.
- Affordability concerns.

Even with this increase in rates, the University will be required to reduce costs and reallocate funds. The University administration continues to work on the 2010-11 budget and will present a recommendation to the Board at the June 8 meeting.

Mr. Branscum reported that there was a lot of good input from the Committee and other Board members present. The Board is very sensitive to the affordability of education at the University as well as the understanding of the finance and business decisions made. On behalf of the Finance Committee, he recommended approval of FCR 2. Mr. Stuckert seconded the

motion, and it carried. Dr. Sachatello voted against approval of FCR 2. (See FCR 2 at the end of the Minutes.)

M. Proposed 2010-11 Room and Board Rates (FCR 3)

Mr. Branscum said that FCR 3 is for the proposed 2010-11 room and board rates. The Committee discussed the rates thoroughly. Mr. Bob Wiseman, Vice President for Facilities, and Ms. Martin contributed input on some of the charts and schedules that were proposed.

The proposed housing rates reflect an average increase of 4 percent or \$80 per semester. The 2010-11 housing rate will be \$2,067.50 per semester for traditional residence halls with air conditioning.

The 2010-11 dining rates include a minimum dining plan of \$1,089 per semester which is an increase of 3 percent or \$32. The minimum plan will provide an average of 5 meals per week and \$300 Flex dollars. Flex dollars may be used as “cash” at dining venues. Four optional plans with more meals per week will also be offered.

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

N. Revision of University of Kentucky Debt Policy (FCR 4)

Mr. Branscum said that FCR 4 recommends revisions to the university’s Debt Policy that was adopted by the Board September 20, 2005. Ms. Martin and Executive Vice President Frank Butler reviewed the revisions in detail with the Committee. Some of the revisions include:

- expanding the membership of the internal Debt Management Committee to include the Provost and the Vice President for Health Affairs and Chief Financial Officer,
- establishing guidelines for internal loans, and
- minor edits to clarify and update the language.

The University has, on a very limited basis, used its operating funds investment pool as an alternate source of funding when external debt is not available or when there is a gap between the receipt of funds such as a gift or bond proceeds and the date of acquisition or construction of a project. The most recent internal loan provided bridge funding for the patient care facility until University bonds could be issued.

The revised policy establishes guidelines to ensure that the university’s investment objectives are not compromised and to protect the operational liquidity of the University.

The guidelines are as follows:

- set the maximum amount of outstanding internal loan balances;
- set the maximum duration of internal loans; and

- require memorandum of agreements for repayment prior to release of funds.

The revised policy also clarifies that all external or internal debt financings which exceed \$600,000 must be approved by the Board of Trustees. Internal loans will be reported to the Investment Committee annually.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 4. Dr. Brockman seconded the motion, and it carried without dissent. (See FCR 4 at the end of the Minutes.)

O. Fit-up 4<sup>th</sup> and 5<sup>th</sup> Floors of the New Pharmacy Building (FCR 5)

Mr. Branscum said that Mr. Wiseman explained the project to fit-up the 4<sup>th</sup> and 5<sup>th</sup> floors of the new Pharmacy Building to the Committee. This project will fit-up 84,000 gross square feet of shelled research lab space that currently exists on the 4<sup>th</sup> and 5<sup>th</sup> floors of the newly opened Pharmacy Building and request the remaining of \$12,476,839 of state funds from the Research Capital Match Program. The new space will include wet-bench research labs, lab support spaces, and lab offices.

The project scope is not expected to exceed \$28 million and will be funded from state matching funds and an internal loan of up to \$15.5 million to the provost pursuant to the university's debt policy.

In accordance with CPE guidelines, the university's matching funds will not include State General Funds. The provost will repay the loan over 10 years with indirect cost revenue from grants and contracts and other non-state General Funds.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 5. Ms. Patterson seconded the motion, and it passed without dissent. (See FCR 5 at the end of the Minutes.)

P. 2009-10 Budget Revisions (FCR 6)

Mr. Branscum said that Ms. Martin presented the 2009-10 budget revisions to increase the university's total budget by \$16.6 million, or 0.7 percent, to \$2.5 billion. The primary adjustments include:

- Increase budgeted fund balances by a net \$13.8 million. This adjustment includes the \$15.5 million internal loan to fit-up the lab and research space in the new Pharmacy Building and a \$1.7 million reduction to reflect the actual balances as of June 30, 2009.
- Increase the revenue budget for county appropriations by \$1.3 million which will be used to support field programs in the Agriculture Cooperative Extension Service and

- Recognize \$1.0 million generated by ticket sales from the “Overture of Healing” event to benefit the Lucille Caudill Little Performing Arts in Healthcare program.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 6. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 6 at the end of the Minutes.)

Dr. Yanarella said that he realized that FCR 1 was on the consent item list, but he wanted to take special note of the \$100,000 gift that is in memory of Maria Braden-Clark. Maria was a personal friend and sang in his wife’s choir with him. She was by all counts a marvelous contributor to the Department of Journalism. She wrote a book on women journalists which got extremely good reviews, and she won many other awards. Dr. Yanarella said that he was so pleased that her husband Joseph Clark and the Kentucky Christian Foundation has given this gift to the University in her honor. It is well deserved.

Q. Student Affairs Committee Report

Ms. Haney, chair of the Student Affairs Committee, reported that the Committee met that morning with full attendance as well as other Board members joining the meeting. The agenda was packed and the first item was an upcoming highlight of the Common Reading Experience (CRE), which is in its second year. Acting Vice President for Student Affairs Victor Hazard did comment that along with the Common Reading Experience, Student Affairs is connecting with and strengthening the relationships with academic colleagues across the campus.

Becky Jordan, Associate Dean of Students, guided the Committee through the process of selecting the books that they choose each year. There is an advisory committee of academic and student personnel as well. They try to use University values, strategic planning, etc. when choosing their books.

Michelle Ashcraft, Assistant Director of New Student and Parent Programs, oversees the CRE. They start with approximately 50 nominated books, and the selection this year is *Zeitoun* by David Eggers. Mr. Eggers will be coming to campus on September 27. His book will be used even more this year than the CRE experience book last year because it is being integrated into all UK101 classes. There will be a three-page essay to be written as a homework assignment. The book deals with the devastation from hurricane Katrina, and there will be an alternative spring break trip offered to New Orleans. This program is a beginning experience at UK, and the staff will be building on it each year. This program helps get students ready for the idea of academic responsibilities and requirements as they prepare to enter the University of Kentucky.

Dr. Richard Greissman, assistant provost for program support, talked about the proposed changes to the Code of Student Conduct. He explained that the Code of Student Conduct must be a living document that evolves over time. The Code has to be reviewed and updated. It has to take into consideration problems that may occur now that were not around 10 years ago.

The Committee went through many of the values and major changes that will be incorporated into the Code of Student Conduct. With the major changes, the Code will now be in compliance with state and federal laws, along with new University policies. There will be a greater emphasis on the actions between students on students. It extends the appeal rights to the complainant. It also will clarify and specify procedures within hearings.

The document has already been shared by e-mail with the University community, including faculty, staff, and students for their input. The Student Government Association has reviewed the Code and approved the changes. The University Senate has also reviewed and approved the changes. Due to time constraint, it is not on the agenda for this Board meeting, but it will be presented to the full Board of Trustees for approval at the June meeting.

Ryan Smith gave a brief update on the activities of the Student Government Association (SGA). He and Kelsey Hayes were re-elected in the recent SGA election. He informed the Committee that student basketball ticket distribution will be an issue that they will be addressing during their second term in office. SGA is also working on a Safe Driver Program and a Textbook Exchange Program. They have learned that the Student Leadership Development Program is very popular and continues to be a large success in developing future leaders.

Ms. Haney said that the Committee acknowledged and offered congratulations to the women's and men's basketball teams for reaching the elite eight in the NCAA tournaments this year. Both teams were great examples of a student-athlete at the University of Kentucky. They represented the University very well, and the Committee is very proud of them.

Ms. Haney noted that three members of the Board took part in a QPR suicide prevention training held Monday by Mary Chandler Bolin from Office of Counseling and Testing. This is very valuable training and an effort to prove that everyone cares for each other as a caring university and a community. She encouraged Board members and members of the University community to take part in the training.

#### R. University Health Care Committee Report

Barbara Young, chair of the University Health Care Committee, reported that the Committee met Monday afternoon. All members were present, and two community members were present.

Dr. Rick Lofgren, vice president for clinical operations and chief clinical officer, presented an overview of UK HealthCare operational performance. Dr. Lofgren reviewed initiatives over the past year that have enhanced the financial performance of UK HealthCare. Bottom line, it is clear from these endeavors that the efficiency in the hospital operations leads to improved patient care and a stronger bottom line.

Dr. Lofgren also presented a quarterly benchmark report indicating that while the University of Kentucky hospital is slightly above median in size, it is in the top 25<sup>th</sup> percentile in acuity of cases. Additionally, the report indicated that Chandler Hospital is in the 33<sup>rd</sup> percentile

in full-time employees per adjusted occupied bed. This information supports the hospitals efforts towards efficiency while maintaining optimal medical care.

Sr. Vice President for Health Affairs and CFO Sergio Melgar presented the March 2010 financial report. As Dr. Karpf stated, it does not get much better than March at the hospital.

UK HealthCare hospital system posted a \$6.5 million income from operations for the month of March. Year-to-date income from operations is \$35.2 million, which is \$5.8 million above budget and \$28.9 million above the prior year. This is just through the third quarter, and there is one more quarter to go. The general feeling is it will reach the \$40 million mark, which has been the goal every year.

Current month investment income is \$6.9 million and year-to-date investment income is \$31 million. The value of board designated investment now totals \$186.6 million, which is a \$43.9 million increase from last year's fiscal low point of \$142.7 million in February 2009.

The net assets for the month increased by \$13 million, and for the year, net assets have increased \$52.8 million for a margin of 8.5 percent.

Dr. Jay Zwischenberger reported on the urgent need for new operating rooms. He reported that the utilization of major ORs exceeds efficient levels, and there is no reserve capacity for growth of surgical programs. In addition, there is a need for a hybrid OR to handle complex cutting edge vascular, neurological, and cardiac cases. It may also be recommended that additional space be shelled in at this time to accommodate a future hybrid room.

The original plan for the new hospital included among other things eight operating rooms and one hybrid room. These were pushed into phase two when it was decided to build the second tower in phase one A. The consensus now is that due to the rising demand for the eight ORs and a hybrid OR, they need to be brought back into phase one and completed by September 2011. The monies are available for this change, and a motion was made to approve the OR planning process using available money from phase one A. A final recommendation will be brought to the Committee and to the Board of Trustees in June. The Committee voted to approve continuation of this planning process.

Murray Clark, associate vice president, reported that the hospital project is ahead of schedule and under budget. The emergency room is shaping up and will be ready to open on schedule in June to allow for a shakedown period prior to the opening of equestrian games in September.

Ms. Young concluded her report by reporting that the Committee voted to accept new medical staff appointments as presented by Dr. Paul DePriest.

S. University Relations Committee Report

Sandy Patterson, chair of the University Relations Committee, reported that the Committee met that morning, and all members were present. Tony Blanton, associate dean of students and director of the new Off-campus Student Services Office, talked about the role of the new office. The Off-campus Student Services Office is modeled after a highly successful program at Ohio State University because it is considered the leader in this type of program. The office will focus on three areas to facilitate better student relationships and connections between the University and the greater Lexington community: skill development to understand their rights and responsibilities of living in the community, community outreach to improve relations with the city, landlords, and neighbors, and services related to off-campus housing which will offer resources for the students to make better off-campus housing decisions. The Urban County Council is very pleased with this endeavor. One key component is to get the students involved with the office. Mr. Blanton will continue to serve on various advisory boards with the Town and Gown Commission and the University Neighborhood Advisory Committee.

Ryan Smith reported that he and other students had met with Officer Keith Gaines of the Lexington Police Department and provided a few suggestions for an off-campus housing policy. The students and the Lexington-Fayette Urban County Government were able to reach an agreement regarding the number of students living in a house. It was grandfathered that there could be six students per house; however, there will be a cap of five students per house at a future date. The ordinance will likely be approved in the second reading of the ordinance in June.

T. Athletic Association Board of Directors Report

Dermontti Dawson, Board representative on the Athletic Association Board of Directors, reported that the board met April 12. President Todd thanked the Athletic Department and its student-athletes for their hard work and commended their progress over the past few years.

Athletics Director Mitch Barnhart recapped some events in the Athletics Department and chronicled the various sports programs. He commended the student-athletes for outstanding academics and performances and also for their continued excellence in community service.

With four championships in the last two years (two in rifle and two in men's basketball), Mr. Barnhart reported that UK is well on its way to accomplishing the 15 by 15 by 15 mission for Athletics. The women's and men's basketball teams finished the season with outstanding performances. The women's basketball program consisted of the SEC Player of the Year (Miss Victoria Dunlap), SEC Freshmen of the Year (A'dia Mathies), and SEC Coach of the Year (Matthew Mitchell). The men's basketball program raked in numerous awards, also, including first-time institution awards for John Wall (the Adolph Rupp Trophy) and Coach John Calipari (the Adolph Rupp Cup). Men's basketball continues to lead the nation in attendance.

Mr. Frank Butler gave the Finance Committee report. He had Mark Coyle present a proposal on K Fund and Ticket Updates and recommended approval of UK Athletics' ticket price adjustment. The proposal was unanimously approved.

U. Business Partnership Foundation Board of Directors Report

Erwin Roberts, Board representative on the Business Partnership Foundation Board of Directors, said that he would report on the fall meeting and the spring meeting.

The fall meeting was held on September 25, 2009. At that meeting, President Todd spoke about the current state of the University and plans for the future. He highlighted the ability of the University to move forward in a very tough economic and budget climate. Many questions were posed about the Gatton College Building project.

There was a video presentation from Bangalore, India by Nancy Thomas, vice president of IBM Global Business Service. She spoke about IBM's work in India and about a new internship program with the Gatton College that will place with the Gatton College undergraduates in Bangalore over the summer to work with IBM.

Dean Sudharshan presented the current needs of the students at the College and University for scholarship support. He connected this with the university's Initiative on Scholarships that was announced this semester.

Dean Sudharshan also noted that the 11<sup>th</sup> President of India, His Excellence A. P. J. Kalam would be visiting campus and the College for two weeks in April and hosting a series of events including a day-long business forum in downtown Lexington.

The spring meeting was held on April 16, 2010. At that meeting, the members had the privilege of hearing from Jim Rogers, Duke Energy chairman, president, and CEO. He spoke about the Energy Environment globally and took several questions from Board members about energy policy and future projections.

The Global Scholar students spoke about their experience in a two-week class with former President of India, Dr. Kalam. It was a transformational experience for the students.

President Todd spoke about the state budget and gave the Board an update. He also spoke about the college's new building project and talked about the status with the state funding or lack thereof.

The meeting concluded with a brainstorming discussion from all of the members about the Strategic Plan for the School of Business and core issues including the new building, curriculum, and programs. There is another planning session to discuss all of those issues between the regular meetings.

Following a discussion, the members agreed unanimously to dissolve the 501(c) (3) legal status of the Foundation. That decision was facilitated and presented by Harry Dadds, senior associate general counsel, and Angie Martin, vice president and treasurer.



V. Equine Research Foundation Board of Directors Report

Everett McCorvey, Board representative on the Gluck Equine Research Foundation Board, reported that there was a fall board meeting in October, an executive board meeting in January, and a spring board meeting in April.

The Gluck Foundation participated in organizing several outreach activities which include:

- Central Kentucky Equine Veterinary Conference, June 22-23, 2009.
- Egyptian Pyramid Society meeting, Sept. 25-27, 2009.
- Kentucky Breeders' Short Course, Jan. 20-21, 2010.
- International Symposium on Equine Reproduction, July 26-30, 2010, which is a major topic throughout the industry.
- Monthly UK Department of Veterinary Science Equine Diagnostic and Research Seminar Series.

In terms of promotions, the Gluck Foundation has many productions:

- Bluegrass Equine Digest, a monthly e-newsletter with TheHorse.com., launched in June 2009 which now has 18,000 subscribers.
- The Gluck Equine Research and Service Report, published in spring and fall and sent to about 2,000 donors and friends of the Gluck Center.
- Board Bits, an internal newsletter emailed in fall and winter to board members and faculty and staff in the Department of Veterinary Science.
- The "Research Report 2009" for the Gluck Center.
- Booths at Hat's Off Day and Rolex Three-day event. There will also be one at the World Equestrian Games in September.

In the area of development, the Center initiated a study as to the feasibility of a major campaign for all equine programs. The Center has raised \$860,955 in cash and \$1.236 million in state matching dollars. The Center has raised \$271,200 in pledges. They have had a new hire, Dr. Barry Ball for the Albert Clay endowed chair. Dr. Ball accepted the position in March 2010 and has a start date of December 2010. Four new Gluck Foundation board members were appointed: Case Clay, Lisa Lourie, Oliver Tait, and Chris Young.

Dr. McCorvey concluded his remarks by saying that the Gluck Center provides a tremendous service to the state, and he is confident that in the years to come the Gluck Center will be a valuable resource for equine research throughout the world.

W. Mining Engineering Foundation Board of Directors Report

Jo Curris, Board representative on the Mining Engineering Foundation Board, said that she would be presenting a PowerPoint presentation about Mining Engineering. Before beginning the presentation, she said she wanted to highlight the Alumni Association's Hall of Distinguished

Alumni event that was recently held and expressed what a wonderful activity that was for everyone involved.

Ms. Curris said it was a real pleasure for her to provide a report about the UK Mining Engineering Department. Most of her comments would be based on the recent Mining Engineering Foundation meeting. She called attention to two handouts that had been distributed to the members. One was by Dr. Rick Honaker, executive director of the Foundation and chair of the Mining Engineering Department, and the other handout was by student Lewis Aaron Burton, president for the Society for Mining, Metallurgy and Exploration, Norwood Student Chapter.

Ms. Curris brought greetings from Dr. Honaker, who is currently attending a very significant International Coal Preparation Congress that is being co-chaired this year by the UK Department of Mining Engineering and the Coal Preparation Society of America. This is the first time this Congress has been held in the United States since 1966, at Pittsburgh. There are over 20 countries in attendance including 30 Australians, 50 Russians, and 100 plus Chinese. The University should recognize that it has been extremely complimented that the UK Mining Engineering Department has been selected to co-host this prestigious international conference.

The concerns of energy efficiency and energy independence are absolutely critical at this time for America. All the data suggests there is intense need for mining engineering graduates, and that there will be continuing demand for a full decade at the very least.

The University of Kentucky will produce 15 mining engineering graduates in 2009-10, and the total is expected to grow to 22 in 2010-11. This past fall has been the largest fall enrollment since 1981. It is expected that the incoming class will be 61 plus students, selected from 106 new applicants to the University of Kentucky Mining Engineering program. The average composite ACT score is 27.5, math 28.1, and GPA 3.72. Math scores of 14 applicants were greater than 30, and there were 27 math scores between 27 and 29.

Ms. Curris said her PowerPoint presentation would be broken down into three separate units: 1) the Mining Engineering Foundation, 2) the departmental and student information, and 3) the various activities of the engineering mining students.

Addressing her first theme, Ms. Curris stated that the Mining Engineering Department would not be the department that it is today were it not for the Mining Engineering Foundation.

The Commonwealth of Kentucky funds three staff, eight faculty, and one teaching assistant position, and provides \$45,000 for operating expenses. The Mining Engineering Foundation contributes \$180,000 that is used for many purposes. The Foundation is made up of 27 company and corporate members, 22 patrons, 52 individual members and junior members, and 8 charter companies that are not included in the 27 just referenced.

A major concern of the Foundation has been the insufficient number of faculty devoted to teaching and research in this Department with significant research funds of \$3.5 million in 2009-10 .

The Foundation leadership has been particularly concerned about the fact that there are only eight faculty. Of that eight faculty, two are in phased retirement, and three have additional administrative responsibilities. Further, the salaries that UK is able to offer are low, and there is particular concern about this area.

The Foundation secured a \$90,000 donation from the Kentucky River Properties to support the hiring of a tenure-track, assistant professor for the 2010-11 academic year. It also provided an endowment to support the salary of a full-time recruiter, and that effort has resulted in 65 applicants for Fall 2010.

The Foundation leadership also worked with the Governor's Office as well as various legislators to ensure that \$300,000 in scholarship funds for mining engineering students was included in the new biennium budget.

The Foundation has been additionally concerned about funding for the Advanced Mining Research Center at UK. This research center is where there is hope for development of new methods for extracting the coals remaining in eastern Kentucky in an environmentally friendly manner and to address health and safety issues that are prevalent throughout the industry. The severance tax funds have diminished considerably, and there is a great need to find other sources of revenue.

The Foundation has also been prominent in securing two graduate fellowship funding Agreements that provide support for the next four years to cover graduate stipends, tuition, and health insurance. The funds for one fellowship are being provided by SNF Flomin, which is the world's largest supplier of polymer chemicals to the mining industry. The second Agreement is with AKJ Industries, which is a major supplier of dust suppression chemicals in the mining industry. These Agreements are of great significance for reason that they are being awarded to the University of Kentucky.

The Foundation leadership further played a key role in securing a grant from Kentucky's Coal Education Program, which will result in the production of a one-hour documentary of Coal's Impacts that will probably be ready in September.

Finally, the Foundation has also initiated and funded a Distinguished Alumni Award for Mining Engineering, and the first award will be presented to Samuel Johnson, a 1973 graduate.

Ms. Curris reiterated that without this Foundation, the University would not be able to provide anywhere close to the substantive support that it is providing for the mining engineering faculty and students. As her final examples, she reported that Alliance Resource Partners had

committed to establishing the first academic chair in the Mining Engineering Department, and Joe Craft has signed an agreement which provides \$120,000 annually for the next 10 years.

Addressing her second theme, student information, Ms. Curris presented a slide showing the various locations of the students enrolled in the mining engineering program: 63 from eastern Kentucky, 15 from central Kentucky, one from Tennessee, 10 from northern Kentucky, one from Kansas, one from Ohio, one Hispanic, and one female. The average starting salary for these students will be \$66,416.

To better understand the vital importance of the work of the UK Mining Engineering students, Ms. Curris asked everyone to close their eyes for 10 seconds and then said that without electricity, this is an example that we would all be in the dark 50 percent of any year, because the coal industry in the United States provides 52 percent of the electricity in America. She continued, in a time of significant push at the federal level for energy independence, no one is better positioned than the University of Kentucky to go forward with the clean coal process that is already being pursued at the University. She encouraged everyone to think very strongly about the mining engineering degree students and the possibilities that they offer for the nation and the University of Kentucky.

Ms. Curris pointed out there are debates about mining, including the new water standards versus environmental concerns of integrity of head waters at mining operations. For example many think the restrictions are such that the city of Philadelphia's water supply could not meet those tests; and others question the coal operators' implementation. These types of debates are going to be going forward, and UK research and students can be at the heart of the answers.

She also referenced the Society for Mining, Metallurgy, and Exploration (SMME) and applauded the various activities as students go into the communities, assist in classroom demonstrations, and even help Boy and Girl Scout with their projects. Next Ms. Curris introduced student Lew Aaron Burton and asked him to give some remarks.

Mr. Burton, president of the Society, said that he attended high school in Casey County. Following graduation, he was recruited into the mining engineering program. He said that he entered the precious metal area of the program and will be interning with new materials in mining as well as working with gold during the summer.

Mr. Burton told the Board that he would like to see the development of some smart classrooms in the Mining and Minerals Research Building in the near future. Since the building was built in 1988, a lot of the classrooms are falling behind compared to the buildings in the engineering complex. A lot of the professors are bringing in projectors from outside that do not always work, and smart classrooms would be a welcomed improvement for the program.

Ms. Curris ended her presentation by paraphrasing a comment made by Governor Joe Manchin of West Virginia at the funeral services held for the fallen miners the previous

weekend. Governor Manchin said that “It is the Miner’s Light which Lights the World.” She asked everyone to keep in mind the importance to America’s energy future, and that UK mining engineering program can be a critical component.

X. Other Comments

Dr. Sachatello said that he would like to explain to his fellow colleagues why he voted against the tuition increase. He voted against it last year, and he will vote against it next year. He paid for his education as much, if not more, than anyone in the room, and his grandfather was illiterate. The university’s problem is that there is no leadership in Frankfort. He wants to encourage the leaders in Frankfort as they campaign to tell their constituents why they are opposed to education. If they do that, many of them will not be sent back to Frankfort.

Ms. Patterson announced that Chair Mira Ball was honored at the Alumni Association Hall of Distinguished Alumni recently. Ms. Ball received a round of applause.

Dr. Yanarella pointed out that the April 2010 Sustainability Newsletter had been distributed. This newsletter is prepared by President Todd’s Sustainability Advisory Committee and has a number of very informative articles, including a focus on his compatriot Professor Dick Levine’s passive solar home which he built as a part of his office studio. Professor Levine is being honored at the American Solar Society meeting in mid May, receiving their Passive Solar Home Award.

Ms. Haney congratulated Chair Ball and her husband Don for being named hometown heroes. Ms. Ball received another round of applause.

Ms. Ball congratulated Ryan Smith on his re-election as Student Government Association President and said she looked forward to him being on the Board another year.

President Todd referred to Dr. Yanarella’s comments about the solar home and announced that the home is on campus in front of the Main Building. Mrs. Patsy Todd took some members of the Women and Philanthropy organization through the home the previous Friday. He encouraged the Board members to take a tour of the home because they would be amazed at the students’ work. The home came in ninth in the world in the overall category, and it was rated higher than that in several categories. The College of Design, College of Agriculture, and College of Engineering were involved in this special project.

Mr. Shoop mentioned the Catspy’s Awards and said it was a great evening. He thanked Athletics Director Mitch Barnhart, Deputy Associate Athletics Director Rob Mullens, and their fine staff for making it a wonderful, special evening for the athletes and others who attended the event.

Y. Meeting Adjourned

With no further business, Ms. Ball adjourned the meeting at 2:48 p.m.

Respectfully submitted,

Pamela T. May  
Secretary, Board of Trustees

(PR 2, 3, and 4; AACR 1 and 2; FCR 1, 2, 3, 4, 5, and 6 which follow are official parts of the Minutes of the meeting.)