

Minutes of the Meeting of the Board of Trustees  
University of Kentucky  
Tuesday, January 29, 2013

The Board of Trustees of the University of Kentucky met at 1:00 p.m. EST on Tuesday, January 29, 2013 in the Board Room on the 18<sup>th</sup> Floor of Patterson Office Tower.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:00 p.m. Chair Brockman asked Trustee Sheila Brothers, secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees were present at the meeting: C.B. Akins, Sr., Stephen Bilas, William C. Britton, E. Britt Brockman, Sheila Brothers, Mark Bryant, Jo Hern Curris, William S. Farish Jr., Oliver Keith Gannon, Carol Martin "Bill" Gatton, Kelly Sullivan Holland, Billy Joe Miles, Terry Mobley, Charles Sachatello, C. Frank Shoop, James W. Stuckert, Irina Voro, John Wilson, and Barbara Young. Secretary Brothers announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Interim Provost Tim Tracy, Executive Vice President for Finance and Administration Eric Monday, Executive Vice President for Health Affairs Michael Karpf, and General Counsel William Thro.

The University faculty was represented by Chair of the University Senate Council Lee Blonder, and the University staff was represented by Chair of the Staff Senate Mike Adams.

Guests and members of the news media were also in attendance.

C. Consent Items

Chair Brockman called attention to the three consent items on the agenda. The items included the minutes for the Board of Trustees meeting on December 11, 2012, PR 2 which deals with personnel actions, and FCR 1, the transfer of a university professorship and nursing endowment.

Trustee Farish moved approval of the consent items. Trustee Brothers seconded the motion and the floor was opened for discussion. Trustee Stuckert noted in PR 2 that Trustee Voro had applied for a sabbatical leave at full salary from July 1, 2013 to December 31, 2013. He asked if this leave would have any impact relative to her Board of Trustee duties. Trustee Voro stated that if her sabbatical leave was approved, she would not have any teaching duties. She stated that as far as her Board duties were concerned, she might miss one meeting, but would try her best to do the job she is required to do.

Chair Brockman called for the vote and it passed with one recusal from Trustee Voro. (See consent items listed below on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Minutes, December 11, 2012

PR 2 Personnel Actions

FCR 1 Transfer of the University Professorship in Nursing Endowment to the Marcia A. Dake Professorship in Nursing Science Endowment

D. Chairman's Report

Chair Brockman began by reporting that there had been no requests since the last meeting to speak or appear before the Board.

E. Proposed Revision to Governing Regulation: Board of Trustees Committee Structure (CR 1)

Chair Brockman reported that CR 1 is the proposed revision to the Governing Regulations regarding the Board of Trustees committee structure. The recommendation is that the Board receive and vote to accept for the first reading this revision. The revision is intended to streamline operations through consolidation, name change and new procedures and will take effect on July 1, 2013. Reviewed and approved by the Executive Committee, the proposed revisions to the committees are as follows:

- Consolidate Academic Affairs and Student Affairs;
- Consolidate University Relations and Human Resources;
- Change the name of the Audit Subcommittee to Audit and Compliance;
- Committee reports shall be posted online within 72 hours after the conclusion of Committee meetings; and
- Athletics and Health Care shall provide a brief update at each Board meeting if the Committee has met.

Chair Brockman opened the floor for discussion. Trustee Voro proposed and moved the following:

- The establishment of a standing committee on “good governance, accountability and ethics;” and
- The establishment of a faculty/staff ombudsman position that reports directly to the Board of Trustees.

Trustee Voro also requested that the email memorandum that was sent on Sunday evening, January 27, 2013 to Board members be made a part of the minutes. ([See link on Board of Trustees website.](#))

Chair Brockman stated that as the Board of Trustees was hearing this motion for the first time, he was referring it to the standing committee on committee structures, which will have 90 days to review this action.

Chair Brockman posed the question regarding the first reading of CR1 and it passed. (See CR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

F. President's Report (PR 1)

President Capilouto stated that the University of Kentucky Confucius Institute, which has been in existence for only two years, was recently named the 2012 Confucius Institute of the Year. This honor was awarded by the Office of the Chinese Language Council International, and it distinguishes the UK Confucius Institute among the more than 430 institutes in 115 countries. He continued that this is a tremendous honor, and it reflects well on the many people involved with the Institute and with UK's international outreach on behalf of students and the University. China has a great deal of potential for the University of Kentucky, and this Institute is at the forefront of our efforts and is still growing an emerging market.

President Capilouto invited Interim Provost Tim Tracy to come forward to discuss the importance of the honor and to introduce the leaders of the Institute.

Interim Provost Tracy began by stating that the scope of this award highlights how the influence of the UK Confucius Institute strengthens UK in wide-ranging ways. As the key facilitator to UK's China exchanges, the Institute helps the colleges identify and develop their strategic China partnerships with Chinese universities, which are heavily investing in students, facilities, and quality. These partnerships create tremendous opportunities for research and teaching for faculty, as well as scholarships and study opportunities for students. By assisting colleges in establishing these strategic collaborations, the Confucius Institute plays a key role in attracting excellent Chinese students to UK and in contributing to the Chinese experience of UK students.

Interim Provost Tracy continued that this award is a testament to the leadership and commitment of Dr. Huajing Maske and her team, whose work greatly influences our campus and our partnerships with Chinese institutions. He spoke from personal experience, having also just visited China in December with Dr. Maske, of the influence that Dr. Maske has there and what she contributes to those collaborations and the doors that she opens. He invited Dr. Maske to come forward and say a few words.

Dr. Maske thanked President Capilouto and the Board of Trustees for the recognition. She stated that the UK Confucius Institute is a partnership with Hanban, an organization under the Chinese Ministry of Education, which provides part of the program budget. In 2011 during the first full operative year, UK's \$100,000 matching funds attracted \$510,000 in resources from Hanban. In 2012, the monies increased to \$752,000. She stated that she hoped to further expand Hanban's funding, providing a sustainable revenue stream that would enhance UK students' opportunities for global education.

Dr. Maske reiterated that the Confucius Institute serves as the conduit for UK's China initiatives by working with all colleges. In just two years, the Institute has facilitated active UK partnerships with eight top universities around China. On campus the Institute works to enrich students' learning experiences by hosting a Distinguished Scholars Speaker Series, Academic Symposia, and providing co-curriculum courses and activities.

Dr. Maske closed by mentioning that the Confucius Institute of the Year award places UK among the top-tier universities with Chinese programs. Due to the massive media coverage, UK's name is now known to most of the 1.3 billion Chinese people, thus successfully establishing a gateway for the Commonwealth of Kentucky and its flagship University in the world's most populace nation. Most importantly, the Institute works to help the University create graduates with a global vision, who excel in academic research and embrace an international experience in a world in which China will inevitably play an increasingly pivotal role. That is the Confucius Institute's "Kentucky Promise."

The Board gave Dr. Maske a round of applause.

President Capilouto next spotlighted the UK Student Activities Board (SAB). For over 70 years, SAB has worked not only to bring the fun to campus through concerts, comedians, and movies, but has supported the academics of the University through lectures, forums, and special events. Through their involvement in programming, they are a critical component of UK's efforts to enhance student success. With more than 100 offerings every year, these events are entertaining, educational, and enriching programs that are reflective of contemporary issues and trends. The events range from lectures by multi-Grammy Award winner John Legend, the Food Network's Robert Irvine, and CNN's Soledad O'Brien, to activities which highlight UK, Lexington, and Kentucky.

President Capilouto stated that SAB is also a campus leader in collaboration. Each fall SAB spearheads Crunch Brunch, a campus wide event that more than 5,000 students attend annually to unwind before the finals week. They have collaborated with Student Government to host Social Media Week in April, and during K-Week, SAB plans and executes two of the most popular events, Campus Ruckus and Student Center Spectacular. These activities help welcome new students to campus, and this year they're working with the Alumni Association to host an official senior send-off week in April. He noted that SAB has many activities that demonstrate their four core values: teamwork, enrichment, diversity, and stewardship.

President Capilouto invited Micaha Dean, SAB President-Elect, to come forward to discuss SAB's leadership and involvement on campus.

Ms. Dean thanked President Capilouto and the Board for the opportunity to share information regarding SAB. She recognized members of the SAB team present in the audience and Ms. Grace Hahn, the student advisor. She shared that one of the tools used by SAB was market research and it was very valuable from a programmatic standpoint. Events programed by SAB reached over 12,000 students last year, including a 70<sup>th</sup> anniversary celebration, with alumni of SAB returning to campus.

The Board gave Ms. Dean and the members of the SAB a round of applause.

President Capilouto encouraged the Board to review the other outstanding highlights in PR 1.

G. Proposed Revision to Governing Regulation: Eligibility to Vote for Staff Representative to the Board of Trustees (PR 3)

President Capilouto stated that PR 3 was the second reading of a revision to Governing Regulation II related to elections for the Staff Representative to the Board of Trustees. The change would allow regular staff with .75 or greater full-time equivalency the ability to vote in staff trustee elections.

Chair Brockman asked for a motion and Trustee Stuckert moved approval of PR 3. Trustee Bryant seconded the motion and it passed without dissent. (See PR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

H. Naming of University Buildings: Residence Halls (PR 4)

President Capilouto said that PR 4 was the recommendation that the Board of Trustees approve the official naming of the new residence halls currently under construction by Education Realty Trust. The proposed names are Central Hall I and II, Haggin Hall, Woodland Glen I and II, and Champions Court I and II.

Chair Brockman asked for a motion and Trustee Mobley moved approval of PR 4. Trustee Holland seconded the motion and it passed without dissent. (See PR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

I. Academic Affairs Committee Report

Trustee Gannon stated that the Academic Affairs Committee met this morning and there were two items of business. The Committee also enjoyed a presentation from Dr. Dan O’Hair, Senior Vice Provost for Student Success and Dean of the College of Communication and Information, regarding his new responsibilities in the Office of Student Success. He led a discussion about the model being developed called “Finishing with Class: A Systemic Approach to Student Success.”

J. Change of Name for the Center for Health Services Management and Research (AACR 1)

Trustee Gannon stated that AACR 1 is the recommendation that the Board approve the name change of the Center for Health Services Management Research to the Center for Health Services Research, in the Office of the Provost, effective immediately.

The Center for Health Services Management and Research was established by the Board of Trustees at its meeting in May 1998, as an interdisciplinary center reporting to the Chancellor

of the Medical Center. The Center was established to address the important issues in health services, finances, financing, accessibility, cost, quality, appropriateness, and outcomes, with the ultimate goal of improving health status of individuals and populations. With the implementation of a Provost model in 2003 (moving all academic unit reporting to the Provost), the creation of the College of Public Health, and the Department of Health Service Management, the center's academic components were moved and its research became less focused. The renewed national attention on health services systems research created by the Affordable Care Act has resulted in substantial funding opportunities in this area for UK faculty and has increased the need for an active interdisciplinary research center to catalyze campus research in these areas.

The goal of the Center will be to accelerate the discovery of new knowledge concerning clinical effective and cost-effectiveness of healthcare delivery innovations, particularly in rural and limited resource settings. This proposal has been reviewed and recommended by the Senate Council and endorsed by the University Senate. The Interim Provost of the University supports this recommendation.

On behalf of the Academic Affairs Committee, Trustee Gannon moved approval of AACR 1 and it passed without dissent. (See AACR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

K. Candidates from Degrees: December 2012 (AACR 2)

Trustee Gannon stated that AACR 2 is related to a Candidate for Degree for December 2012. The individual completed the work toward the degree, but due to an administrative error the name was not previously submitted for approval.

On behalf of the Academic Affairs Committee, Trustee Gannon asked for approval for AACR 2 and it passed without dissent. (See AACR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

L. University Athletics Committee Report

Trustee Akins reported that the University Athletics Committee met that morning. President Capilouto and Sandy Bell, Executive Associate Athletics Director for Student Services, gave a presentation regarding the academic success of UK student-athletes.

President Capilouto stated that excellent progress has been made under Athletic Director Mitch Barnhart's tenure. He presented a slide on the enrollment distribution of the student-athletes and regular students by college. At UK, student-athletes are not clustered in specific majors, but are taking full advantage of the vast array of majors offered.

Ms. Bell reviewed the academic resources available to our student-athletes. These include the Center for Academic and Tutorial Services (CATS), a 20,000 square foot facility that provides a minimum of 1000 hours of tutoring per week. It was the first center of its kind in the nation and continues to be a state-of-the-art facility. There was a discussion of the time

management of the student-athletes involved in Division I athletic participation. She shared with the Committee the academic standards for initial and continuing eligibility established by the NCAA. She also shared the “missed class” policy and the “missed tutor” policy, both of which hold the student-athlete accountable for academic responsibilities.

Ms. Bell then discussed two real-time measures of academic progress, the multi-year academic progress rate and the fall 2012 team grade point averages. It was reported that all UK varsity athletic teams are well above the NCAA Academic Progress Rate (APR) cutoff score of 930 and it was also reported that only two SEC programs have never been penalized under the APR program, Vanderbilt and UK. Seventeen of the 20 varsity teams achieved a fall 2012 GPA above a 3.0. The combined GPA for all teams was also above a 3.0, which exceeds the UK student body GPA of 2.9 for the same period.

President Capilouto discussed the six year federal graduation rate for both UK undergraduate students and student-athletes. The cohort for determining the federal graduation rate is comprised of only those freshman students entering in the fall semester of a given academic year. No credit is given for transfers who enter UK and graduate and the institution is penalized for student-athletes who transfer and graduate at another institution. The Athletics Department also makes a commitment to student-athletes who leave the University early to pursue a professional opportunity. That commitment says that UK will continue to financially support the efforts of these athletes to complete their degree. Many professional or former professional athletes are brought back to the university at our initiative to complete their degree with the Athletic Department's full support.

Executive Vice President for Finance and Administration Eric Monday updated the Committee on the timeline of the expansion and renovation of the Nutter Training Center and Commonwealth Stadium. The proposed \$110 million dollar expansion and renovation to UK football facilities includes spectator driven improvements, recruiting rooms, suites, club seats, and press box improvements at the stadium and other day-to-day student-athlete facility improvements at Nutter Training Center. The project is to be financed through agency bonds with debt serviced by the UK Department of Intercollegiate Athletics. During the months of February and March, UK will request approval from the General Assembly. If approved by the Legislature and the Board of Trustees, the debt service is projected to be \$6.6 million per year for 30 years, with a 4% interest rate. Detailed financial information related to the Intercollegiate Athletic Department's ability to service the debt will be presented to the Board of Trustees.

Pending Board of Trustees approval the schedule would be:

- Spring 2013 – Design team is selected.
- Fall 2013 – Site development and utility package.
- Fall 2013/Spring 2014 – Begin facility construction/renovations.
- Fall 2015/Spring 2016 – Complete construction.

M. Finance Committee Report

Trustee Stuckert reminded the Board that consent item FCR 1 was approved earlier in the meeting.

N. Authorization to Acquire Properties for Construction of Administrative Building for the Department of Ophthalmology and Shriners Hospital for Children (FCR 2)

Trustee Stuckert stated that FCR 2 is the authorization to acquire properties for construction of an administrative building for the Department of Ophthalmology and Shriners Hospital for Children. The recommendation is that the Board of Trustees, acting pursuant to its statutory authority under Section 164.260 of the Kentucky Revised Statute Eminent Domain Act of Kentucky, authorize and direct the acquisition through condemnation proceedings of a final property located at 1037 Limestone, Lexington, Kentucky. This happens to be the 11th parcel of an 11-parcel piece; and the owner, after many attempts in good faith to acquire the property, has refused the price offered. Thus condemnation proceedings are the result.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 2.

Trustee Voro stated that she did not know the Board had the power to condemn a piece of property and asked if the owner of the house was present at the meeting or had been invited to attend.

Bob Wiseman, Vice President for Facilities, reported that the landowner was notified of the Board meeting. He stated that he and the landowner have approached this as a “friendly condemnation” to arrive at a reasonable price.

Trustee Voro remarked she would like hear both sides of the story, so she would abstain from voting.

Trustee Bryant called for the previous question and it passed with 19 affirmative votes and one abstention from Trustee Voro. (See FCR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Trustee Stuckert reported that Executive Vice President for Finance and Administration Eric Monday went through the proposed UK building projects at a glance and discussed the possible debt service for these projects.

O. Audit Subcommittee Report

Trustee Britton reported that the Subcommittee had met, but had no action items. Joe Reed, Senior Director of Internal Audit gave the subcommittee a mid-year review. The office is slightly behind on the approved work plan, due to six unplanned reviews and the loss of a senior staff member. Two staff positions are currently being sought to replace the senior staff position and to also increase the emphasis on Information Technology and Information Technology review.



Trustee Britton reported that the Subcommittee also discussed the schedule to revise the Audit Subcommittee and Internal Audit charters.

P. Investment Committee Report

Mr. Gatton reported that the Investment Committee met on Monday, January 28, 2013 to review performance results and conduct other business. The endowment investment pool topped one billion for the first time at the end of December, closing 2012 with a market value of \$1.7 billion. The endowment investment pool and other endowment assets are reduced by liabilities related to medical malpractice, retiree health benefits, and charitable trusts and gift annuities, resulting in a net endowment market value of \$925.1 million at December 31, 2012.

The endowment investment pool returned 12.1% for calendar year 2012, outperforming the policy benchmark by 196 basis points. The outperformances against the policy benchmark was due to strong performances by the international equity, fixed income, absolute return and real return managers.

Investment consultant, R.V. Kuhns & Associates, provided an update on the University's private equity and real estate programs and the Investment Committee heard presentations from Neuberger Berman and UBS. Neuberger Berman manages a separate, fully diversified, private equity fund for the University and UBS manages UK's core real estate allocation in its Trumbull Property Fund, which is a commingled, private real estate investment trust (REIT). The Committee is considering increased allocations to private equity and real estate as these asset classes are expected to provide higher long-term returns versus traditional equity and fixed income investments.

Q. Student Affairs Committee Report

Trustee May reported that Student Affairs had met that morning. The Committee received a report regarding the development of a University Creed. President Capilouto challenged the Student Government President Stephen Bilas in August 2012 to develop a University or student creed. A 17-member University-wide committee was established and over the course of seven meetings, developed a proposed creed. At the March 19, 2013 meeting, the Committee intends to present the proposed creed to the Board of Trustees for adoption.

The Committee also heard a report from five student instructors about the freshman UK 101 classes. These are classes designed specifically for freshmen to help them become acquainted with University life.

Trustee May reported that the Committee also had a briefing on the Common Reading Experience, the book and associated fall class required of all incoming freshmen. This year's book is "Where Am I Wearing" by Kelsey Timmerman. Board of Trustees members will receive a copy when it arrives later this semester.

Finally, the Committee received a report on the K-Book. This is the book of information, a resource guide, for incoming freshmen. The K-Book editorial board also has a new program with a third grade class from Riverton Elementary in Riverton, Illinois called “Pen Paws.” Each member of the editorial board has two to three children that they correspond with to encourage them to attend college.

Trustee Gatton inquired whether any of the classes touched on ethics. President Capilouto offered that most accrediting bodies, especially in the professional schools, require a competency or an “ethics” course in their curriculum. Trustee Bilas remarked that in the UK 101 classes, topics such as ethics and diversity are routinely discussed by the students and instructors.

Trustee Gatton inquired if there were classes or financial counseling for student-athletes. President Capilouto referred the question to Executive Associate Athletics Director Sandy Bell.

#### R. University Health Care Committee Report

Trustee Young reported that the University Health Care Committee met yesterday afternoon.

Murray Clark reviewed the December financials. In summary, the UK HealthCare Hospital System is seeing a high level of activity of patients from all services, is generating higher levels of revenue based on this acuity and payor mix, and is delivering the care in a very cost-effective manner. The income statement indicates a positive revenue flow, primarily driven by inpatient activity. Revenue for December 2012 was \$77.9 million and is well ahead of budget and the prior year. Personnel expenses are well below budget. This is the result of aggressive management to benchmarks for the clinical areas as well as adherence to budget in the nonclinical areas. Some increase in personnel is expected in the next few months. Variable expenses are below budget, and medical transfers are under budget for the year. Overall the increased revenue and lower expenses for the year have produced a much better than anticipated income from operations, amounting to \$44.3 million or a 9.3% operating margin. In December, UK HealthCare posted an operating income of \$9.9 million. Non-operating revenues are strong for the period. As a result of higher than anticipated investment income, the UK HealthCare Endowment now stands at \$221.6 million. Strong operating income and non-operating income have combined to produce an increase in net assets for the period significantly above budget in the prior year. In noncurrent assets, the primary change has been a positive addition to investments of \$13.5 million this year. In liabilities, current liabilities are down in total for the period due to the lowering of cash advanced from the university, reduced payable accrued expenses, and change to the current portion of debt/lease. Deferred revenues are up compared to year-end, but in line with December 2011.

Dr. Michael Karpf reported on the pressures being exerted on UK HealthCare as high patient demand outstrips capacity. As a result, UK is now diverting some patients from Chandler Hospital to other facilities and has started to convert some private into semi—private rooms. This high volume is also being experienced in the Emergency Department (ED). In sheer volume, UK HealthCare has now reached the 75th percentile in academic medical centers. While this phenomenal growth may slow in the next few years, it does not seem to be finished as

yet, so preliminary steps are now being taken to assess UK HealthCare's financial health in order to determine when the enterprise will be able to fund the fitting out of the remaining two floors of the new patient pavilion.

Dr. David Moliterno reported on the committee on Faculty Productivity, Performance and Faculty Compensation in the College of Medicine. The aim of the committee was to design a compensation plan that fosters the success of the College and its faculty members by rewarding achievement in stewardship, excellence, and investment in the future. The plan's goal is to incentivize increased productivity by providing fair and equitable faculty compensation through the utilization of objective and standard measures that uncouple bonuses from departmental fund balances. Trustee Young noted that 90% of the faculty voted in favor of this, which is pretty remarkable.

Dr. Steven Strup presented for approval the current list of privileges and credentials. The committee approved all privileges and credentials.

In closing, Trustee Young reported that Dr. Susan McDowell presented the 2012 Graduate Medical Education Report Card.

#### S. University Relations Committee Report

Trustee Curris stated that the University Relations Committee had met earlier in the day and had no business items.

The Committee enjoyed a presentation by Tony Dotson, Veterans Resource Coordinator, on the Veterans Resource Center and opportunities for funding.

Established in 2009, the mission of the Veterans Resource Center (VRC) is to help with the transition and retention of veterans and their families who study at the University. Since the Center opened, the number of veterans as students has doubled. UK is currently ranked 12<sup>th</sup> in the nation as best for veterans. Kentucky has the ninth largest military population in the US and the fourth largest Army footprint.

Statistics from fall 2012 show current military spending on education at UK:

- G.I. Bill: \$3,631,675 with 422 students enrolled
- ROTC Scholarships: \$1,106,444 with 96 students enrolled
- National Guard: \$495,658 with 75 students enrolled
- Vocational Rehabilitation: \$360,474 with 45 students enrolled
- Tuition Assistance (for Active Duty and Reserves): \$152,895 with 31 students enrolled

\*\*\*\*Total of all combined above: \$5,747,146

Student veterans also receive assistance with tuition, books, living stipends, and housing.

Trustee Curris noted that with over 50,000 veterans in Kentucky eligible for educational benefits, there is much to be gained by the University with an expanded relationship with the Department of Defense in attracting veterans to study at the University of Kentucky. Benefits such as: scholarships, internships, collaboration on research, increased graduation and retention rates, and the benefit of guaranteed tuition dollars.

Trustee Curris reported that the Department of Defense has a research budget of \$11.9 billion for 2013. \$ 2.1 billion is to maintain basic research, which is largely university based. The University of Kentucky currently receives less than one percent of that amount. She offered that with the proximity of UK HealthCare, the Veterans Administration Hospital and the Bluegrass Army Depot, there is great potential to increase the University's share of these dollars. In addition, expanded relationships with Fort Knox and Fort Campbell could increase student enrollment and research funding.

The VRC has taken on an expanded role since opening in 2009. The Center acts as a bridge and transition of veterans and their families to student life, as a translator for things concerning the Department of Defense, assisting with grant proposals, working with Frankfort on military/veteran issues, as well as designing and marketing materials for veterans. The Center has been invited to submit an application for a Veterans Affairs staff member as well. Having an on-site coordinator would be a great benefit to the University and the veteran community.

A sampling of collaborations across campus includes the Colleges of Engineering, Agriculture, and Fine Arts. The film "civilian" is a collaboration with the VRC, College of Fine Arts, and the Nunn Center for Oral History. The documentary drama based on oral history interviews of veterans of the wars in Iraq and Afghanistan, carefully examines the transition from soldier to civilian for a group of veterans adjusting to college life at the University of Kentucky.

#### T. Item for Board Discussion – On-Line Learning Update

President Capilouto stated that one of the guiding principles that grew out of the Board of Trustees retreat last October (2012) was the development of a plan for implementation of technology-rich content delivery. Chief Information Officer (CIO) and Senior Vice Provost for Academic Planning, Analytics & Technologies Vince Kellen, presented a comprehensive update on trends regarding the challenges and opportunities in eLearning delivery, including Massive Open Online Courses (MOOCs).

There has been an emergence of both for-profit (Udacity, Coursera, Udemy), non-profit (EdX), and industry-university partnerships (2U and Academic Partnerships) over the last year. Possible eLearning goals include:

- Expand the reach of current programs to new markets;
- Address students' need for convenience and flexibility;
- Allow growth despite physical facility constraints;
- Increase tuition revenue;
- Improve student persistence and graduation; and

- Marketing and building brand awareness.

Some of the challenges to the adoption of more eLearning include:

- Traditional processes continue to govern approval of online offerings;
- Insufficient institutional data to compare learning outcomes for online versus traditional instruction;
- Mature, highly motivated students seem to disproportionately outperform others in online courses;
- Faculty strategies for detecting cheating in traditional courses are more developed than for doing so in online courses;
- Faculty concerns that online instruction will be used to diminish faculty ranks;
- Online instruction is alien to most faculty and calls into question a primary reason that many pursued an academic career;
- Perceptions that online instruction requires a much higher initial investment of faculty time and skill development;
- Questions about intellectual ownership of online materials; and
- Accrediting bodies appear to slow the rate of online learning adoption.

What are we doing at the University of Kentucky? Since fall 2012 we have:

- Reorganized the provost office to support growth in eLearning:
  - Center for Enhancement of Learning and Teaching (CELT), which works to improve faculty pedagogy has been aligned with the Senior Vice Provost for Student Success; and
  - The Distance Learning group has been merged with the Academic Technology Group under the Senior Vice Provost for Academic Planning, Analytics and Technologies to better support blended learning across all colleges.
- Started pursuing participation in higher education MOOC collaborative:
  - We are participating with the Association of Public Land Grant Universities (APLU) in a Gates Foundation-funded collaborative regarding eLearning; and
  - We are currently in discussions with two potential MOOC collaboratives for participation.
- Continued to invest in faculty development:
  - Expanded online training modules and video tutorials;
  - Added staff (student workers) to create training materials; and
  - Added face-to-face, just-in-time learning sessions available to faculty.

- Enhanced our technology infrastructure to accommodate eLearning growth:
  - Continued to roll out new technologies in classrooms (lecture capture tools);
  - Will be piloting active learning, collaborative tools to help “flip” classrooms;
  - Will be adding analytics capabilities to our Learning Management System (LMS), lecture capture and active learning tools to provide student-level measures of engagement with the class, LMS and the lecture capture;
  - Version 2 of our Click Blue platform released. Added integration with premium quality video delivery and popular web content management system. Releasing a third continuing education Pharmacy program this spring; and
  - Working with key vendors to add real-time big-data, personalized learning and advanced analytics in their platforms (Dell, Microsoft, Echo 360, Green Button). The goal is for these advanced analytics (in Microsoft Bing and other text mining tools) to covert audio to text and to more automatically measure student engagement and mastery over concepts.

Chair Brockman opened the floor for discussion and there were questions and discussion regarding the information presented. Discussion topics included:

- The use of technology in middle school and high schools and the incoming “tech savvy” student;
- The role of book publishers;
- Personalization technology;
- Some disciplines may not lend themselves to online instructional format;
- Residential universities leveraging technology for a rich experience;
- Faculty concerns regarding pedagogy – “shouldn’t pedagogy, not revenue, drive the enterprise?”;
- Curriculum and/or course approval steps and timeline;
- Culture change for both faculty and students;
- Cheating and authenticity;
- Utilizing extension offices as third party verification center ;
- Possible ACT preparatory courses;
- Advanced placement (AP) class standardization courses;
- Who are the decision makers regarding utilization;
- Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) campus services/companion support requirements;
- Regional capabilities, especially Eastern Kentucky;
- High dropout rate of MOOCs;
- Aggressive action timeline versus “wait and see.”

Chair Brockman closed the discussion summarizing the Board’s interest in distance learning, eLearning and MOOC’s. The Board looks forward to a recommendation on eLearning utilization from the administration and faculty.

U. Other Business

Secretary Brothers thanked the Trustees, President Capilouto, and university administrators for attending the Staff Senate “Stakes Reception” after the December Board meeting. The staff was very appreciative of the opportunity to visit one-on-one with them.

V. Meeting Adjourned

Hearing no further business, Chair Brockman asked for a motion to adjourn. Trustee Shoop moved to adjourn and the meeting ended at 2:57 p.m.

Respectfully submitted,



Sheila Brothers  
Secretary

(CR 1, PR 1, 2, 3, and 4, AACR 1 and 2, FCR 1 and 2, and email from Trustee Voro dated January 27, 2013, are official parts of the Minutes of the meeting.)