

Minutes of the Meeting of the Board of Trustees  
University of Kentucky  
Friday, September 13, 2019

The Board of Trustees of the University of Kentucky met on Friday, September 13, 2019, in the Gatton Student Center Ballroom A.

A. Meeting Opened

E. Britt Brockman, Chair of the Board of Trustees, called the meeting to order at 1:35 p.m. Chair Brockman asked Bill Thro, Assistant Secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Jennifer Y. Barber, Claude A. “Skip” Berry, III, Cathy A. Black, Lee X. Blonder, Joe Bowen, E. Britt Brockman, Michael A. Christian, A.C. Donahue, Cammie DeShields Grant, Robert Grossman, Michael Hamilton, Kimberly McCann, Elizabeth McCoy, David Melanson, Derrick K. Ramsey, C. Frank Shoop, Sandra R. Shuffett, Robert Vance, Rachel Watts Webb, and Barbara Young. Trustee Carol Martin “Bill” Gatton was not in attendance.

Assistant Secretary Thro 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, General Counsel Bill Thro, Vice President for University Relations Tom Harris, Vice President for Research Lisa Cassis, Chief of Staff Bill Swinford, and Vice President for Institutional Diversity Sonja Feist-Price.

The University faculty was represented by Chair of the University Senate Council Jennifer Bird-Pollan, 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 12 consent items on the agenda. The items were as follows:

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| Minutes | Board of Trustees Meeting, June 20, 2019                               |
| PR 2    | Personnel Actions  |
| ASACR 1 | Candidates for Degrees: August 2019                                    |
| FCR 1   | BB&T Charitable Fund Grant   |
| FCR 2   | Dorothy M. Huddle Charitable Remainder Unitrust Gift                   |
| FCR 3   | Approval of Improvements for UK College of Medicine Behavioral Science |

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| FCR 4 | Approval of Lease Bluegrass Care Clinic   |
| FCR 5 | Repair, Upgrade or Improve Building System – UK HealthCare Capital Project                                |
| FCR 6 | Authorization of Negotiated Disposition of Personal Property  |
| FCR 7 | Resolution Providing Additional Authority for the Executive Vice President for Finance and Administration |
| FCR 8 | Capital Construction Report   |
| FCR 9 | Patent Assignment Report  |

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

Chair Brockman stated, “It has been an honor to serve with such an esteemed group, as Chair, for eight years. It is a dream of a lifetime. The beauty of this Board is that there is one and only one goal. We all have a commonality, and that is the betterment of this University and of the Commonwealth. It is a remarkable thing when people of similar desires come together, and no matter the background, the politics, et cetera, are able to accomplish with this President and his super group of folks working with him, what has been accomplished in the last decade at this University. So thank you for that opportunity.”

#### D. Executive Committee Report

Chair Brockman stated that the Executive Committee had met earlier in the day and approved the Presidential Survey questions. These Survey questions will be distributed to Constituent Groups for feedback and reported out to the Board during the October meeting.

#### E. President’s Report

President Capilouto began by discussing the success of this year’s Big-Blue move-in. “We have celebrated accomplishments across our enterprise, welcomed new academic leaders, and embraced our new and returning students and families as we begin this academic year. We have also declared, in a united voice, our commitment to asking ourselves each and every day: what is possible?” President Capilouto placed particular emphasis on acknowledging the distinct work of the UK community who help to ease the process of this transition: “Several individuals from offices across our campus are here with us this afternoon. They are professionals who orchestrate the initial experiences of our incoming students. They are often the first face, the first connection, and they show what it means to be part of this community. And thanks to their diligent, compassionate, thoughtful, and welcoming spirits, we invited on to our campus the largest first-year class ever.” President Capilouto specifically acknowledged representatives from the Office of Undergraduate Admission, the Office of Financial Aid and Scholarships, and the Registrar’s Office. Additionally, distinct recognition went to Sarah Nikirk, Director of Auxiliary Services, and her team. The audience acknowledged the representatives with applause.

President Capilouto then announced the presence of new members of academic leadership at the meeting: Dean of Communication and Information Jennifer Greer, Dean of Social Work Jay Miller, Interim Dean of Law Mary Davis, Dean of UK Libraries Doug Way, Dean of the College of Education Julian Vasquez Heilig, and Interim Dean of the College of Dentistry Jeffrey Okeson. The audience acknowledged the new deans with applause.

The President continued by recognizing the record number of new, advanced students in the first-year class. “You can see that our new students are well prepared, and can undertake the rigors of a collegiate curriculum, we think, with confidence to be successful.” Further, President Capilouto discussed the University’s plan to increase diversity and inclusion on campus, showing impressive numbers with regard to diverse enrollment relative to other U.S. colleges. “These numbers put us on the path to confer a record number of degrees, contributing to the state’s ambitious attainment goals and economic pursuits... It is important to note that our highest-ever first-year enrollment occurs against the backdrop of declining high-school graduate numbers in Kentucky, and throughout most of the country. It signals our commitment to do more and be more for Kentucky and our country.”

“This year, we are recognizing 70 years of integration with colloquia, coursework, and campus events that acknowledge the part of our past where we did not meet our responsibility to teach and serve all people.” President Capilouto addressed the kick-off event featuring The Daily Show host and best-selling author Trevor Noah, and a separate ceremony to award Dr. Doris Wilkinson an honorary doctorate of humane letters. “As we acknowledge that our progress on this path has not been a straight line, we will continue to work with determination and compassion to ensure our campus is an environment of belonging.” In doing so, President Capilouto announced the allocation of nearly \$2 million to invest in diverse faculty hires. “This activity builds on past work, and further lays a foundation for future progress.”

The President thanked the generous contributions to the University through the comprehensive Capital Campaign, and marked its success in surpassing the halfway point on the journey to raise \$2.1 billion. “I have had the opportunity to share our story of momentum and success with over 800 prospective partners at campaign events across the country. I have told them this historic effort targets three main areas: further investment in scholarships, especially our Leading Economic Affordability for Developing Success (LEADS) program, to open wider the doors for those who have large amounts of unmet financial need; to build our endowment to further attract and retain top faculty and give them the resources to fuel creative programs; and lastly, to enhance and expand our research enterprise.”

President Capilouto further noted the University’s achievements in health care and medicine, beginning with the recognition of the Albert B. Chandler Hospital. “It remains the Top Hospital in Kentucky and the Bluegrass region for the fourth consecutive year, according to the 2019 U.S. News and World Report’s Best Hospitals Rankings. In addition, the Markey Cancer Center has been named in the Top 50 national rankings for cancer care at No. 33. Paired with our National Cancer Institute (NCI) designation, this important ranking further signals our role as Kentucky’s critical health care provider.” President Capilouto also praised the work of the UK College of Medicine in its pursuit of preparing the next generation of health care practitioners.

Specific recognition was given to new college campuses in Northern Kentucky and Bowling Green. “We are dreaming boldly, with the goal of achieving greatly.”

“This afternoon we will celebrate another manifestation of partnership... We recognize a collaboration between UK and Jim Beam... We are inspired by the common goal of maintaining the welfare, prosperity, and sustainability of Kentucky’s spirits industry for generations to come.”

President Capilouto concluded his report by discussions of the breach of ethics within the University. “After more than a year-long, internal investigation, the University concluded that two professors and a staff research scientist were responsible for significant research misconduct. In accordance with the University’s regulations and federal guidelines, we immediately empaneled an Inquiry Committee of expert scientists to assess the matter... These are rare instances when our researchers violate our expectations and standards, but the University must act forcefully, fairly, and without hesitation to investigate the misconduct, correct it, and take steps to prevent any recurrence.” President Capilouto regarded the efforts of the University as honorable and just, maintaining its commitment to doing things right. “We are an institution fueled by compassion, a deep sense of integrity, determination, and an unwavering desire to expand what is possible for this University, our Commonwealth, our country, and all those we serve.”

Chair Brockman then invited each dean unable to attend the June meeting to the podium for remarks, beginning with the Dean of Libraries Doug Way. “Technology has altered how we provide and acquire access to information and resources. Today, Libraries are the nexus of learning and knowledge creation on our campus. We provide spaces that create intersections between information and resources, services, and expertise. We develop collections that will stand for generations to come. We play vital roles in developing student affordability, and we assist with the dissemination of research and scholarship conducted on this campus.” Dean Way thanked the administration for the opportunity to lead his amazing team of faculty and staff in the Libraries who are dedicated to the University’s teaching, learning, and research missions. The audience acknowledged Dean Way with applause.

Next, Chair Brockman invited Dean of Education Julian Vasquez Heilig to the podium for remarks. “I am so incredibly honored today to represent the nearly 100 tenure, tenure-track faculty, our 2,500 students, and many thousands of alumni. We understand the very sacred responsibility that we have to the Commonwealth to work on behalf of the children and family of this state and beyond. That is what wakes us up in the morning-that passion, and we have a lot of big ideas and exciting things that we are looking forward to doing together, community-engaged, community-relevant. So again, we are so happy, my family, to be here. We are so happy to be engaged in this incredible institution and help solve some of the big challenges of this state, one of those, of course, being the teacher shortage and high quality leader shortage. One of the interesting things that we recently found out is that 97 percent of school districts love our teachers. We think the other 3 percent are Louisville fans. Thank you.” The audience acknowledged Dean Heilig with applause.

Chair Brockman invited Interim Dean of Dentistry Jeff Okeson to the podium for remarks. Dean Okeson thanked the administration for the opportunity and discussed the advancements being made in the College of Dentistry with regard to digital dentistry and highlighted the extension projects occurring in rural areas around the state, “Improving the dental and oral health

of the citizens of Kentucky. We have phenomenal things happening in dentistry with more digital dentistry occurring on our campus than at any other college in the United States, and we are going to take that and move even more forward.” The audience acknowledged Interim Dean Okeson with applause.

F. Health Care Committee Report

Trustee Robert Vance, Chair of the Health Care Committee, reported that he and Trustee Young had the opportunity to attend a two-day meeting for Board members in Chicago in late August with several members of UK HealthCare’s Quality and Safety Team. “*Leading Toward Zero Harm: The Critical Role of the Board,*” was held by the leadership of the Solutions for Patient Safety (SPS) which is a network of more than 170 Children’s Hospitals from across the country. This group focuses on engaging hospital leadership to transform the quality and safety of care delivered to children in all pediatric hospitals. This conference specifically focused on the role of Governing Boards and hospital leaders in understanding their critical roles in driving change and safety culture transformation within their respective hospitals and health systems. Because our own Kentucky Children’s Hospital is a member of SPS, we have an opportunity to adopt this important work across the entire UKHC enterprise to assist our nurses, physicians, and leaders in creating a top tier culture of safety for our patients, families, and staff. Consideration in adopting the SPS methodologies gets UKHC closer to our goal of becoming a High Reliability Organization (HRO). This meeting reaffirmed that, as Board Members, we have a responsibility to understand our hospital’s barriers to transparency, know our safety and quality data, and constantly remind our organization that safety is its number one priority.

Trustee Vance continued by reporting that he and Trustee Grant met with Chief Compliance Officer Brett Short to receive an update on compliance matters prior to the September Health Care Committee meeting. Trustee Vance highlighted that UK HealthCare’s Chandler Hospital has been named the number one hospital in Kentucky for the fourth year in a row by U.S. News and World Report, and Dr. Newman and Cecilia Page were pleased to announce that UK HealthCare has named Epic as the vendor of choice for their new electronic health record. The targeted activation will be mid-2021.

Trustee Vance continued by reporting that the preliminary income results indicate that UK HealthCare had a positive year-end income from operations of \$112.7M, which includes a one-time adjustment for prior years of \$41.2M. Fiscal Year 20 July results are on budget.

The Committee reviewed and recommended approval of FCRs 4, 5, and 7 and approved the list of providers submitted by the Medical Staff Committees for privileges and credentials at the Good Samaritan and Chandler Hospitals.

G. Investment Committee Report

Chair Elizabeth McCoy, Chair of the Investment Committee, reported the Investment Committee met the day prior to review performance results and conduct other business. The endowment pool had a market value of \$1.5 billion as of June 30, 2019, and gained an estimated 4.4 percent, or \$65 million, in the 12-month fiscal year-to-date period. Private real estate and

private equity were the primary contributors to the endowment pool performance for the period. The endowment pool declined by an estimated one-tenth of one percent, or \$2 million, for the month ending July 31, 2019. International equity and private credit allocations were primary detractors for the period.

#### H. Nominating Committee Report

Trustee Frank Shoop, Chair of the Nominating Committee, reported that the Nominating Committee met on August 22, 2019. The slate of officers and members elected to the Executive Committee were discussed and approved. Trustee Shoop submitted the following nominations for the following offices:

For Chair – Robert Vance  
For Vice Chair – Jennifer Barber  
For Secretary – Cammie Grant  
For Assistant Secretary - William Thro, General Counsel

Chair Brockman stated that the Nominating Committee had nominated Robert Vance for Chair. He asked for any nominations from the floor. Hearing no discussion, Chair Brockman asked for the vote and it passed with 19 votes in favor and one vote against. Trustee Brockman congratulated Chair Vance and continued with the election.

Trustee Brockman stated that the Nominating Committee had nominated Jennifer Barber for Vice Chair. Trustee Brockman asked for nominations from the floor. Hearing no discussion, the nominations were closed. Trustee Brockman called for the vote for Trustee Jennifer Barber as Vice Chair and it passed without dissent. Trustee Brockman congratulated Vice Chair Barber.

For Secretary, Trustee Cammie Grant was nominated by the Nominating Committee. Trustee Brockman asked for nominations from the floor. Hearing no discussion, the nominations were closed.

Trustee Brockman called for the vote for Trustee Cammie Grant as Secretary and it passed without dissent. Trustee Brockman congratulated Secretary Grant. The Nominating Committee nominated William Thro, General Counsel for Assistant Secretary. Trustee Brockman asked for nominations from the floor. Hearing no discussion, the nominations were closed.

Trustee Brockman called for the vote for General Counsel William Thro as Assistant Secretary and it passed without dissent. Trustee Brockman congratulated Mr. Thro.

#### I. Election of Executive Committee

Trustee Shoop explained that per Governing Regulation II.E.2 (a), the Chair and Vice Chair of the Board are two of the five members of the Executive Committee. The Chair of the Board of Trustees shall also serve as Chair of the Executive Committee. By virtue of their newly elected offices, Chair Robert Vance and Vice Chair Jennifer Barber are members of the Executive Committee. As Secretary of the Board, Trustee Grant is the ex officio Secretary of the Executive

Committee. Therefore, the Nominating Committee submitted the following three nominations for the at-large members:

Mr. Claude A. “Skip” Berry, III  
Dr. E. Britt Brockman  
Ms. Barbara Young

Trustee Brockman explained that the election of the members of the Executive Committee would proceed in like fashion to the election of the officers of the Board. He stated that the Nominating Committee nominated Skip Berry, Britt Brockman, and Barbara Young as the at-large members of the Executive Committee. He asked for nominations from the floor. There were no nominations from the floor. Trustee Brockman moved approval of the slate as presented by the Nominating Committee and it passed without dissent. Trustee Brockman then turned the meeting over to Chair Vance.

Chair Vance stated, “It is a distinct honor to be elected by my peers to chair the Board of Trustees of this great University. Secondly, Trustee Britt Brockman is in his 13th year on the Board of Trustees. He served as Student Government President for one year, on the Board in '81 and '82. He was appointed to a six-year term by the Governor in 2008 and the last four years of that six-year term, he was elected Chair each of those last four years. The Governor reappointed Britt Brockman for a consecutive six year term and after one year not being Chair, he was elected for four more successive years each year. So Trustee Brockman has served as Chair of this Board for eight of the last nine years. He played a major role in attracting President Capilouto to Lexington, and under his leadership, this University has experienced unparalleled expansion. Join me in congratulating Dr. Brockman.” The audience acknowledged Trustee Brockman with applause and Chair Vance introduced President Capilouto for a presentation.

The President remarked, “Eight years ago this was our first Board meeting and I remember being anxious because, just as we do this year, we were awaiting our Retreat. When I was named President, Trustee Brockman was Chair and the Board was anxious for an updated Strategic Plan. I remember in July, they told me they wanted a Plan in 30 days. We negotiated and got to October, and thanks to Holly Swanson and a lot of people who served on the Committee, they produced a Plan that really wanted to accelerate reinvigorating our campus' infrastructure. I remember as part of that October Retreat, we got on buses and toured the campus and looked at some of our facilities, and this further fueled their desire to get moving quickly on rebuilding our campus. So we thought, Trustee Brockman, we would give you something that we hope is meaningful to you, that captures what we have done on this campus during your time as Board Chair.” The President invited Trustee Brockman to come forward and presented him with a framed map of UK’s campus. The President explained: “All of these buildings in blue were constructed during your time of service and at the bottom we have: Leadership is believing and achieving what is wildly possible.”

L. Other Business

Chair Vance reviewed the 2020 proposed meeting dates of the Board of Trustees. They are:

Thursday/Friday - February 20-21, 2020  
Monday/Tuesday - May 4-5, 2020  
Thursday/Friday - June 18-19, 2020  
Thursday/Friday - September 10-11, 2020  
Thursday/Friday - October 15-16, 2020 (Retreat)  
Monday/Tuesday - December 7-8, 2020

Trustee Barber moved approval of the proposed meeting dates. They were seconded by Trustee Young and passed without dissent. (See Proposed Meeting Dates on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

K. Discussion

Chair Vance invited Dean Nancy Cox and Dr. Seth DeBolt to the podium for a discussion on the James B. Beam Institute for Spirits. Dean Cox highlighted the relationship between several colleges at UK and the Institute: “We are very excited because it unites this signature industry with our land grant philosophy. We share a lot of the same ideals for stewardship of the land and water, sustainably produced food items, and a healthy and diverse workforce. Along with the College of Agriculture, Food, and Environment, we have partnerships already with Engineering, Arts and Sciences, and Gatton. These partnerships are growing and will include other colleges in the future.”

Dean Cox introduced Dr. Seth DeBolt, who thanked the University: “I’m incredibly humbled that the administration put their faith in me to execute this plan and to form this partnership. We have approximately 500 students enrolled in this certificate program, which has been running for over five years, with the class being taught for eight years. These students are moving into exciting careers in this global industry.” Dr. DeBolt continued by recognizing Vice President for Research Lisa Cassis, as one of the first to recognize the importance of this research. In closing Dr. DeBolt stated, “I’m excited about the University’s role and thankful for the leadership and support.”

Chair Vance reminded the Board that the celebration and news conference hosted by UK’s College of Agriculture, Food, and Environment, would begin at the conclusion of the Board meeting. The event will commemorate the renovation of the historic Cooper House and recognize the formation of the James B. Beam Institute for Kentucky Spirits. Hearing no further business, the meeting was adjourned at 2:22 p.m.

Respectfully submitted,



William E. Thro  
Assistant Secretary

(PR 2, ASACR 1, FCR 1, FCR 2, FCR 3, FCR 4, FCR 5, FCR 6, FCR 7, FCR 8, and FCR 9 are official parts of the Minutes of the meeting)