

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Friday, February 23, 2018

The Board of Trustees of the University of Kentucky met on Friday, February 23, 2018, in the Board Room on the 18th floor of the Patterson Office Tower.

A. Meeting Opened

E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:31 p.m. Chair Brockman asked Trustee Kelly Holland, 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: Jennifer Y. Barber, Claude A. “Skip” Berry, III, Lee X. Blonder, James H. Booth, E. Britt Brockman, Mark P. Bryant, Angela L. Edwards, Cammie DeShields Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, Elizabeth McCoy, David Melanson, Derrick K. Ramsey, C. Frank Shoop, Sandra R. Shuffett, Robert Vance, and Barbara Young. Trustee Benjamin Childress, Trustee Michael A. Christian, and Trustee Carol Martin “Bill” Gatton were not in attendance.

Secretary Holland announced a quorum was present.

The University administration was represented by President Eli Capilouto, Provost Dave Blackwell, Executive Vice President for Health Affairs Mark F. Newman, Executive Vice President for Finance and Administration Eric Monday, Vice President for University Relations Tom Harris, Vice President for Research Lisa Cassis, Chief of Staff Bill Swinford, Vice President for Philanthropy D. Michael Richey, Vice President for Institutional Diversity Sonja Feist-Price, and General Counsel William Thro.

The University faculty was represented by Chair of the University Senate Council Katherine McCormick, and the University staff was represented by Chair of the Staff Senate Jon Gent.

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

C. Chairs Report

Chair Brockman reported that there had been no petitions to address the Board since the last Board of Trustees meeting and called attention to the 11 consent items on the agenda. The items were as follows:

Minutes	Board of Trustees Meeting, December 12, 2017
PR 3	Personnel Actions
ASACR 1	Candidate for In Memoriam Degree: May 2017
ASACR 2	Candidate for Degree: May 2017
ASACR 3	Candidate for Degree: August 2017

ASACR 4	Candidates for Degrees: December 2017
ASACR 5	Deletion of Degree: College of Education
FCR 1	Acceptance of Endowment Match Report
FCR 2	COAF Dissolution Articles
FCR 3	Acceptance of Capital Construction Report
FCR 4	Acceptance of Patent Assignment Report

Hearing no requests to remove items from the consent agenda, Chair Brockman asked for a motion for approval. Trustee Barber moved approval of the consent agenda. Trustee Shoop seconded the motion and the consent agenda passed without dissent. (See consent items on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

D. Chairs Report

Chair Brockman continued, “A couple of weeks ago, the University of Kentucky lost a giant, and the Board of Trustees lost a trusted colleague: Terry B. Mobley. As a student, administrator, alumnus, Trustee, and community leader, Terry’s love for the University of Kentucky spanned more than five decades. As a student, the Harrodsburg, Kentucky, native first earned renown as a member of the University of Kentucky Wildcats under Adolph Rupp from 1962-1965. The three-year starter garnered national attention when his 15-footer with four seconds left propelled No. 2 UK to an 81-79 win over rival Duke University during the Sugar Bowl Classic in New Orleans.

In his 33 years as a staff member and University administrator, Terry was called upon to play a number of administrative roles when his University needed him, serving as: Director of Development and Chief Development Officer; interim Athletic Director; Vice President for Development; and Vice President for Institutional Advancement, overseeing various external affairs units for the University. During his tenure as Chief Development Officer, annual cash gifts to UK increased from \$3.1 million to nearly \$61 million. Terry also oversaw the University's first capital campaign which ultimately raised more than \$1 billion. UK was the first public university to raise more than \$1 billion in its first-ever capital campaign and the 31st overall to raise that amount of money.

In 2005, the Terry B. Mobley Philanthropy Awards were established. The annual awards are designed to recognize staff who have demonstrated outstanding performance and professional achievement in the philanthropy profession at UK. As a devoted alumnus, Terry served on the UK National Alumni Board for more than 30 years, beginning in 1977, and was a recipient of the UK Alumni Distinguished Service Award.

As a Trustee, Terry served as chair of the Human Resources and University Relations committee and as a member of the Executive, Finance, and University Athletics committees during his six-year tenure. As a community leader, Terry served on the boards of the Hope Center and Virginia Place, which provide shelter, recovery, and educational programming for men and women. He and his wife, Becky, were longtime members of Calvary Baptist Church where he served in a number of leadership capacities.

Terry didn't talk much about his exploits on the hardwood, his service to the University, his impact on the community, or his leadership on the Board of Trustees. While Terry was always self-effacing, we know that all of his contributions listed herein have, as he might say, "the added benefit of being true." On behalf of the Board of Trustees and the University of Kentucky, I ask that this recognition be added to the formal record of this meeting and that Terry Mobley's commitment to and passion for the University of Kentucky be remembered."

Chair Brockman asked for a motion for this recognition to be added to the formal record of the meeting. Trustee Bryant moved approval. Trustee Hawpe seconded the motion, and it passed without dissent. (See CR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

E. President's Report (PR 1)

The President began by recognizing the nearly 1,000 UK students who participated in DanceBlue, a 24-hour dance marathon benefiting UK's Pediatric Oncology Clinic. This year's event raised nearly \$1.8 million, totaling over \$13 million raised over the past 13 years.

The President continued by highlighting the annual College of Engineering Women in Engineering event where nearly 100 high school women participated. The purpose of the program is to encourage students to pursue their degree at UK and take advantage of the modern engineering education UK provides. The students heard from UK alumna, Kassy Hart, who shared her academic and professional story.

The President recognized 16 undergraduate research students and their projects which were showcased to Kentucky lawmakers earlier in February at the annual Posters at the Capitol event in Frankfort, KY. The students had the opportunity to interact with the Board prior to the Board meeting and discuss their exhibits. The University is sending 89 students to the National Conference on Undergraduate Research at the University of Central Oklahoma, representing a diverse cross-section of UK's student body and research interests.

The President continued, "Undergraduate research is an integral part of UK's work as a research university. Across the research enterprise, sophisticated and creative discovery is underway to address the health maladies that plague our people." The President described the incidence rates of cancer, heart disease, obesity, and opioid abuse across Kentucky's 120 counties. He highlighted the decline in colorectal cancer incidence rates by 25 percent in Kentucky in less than 10 years and death rates which have dropped by 30 percent. The President pointed out one of the reasons for this decrease is the increase in screenings led by University of Kentucky researchers. With 15,000 tests annually, the Commonwealth has the largest ovarian cancer screening program in the country, with UK as its provider and partner. UK also partners with the University of Louisville on lung cancer research. The President emphasized that basic scientific research is at the cornerstone of each innovative step and, led by UK, is leaving an impact across Kentucky.

The President continued his report highlighting the University's designation as a National Cancer Institute (NCI) cancer center. As part of this designation, the UK Markey Cancer Center

must re-apply for this status every five years. During the NCI review committee's recent visit, the team toured research and clinical space and heard presentations on Markey's most prominent ongoing projects from more than a dozen faculty members. The President extended his appreciation to Markey Cancer Center Director Mark Evers, Vice President for Research Lisa Cassis, EVPHA Mark Newman, and College of Medicine Dean Bob DiPaola for the exceptional work they put into organizing a successful visit. The President stated, "We look forward to hearing the decision on renewal from the National Cancer Institute later this year."

The President described his appearance before the Kentucky House Budget Review Subcommittee on Postsecondary Education. He pointed out the proposed reductions in the biennial budget are substantial challenges during a time when UK is building considerable momentum in student success, research, and patient care. These include a 6.25 percent reduction- approximately \$16 million- in UK's base appropriation from the state, effective July 1, 2018. The proposal also includes the elimination of 70 mandated programs and substantially reduced funding for other programs that are funded directly by the Commonwealth but administered by institutions such as UK. These program eliminations and reductions represent millions of dollars of additional cuts to the University of Kentucky. The President reported to the lawmakers that the programs designated for elimination or reduction provide essential support for large segments of UK's student population; research aimed at Kentucky's health and energy needs; patient care; and food and animal safety and security across the Commonwealth. The President emphasized the importance of partnering with our state government to facilitate Kentucky's long-term economic, health, and civic success.

Dr. Capilouto concluded his report by urging everyone to examine all of the accomplishments in PR 1. (See PR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

F. Appointment of the Provost (PR 2)

President Capilouto proposed PR2 as a recommendation that the Board approve the appointment of Provost David W. Blackwell, who served as dean of the Gatton College of Business and Economics from 2012-2018. In that capacity, he led the fundraising efforts toward a \$65 million expansion and renovation of the Gatton College facility, considered one of the premier business education facilities in the country. The initiative was funded completely with private dollars. Also during his tenure, the college dramatically increased its enrollment and the number of faculty members contributing to the ethnic, racial, and gender diversity of the college.

Chair Brockman asked for a motion for approval. Trustee McCoy moved approval of PR 2. Trustee Vance seconded the motion and it passed without dissent. (See PR 2 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

G. Report on the Results of the Alumni Trustee Election (PR 4)

President Capilouto proposed PR 4 as a recommendation for the Board of Trustees that the report of the Secretary of the Board of Trustees on the results of the election, authorized by the Alumni Association, be received and put to record and that the Secretary be authorized to certify

to the Governor the names of the three persons receiving the largest number of votes, from which list a successor to Kelly Sullivan Holland, whose term expires June 30, 2018, will be appointed.

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

H. Proposed Revision to Governing Regulation: Staff Senate (PR 5)

President Capilouto proposed PR 5 as a recommendation for the Board of Trustees to approve the attached revision to Governing Regulation V, the Staff Senate, which received preliminary consideration as PR 3 on December 12, 2017. The revision, if approved, will allow the Staff Senate to determine its own membership requirements; in order to increase participation in the Staff Senate by University of Kentucky staff employees.

Chair Brockman asked for a motion for approval. Trustee Shoop moved approval of PR 5. Trustee Shuffett seconded the motion and it passed without dissent. (See PR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

I. Honorary Degree Recipients (PR 6)

President Capilouto proposed PR 6 as a recommendation that the Board of Trustees approve awarding an Honorary Doctor of Humane Letters to Thomas T. Hammond, an Honorary Doctor of Humane Letters to Debra A. Hensley, an Honorary Doctor of Arts to Sara Louise Holroyd, and an Honorary Doctor of Science to Dr. Geoffrey T. Manley, as approved and recommended by the University Faculty.

Chair Brockman asked for a motion for approval. Trustee Blonder moved approval of PR 6. Trustee Grant seconded the motion and it passed without dissent. (See PR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Chair Brockman read a summarized letter from Sara Holroyd's nominator, Ms. Renee Collins, and some other individuals on behalf of the Honorary Degree nominee. "To President Capilouto, the University Board of Trustees and the University Nominating Committee on Joint Degrees and University Senate. Famed Kentucky writer Jesse Stuart once said "I am firm in my belief that a teacher lives on and on through his students. Good teaching is forever and the teacher is immortal."

Chair Brockman continued, "We are Renee Collins and Warren Cobb, Co-Executive Directors of Room 17 Productions. We are a non-profit organization promoting the value of an education in music through storytelling, oral history, preservation of aging recordings and live performance, who, along with University of Kentucky Professor Emeritus Sara Louise Holroyd, wish to thank President Eli Capilouto and the University of Kentucky Board of Trustees, the nominating committee on Joint Degrees and University Senate for awarding Professor Emeritus Holroyd an honorary doctoral degree from the University of Kentucky.

We are proud graduates of the University of Kentucky School of Music from 1984 and

1985 and were students under the baton of Professor Holroyd. She was the Director of Choral Activities at The University of Kentucky during our time as UK Choristers, and we rehearsed in Class Room 17 in the College of Fine Arts building.

Professor Holroyd taught at the University of Kentucky for 26 years and is a significantly important figure in Kentucky music and education history both as a teacher and nurse. While as a faculty member at UK and later as a nursing student at Lexington Community College, she served as an inspiration to students, fellow faculty members, Kentucky high school music educators, famed Atlanta Symphony Conductor Robert Shaw, the Lexington Philharmonic audience, and patients, professors and co-workers at both Lexington Community College and St Joseph Hospital during her numerous successful careers over the period of six decades.

Professor Emeritus Holroyd, who is 93 years young, also sends all of you a message of great thanks and gratitude for being recognized by the University of Kentucky in such a meaningful and symbolic way. This honor of receiving an honorary doctoral degree with the thousands of students she taught during her 26 years from 1961-1987 at The University of Kentucky School of Music. She looks forward to seeing you all on the commencement stage as she proudly receives this degree from the University of Kentucky.” The Board of Trustees recognized Sara Holroyd with a round of applause. President Capilouto and Chair Brockman posed for a picture with Ms. Renee Collins.

J. Investment Committee Report

Trustee Mark Bryant, chair of the Investment Committee, reported the committee met yesterday and reviewed the performance results. The endowment pool had a market value of \$1.5 billion, as of December 31, 2017, and gained an estimated 4.4% or \$63 million dollars, in the six month fiscal year period to date. International and Domestic equity allocations, were the primary contributors to the endowment pool performances for the period. The endowment pool gained an estimated 1.8% or \$26 million dollars for the month ending January 31, 2018. Gains were driven by performance and global equities.

K. Health Care Committee Report

Trustee Robert Vance, chair of the Health Care Committee, stated the University Health Care Committee met yesterday and Dr. Mark Newman reported on his first 200 days and the challenges of our lack of capacity. To address our mission to meet the needs of the Commonwealth, we have submitted a Certificate of Need Application to the state for an additional 141 acute care beds at Chandler Hospital to bring our total beds to 1086.

Craig Collins, health care CFO, reviewed financials reflecting profit for the six months ending December 31, 2017, of \$52.6 million, which is \$8.3 million below \$60.9 million budget.

Dean Bob DiPaola introduced three new faculty members: Dr. Scales as new Associate Dean for Diversity and Inclusion, Dr. Himelhoch as new Chair of the Department of Psychiatry, and Dr. Cheever as new Associate Dean at the College of Medicine Campus in Bowling Green.

L. Item for Discussion

President Capilouto introduced a discussion regarding UK's five-year financial plan and the University's vow to the Commonwealth to rebuild campus, grow funds, support faculty and staff, and become more diverse and inclusive. "Our call today is to renew and redefine this sacred covenant with the students and families who entrust us with preparing them for lives of meaning and purpose. Doing so matters to Kentucky's success." The President identified the following disruptions including the state fiscal environment, focus on net price compared to value, expectations of life-long learning, student debt levels, and changing demographics. The President stated, "The expectation is that all of our students leave this university with the toolkit that prepares them to be a lifelong learner in an environment marked by accelerated change and technology in an ever increasing global competitive marketplace."

The President introduced Executive Vice President for Finance and Administration Eric Monday and Provost Dave Blackwell to continue the conversation regarding the five-year financial plan.

Eric Monday began by discussing the current funding needs in order to make progress towards the Strategic Plan. In the five year plan, there would be no increase in student tuition or fees, and the freshman class acceptance rate of 4,900 student would remain the same. Dr. Monday explained the five-year financial plan process which included building five concept teams near the end of the previous fall semester; each of which were chaired by a dean. With the help of staff support and staff subject matter experts, the teams were asked to determine concepts that would produce \$8 - \$10 million in net recurring University-wide general funds that the University could, then, explore and continue onto the next phase. The conversation was turned over to Provost David Blackwell who walked the Board through the University's current plan and timeline progress.

Provost Blackwell acknowledged the hard work put forth by the five concept teams. He stated that within one month, the plans were organized and the concept teams will present drafts by the end of February. He noted that the concept teams were strategically created by assigning all the deans to one of the five concept teams and the teams were then further populated by University staff, faculty, and students. Provost Blackwell pointed out it was essential that the teams worked with the University Senate, the Staff Senate, and the Student Government Association.

Provost Blackwell reported a communication plan has been built around the business plans in order for the campus to weigh in and potentially improve upon them. By the end of spring semester, the University will begin implementation. He assured the presented projects, of which the University is considering, involve strategic enrollment growth.

Provost Blackwell posed 'phase one' ideas that would help in furthering the initiatives of one of the University's strategic plans. Included are the eight projects that currently have business plans under development by the concept teams. These teams have also started working together to achieve five out of the eight projects that are intended to help the University grow enrollment strategies. Provost Blackwell reported that the University's plan is to increase first time freshman

enrollment. Another concern is the utilization of the University's resources over the summer. In addressing this concern, it is important that the University continues to explore creative ways to utilize UK's campus and infrastructure in the summer. Provost Blackwell concluded the discussion by reminding the Board that the business plans will arrive near the end of February, and, then, the process of implementation will begin.

M. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 2:24 p.m.

Respectfully submitted,



Kelly Sullivan Holland
Secretary, Board of Trustees

(PR 3, ASACR 1, ASACR 2, ASACR 3, ASACR 4, ASACR 5, FCR 1, FCR 2, FCR 3, and FCR 4, are official parts of the Minutes of the meeting)