

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Friday, April 29, 2022

The Board of Trustees of the University of Kentucky met on Friday, April 29, 2022, in the Gatton Student Center, Harris Ballroom.

I. Call to Order

Bob Vance, chair of the Board of Trustees, called the meeting to order at 1:46 p.m. Chair Vance asked Secretary Webb to call the roll.

II. Roll Call

The following members of the Board of Trustees were in attendance: Claude A. "Skip" Berry, E. Britt Brockman, Michael A. Christian, Ray Daniels, Michael Hawse, Ron Geoghegan, Kimberly McCann, Elizabeth McCoy, David Melanson, Paula Leach Pope, Derrick K. Ramsey, C. Frank Shoop, Sandra R. Shuffett, Bryan Sunderland, Hollie Swanson, Robert Vance and Rachel Watts Webb. Cathy A. Black and Lee X. Blonder attended the meeting via Zoom.

Secretary Webb announced a quorum was present.

III. Approval of Minutes

Chair Vance reported that there had been no petitions to address the Board since their last meeting. He stated that the minutes of the Friday, February 18, 2022, meeting had been distributed and asked for a motion to approve. Trustee Shoop moved approval and Trustee Berry seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda")

IV. Chair's Report

Chair Vance called attention to the 22 consent items on the agenda.

PR 2	Personnel Actions
ACC 1	Audit and Compliance Committee Charter Revisions
ACC 2	UK Internal Audit Charter Revisions
ASACR 1	Candidates for Degree May 2022
ASACR 2	In Memoriam Degrees May 2022
ASACR 3	Candidates for Degree August 2022
ASACR 4	Academic Degree Recommendation: College of Design
ASACR 5	Deletion of Degree: College of Education
ASACR 6	Reorganization of School: College of Agriculture, Food and Environment

ASACR 7	Reorganization of Departments: College of Public Health
ASACR 8	Change in Name of Educational Unit: College of Engineering
FCR 1	Pledge from Gray Inc.
FCR 2	Pledge from Xiangming Cheng
FCR 3	Acceptance of Interim Financial Report
FCR 4	Budget Revision
FCR 5	Disposal of Personal Property
FCR 6	Approval of Improvements: College of Social Work Lease
FCR 7	Approval of Lease
FCR 8	Approval of Acquisition
FCR 9	Grain Center Emergency Project
FCR 10	Capital Construction Report
	UK HealthCare Medical Staff Privileges and Appointments

Chair Vance asked if there were any requests to remove items from the consent agenda. Hearing none, Chair Vance asked for a motion to approve. Trustee Melanson moved approval, Trustee Shuffett seconded the motion and the consent agenda passed without dissent. (See consent agenda items on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda")

Chair Vance then recognized President Capilouto for his report.

V. President's Report

President Capilouto opened his report by discussing the recent passing of two Board members: Senator Joe Bowen and Mr. Bill Gatton. "They were very different men, of course, but they hailed from the same region of our state, and they brought to this board, and their alma mater, the same shared commitment. They believed that this institution, and what we do here at this place, was more important than anywhere else in making Kentucky a much better place."

"Joe, as you know, ran a family business in his hometown of Owensboro. He had deep roots there and was involved as a leader in several civic organizations. Before joining the Board, he was, for several years, a member of both the state House and Senate. As a public service servant, he made education a priority, it was a focus he continued in his service on our Board of Trustees."

"He was uniformly supportive of our goals, our mission and how we were working to make them a reality. Even when he had questions or concerns, he asked them in a generous manner and with an open heart. He was curious and inquisitive, kind, decent and humble."

The president read a text he received from Trustee Bowen after the last Board meeting, "UK Board Meetings have a lingering effect and in a good way. There is an unexplainable energy residual that feels good. I'm lucky to be a part of such a professional

organization. I talk with so many people about UK that are far more qualified than myself to serve in this capacity."

The president continued, "He revered this institution, marveled at our growth and development and gently pushed and guided us to always think about those we serve as we plan for more progress. He never forgot who we served because "who we served" was always held firm in his heart."

The president continued by remembering Bill Gatton, "Mr. Gatton, too, believed fundamentally that Kentucky's university and its development held the greatest hope for our Commonwealth and its future. He pushed us as if that future depended on what we do here because he simply believed that it did, more so than any other place."

"We all know, and you heard about it again this morning, about his gifts to UK and institutions and charities across Kentucky and the region. The legacy and impact of his generosity will be felt for generations. Those donations will, for us, ensure the infrastructure critical to support students, scholars and staff. They will make attending this place a reality for young men and women, who perhaps before Bill Gatton, only timidly dared to dream about coming to UK or becoming a doctor. They can still dream big because of Bill Gatton."

"I had the honor and privilege, on your behalf, to speak this past weekend at Mr. Gatton's funeral. I recalled one of the last times I saw Mr. Gatton on campus. It was an event in this marvelous student center that bears his name. That dedication had been grand. For those of you who were there, the balloons fell from the ceiling down on the social staircase, we cut into an enormous cake, and community members enjoyed prizes and gifts. There was wonderful music and merriment, students and all of us there were excited about the potential of a new year, and this grand facility, in many ways, symbolized its promise."

"As we ended the ceremony that day with our acoUstiKats singing 'My Old Kentucky Home,' and as we do in Kentucky, people stood and swayed to the music, and at the appointed time raised their finger. Mr. Gatton had stood along with everyone else, but he alone, as I recall, he alone stood with his hand on his heart. Such was his reverence for this Commonwealth and this place, *his* Commonwealth, *his* place. It reminded me then, it reminds me now, it will remind me forever."

"Kentucky was always in Bill Gatton's mind because Kentucky was always in Bill Gatton's heart. It is why he pushed us, it is why he gave to causes here more often than not focused on students, whether a facility or a scholarship or the many quiet gifts to a student who would never know their benefactor, only that someone had reached out when they needed it most. That is how Mr. Gatton and Joe Bowen saw and understood this institution as this state's brightest hope. This institution is a beacon for those who need it most."

President Capilouto then asked for a moment of silence in honor of Joe Bowen and Bill Gatton.

The president continued by discussing the theme from the two days of meetings – Taking Care of Our People. “It is central to our Strategic Plan – The UK Purpose – and I believe it is central to our mission to advance Kentucky.”

The president continued by introducing a video, “I want to start this afternoon with some of those people because they express, better than I ever could, why this goal is so essential.”

After the video concluded, the president remarked, “Very different people, working in very different spaces and places across our campus; faculty and staff, physicians, other caregivers, custodians, academic advisors and lab technicians. This week on UKNow, our daily email of stories to the campus and others, we featured other people who make this place so special, often serving here quietly, sometimes without much fanfare or accolades, and they have been doing it for decades as you have heard over the last day.”

“What is remarkable to me about these people and their stories though, is not the differences in their jobs and responsibilities, it is not the vast range of people and the work they do across a community of more than 20,000 employees, nearly 32,000 students, 19 colleges and hundreds of offices and units. What is remarkable to me from the first day I stepped on this campus to now, are the words and things that everybody uses over and over again with pride and passion, to describe why they work here – I get the opportunity to be part of something bigger than self; I am part of the solution; I help students achieve their dreams; I watch students grow and thrive; here, you get to give back to the community.”

The president continued, “These employees, these members of our community and countless others who give this place its soul, are a walking commencement address. They teach our students every day, through their actions, what we want our students to learn as we endeavor to prepare them for lives of meaning and purpose. They inform and support this most compelling of priorities for our institution: **to invest in our people.**”

The president remarked how the centrality of this goal has been a point of focus as the university formulated and finalized a budget, discussing how UK is intentionally and with purpose making ‘investments in our people’ such a focus.

He continued by detailing three markers of progress to measure the university’s effectiveness toward this goal with supporting actions.

Offer the most competitive, most accessible benefits while continually examining ways to expand and enhance what UK provides to employees.

- The UK HMO Plan, utilized by 44 percent of UK's community, will see no increase in premiums. UK's PPO plan, utilized by approximately 46 percent, will see a modest increase in premiums from \$4 a month to \$12. At the same time, adding benefits in all plans around treatments for certain chronic conditions and inclusive care to help traditionally underserved populations better navigate the health system that inherently becomes more complex.
- Restored the one-to-one match of retirement benefits up to 10 percent of an employee's salary.
- For the second year in a row in recognition of some of the strains employees and their families have faced, allowing members of the UK community to roll over vacation in order to spend more time with their families.
- Adding five individual counseling sessions for employees, per year at no cost, with internal therapists. Additionally, raising awareness of resources and mental health topics by providing digital tools to improve sleep, develop resilience, reduce stress and practice mindfulness.

Second, competitive compensation and a path to career progress is vital to the university's ability to recruit and retain the best faculty and staff who advance UK's mission.

- Nine out of the last 10 years, UK has provided pay increases for the campus community, an unprecedented investment and commitment to ensure competitive compensation.
- Since 2015, UK increased starting pay several times again, leading the community, state and region. This June, the university will propose to the Board a compensation plan that more than doubles the amount invested in raises. An average of \$8.6 million annually over the last several years, to more than \$17 million this year.
- And in a time when the best way to recruit employees is to retain them and to provide more flexibility to managers and hiring officials than ever before, each major unit and college will receive a percentage of the salary pool equal to their percentage of campus salaries. From that, employees who are performing at satisfactory levels will automatically receive a \$1,000 increase in compensation. Then with the remaining funds in the pool, managers, and leaders will have tremendous flexibility and responsibility in providing further increases.

“Those adjustments can be based on performance, retention needs, compression that may exist within or between units on campus and any other factors that are important to recruiting and retaining outstanding employees. Decisions about pay, just as they are with hiring, are best made at the unit level.”

Third, outstanding people need outstanding facilities and infrastructure to support their efforts.

- Gray, Inc. has pledged \$5,250,000 to enhance the prominence of the College of Design, of which \$4,550,000 will be used to establish and support a non-endowed capital project fund named the “Gray Capital Project Fund” to be used for the renovation and expansion of the Reynolds Building #1 on the university’s campus, and \$700,000 will be used to establish and support a non-endowed fund named the “Gray Design-Build Program Fund” to elevate and strengthen the College of Design’s Design-Build Program.

“This gift will allow us to transform a historic, but terribly stressed set of buildings into the proposed Gray Design Building home of UK's College of Design. It sits at a critical nexus between the campus and community, is appropriate for the College of Design and will be a stunning entry point to UK on that side of campus.”

“We have another fundamental principle or goal in our strategic plan – **Inspiring ingenuity in all we do**. Space, especially when it creatively brings together people with different perspectives and disciplines, can inspire ingenuity, and the proposed Gray Design Building will certainly be a place for all of this to occur. It is the first project that will be able to take advantage of the asset preservation funds established by the state legislature in its recently completed session. It is the first of what we hope will be a series of projects that will continue the revitalization of our campus core. It is exactly the kind of project that Secretary and former Mayor Gray and I discussed over the years, a marriage of form and function that will enhance what we do academically in service to our state and as a symbol of the inextricable links between Lexington and the university.”

“I want to thank Secretary Gray and his family including his brother, Franklin, who is a graduate of our College of Design. I want to extend thanks to Dean Vernon, and many others who have pushed for and dreamed of this project for so long. I remember years ago when Dean Vernon was introduced to the Board, she stood up and declared that we were going to have this building, she did not say the Reynolds Building, but for a moment, I thought she was having a crazy dream. I am glad she proved that it was a terrific dream and I commend her for her work in making this a reality.”

In conclusion, the president remarked, “Over the last 10 years, we have initiated nearly \$3 billion in infrastructure projects across our campus, from classrooms to athletic facilities, from research labs to healthcare spaces. These strategic investments and the support of policymakers and donors have allowed us to transform our campus and support our mission. That work, like the work of investing in and taking care of our people, is never done. But we are working strategically and systematically to advance our people in ways that ensure we can advance Kentucky. As I like to say, when we take care of our people, we will take better care of Kentucky.”

“Mr. Chairman, I thank you, all our Board members and all those who have participated in this meeting over the last day, for their inspirational work, and what they are doing to advance Kentucky.”

Chair Vance thanked the president and introduced Trustee McCoy to read a resolution honoring Trustee Joe Bowen.

Trustee McCoy thanked Chair Vance and read the following resolution.

“A resolution honoring and commending Joe Rollin Bowen for his service to the UK Board of Trustees, the university, his community and the Commonwealth.

WHEREAS, Mr. Joe Rollin Bowen, member of the Board of Trustees since 2019, has diligently served the University of Kentucky with admirable acumen and dedication; and

WHEREAS, during his appointment, he offered his expertise and skills as a member of the Audit and Compliance, Finance, Investment, Nominating and University Athletics Committees; and

WHEREAS, he had served in both the state House and Senate for several years, representing the Owensboro area; and

WHEREAS, Mr. Bowen earned his bachelor's degree from the University of Kentucky, in Lexington, Kentucky, and he previously owned and operated Bowen Tire; and

WHEREAS, he remained committed to the community and Commonwealth, serving in many roles such as chair of the Owensboro YMCA and the Kentucky State Parks Foundation, among other commitments.

Now, therefore, be it resolved, that the University of Kentucky Board of Trustees does hereby adopt this resolution on April 29, 2022, and expresses, on behalf of the university community, our individual and collective gratitude to Mr. Joe Rollin Bowen for his exemplary support and service and orders that this resolution be made part of the minutes of the meeting.”

Chair Vance thank Trustee McCoy and called on Trustee McCann to read a resolution honoring Trustee Bill Gatton.

Trustee McCann thanked Chair Vance and read the following resolution.

“A resolution honoring and commending Carol Martin “Bill” Gatton for his service to the UK Board of Trustees, the university, his community and the Commonwealth.

WHEREAS, Mr. Carol Martin “Bill” Gatton, member of the UK Board of Trustees since 2009, has left an indelible mark on the University of Kentucky and the Commonwealth of Kentucky through his generosity, service and vision;

WHEREAS, Mr. Gatton is the single largest donor to the institution in the history of the University of Kentucky, supporting, among other initiatives:

- The Gatton Student Center;
- The Gatton College of Business and Economics; and
- Significant investments in the UK LEADS program, an initiative focused on students with unmet financial need;

WHEREAS, Mr. Gatton’s total philanthropic impact on the institution amounts to more than \$70 million;

WHEREAS, Mr. Gatton’s generosity was often anonymous, supporting various University of Kentucky students who never knew the true identity of their benefactor;

WHEREAS, Mr. Gatton’s commitment to building a better future extended beyond the borders of the UK campus, including:

- Initiating the founding donation for the creation of the Carol Martin Gatton Academy of Mathematics and Science at Western Kentucky University;
- Serving as the lead donor for the Bill Gatton College of Pharmacy at East Tennessee State University;
- Establishing scholarships supporting dozens of students throughout Kentucky, Tennessee and Virginia; and
- Assisting thousands of public school teachers in the region by helping purchase supplies for their students;

WHEREAS, Mr. Gatton, during his first term of service to the UK Board of Trustees, served as Chair for the Investment Committee and member of the University Athletics, Finance and Nominating Committees, and the Audit and Compliance subcommittee;

WHEREAS, in 2015, Mr. Gatton was appointed as a life-long honorary member of the UK Board of Trustees;

WHEREAS, Mr. Gatton ignited his entrepreneurial spirit at a young age and continued fostering it throughout his career, resulting in several ventures across the country including:

- Building an enormously successful automotive sales enterprise throughout Kentucky, Alabama, Tennessee and Texas;
- Founding Area Bancshares of Owensboro, which was the largest bank holding company in the Commonwealth when it was purchased by BB&T in 2002;

WHEREAS, Mr. Gatton was a U.S. Army veteran, demonstrating his commitment to serving his fellow citizens;

WHEREAS, Mr. Gatton was an alumnus of both the University of Kentucky and the Wharton School of Business at the University of Pennsylvania, illustrating his passion for and deep belief in the power of education;

WHEREAS, Mr. Gatton is survived by his wife, Leigh, and daughter, Chase;

WHEREAS, Mr. Gatton understood that numbers and donations, gifts and buildings, could not be the measure of a life, but rather that a commitment of caring deeply for others was a legacy worth leaving;

WHEREAS, Mr. Gatton's memory will live on forever through the lives touched and generations transformed by this remarkable man;

Be it therefore resolved that the University of Kentucky Board of Trustees does hereby adopt this resolution on April 29, 2022, and expresses, on behalf of the University community, our individual and collective gratitude to Mr. Bill Gatton for his exemplary support and service and orders that this resolution be made part of the minutes of the meeting."

PR 3 University Research Professorships

The president introduced PR 3, a recommendation that the Board of Trustees approve the naming of the individuals on the attached Exhibit I as University Research Professorships for 2022 - 2023.

The president described the award established by the UK Board of Trustees in 1976, to recognize outstanding research achievements by members of its faculty. The president introduced Vice President for Research Lisa Cassis to recognize the award recipients.

Dr. Cassis stated, "President Capilouto, members of the Board of Trustees, it is my honor and privilege to present to you the 2022-2023 University Research Professors. Of the many wonderful activities that we provide on behalf of our people, this one is our absolute favorite. It means the most to all of us in our research mission."

Dr. Cassis recognized the following faculty:

- From the College of Agriculture, Food and Environment, Dr. Merlin Lindemann, Professor of Animal and Food Sciences;
- From the College of Arts and Sciences, Dr. Theodore Schatzki, Professor of Geography, Philosophy and Sociology;
- From the College of Arts and Sciences, Dr. Carrie Oser, the DiSilvestro Endowed Professor in Sociology;

- From the College of Communication and Information, Dr. Bobi Ivanov, Professor of Integrated Strategic Communication;
- From the College of Design, Dr. Lindsey Fay, Associate Professor in the School of Interiors;
- From the College of Education, Dr. Susan Chambers Cantrell, Professor of Curriculum and Instruction;
- From the College of Engineering, Dr. Alexandre Martin; Professor of Mechanical and Aerospace Engineering;
- From the College of Fine Arts, Dr. Yuha Jung, Associate Professor of the Department of Arts Administration;
- From the College of Business and Economics, Dr. Kristine W. Hankins, the William E. Seale Endowed Professor of Finance;
- From the College of Health Sciences, Dr. Judith L. Page: Associate Professor of Communication, Sciences and Disorders;
- From the College of Medicine, Dr. Nancy Schoenberg, the Marion Pearsall Endowed Professor of Behavioral Science;
- From the College of Medicine, Dr. Peter Nelson, Professor of the Sanders-Brown Center on Aging, and leader of the National Institutes of Health (NIH) funded UK Alzheimer's Disease Center;
- From the College of Pharmacy, Dr. Daniela C. Moga, the Larry H. Spears Endowed Chair in Pharmacogenetics; and Assistant Dean for Clinical and Translational Research;
- From the College of Public Health, Dr. David W. Fardo, the Stephen W. Wyatt Endowed Professor of Public Health;

Chair Vance asked for a motion to approve PR 3. Trustee Shuffett moved approval, Trustee Shoop seconded the motion, and PR 3 passed without dissent. (See PR 3 on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda")

Chair Vance then invited the research faculty to stand, and the Board recognized them with a round of applause. A reception honoring their accomplishments is scheduled for August 25, 2022.

PR 4 Renaming of Reynolds Building #1

The president introduced PR 4, a recommendation that the Board of Trustees approve the renaming of the Reynolds Building No. 1 as the Gray Design Building. Gray Incorporated is the owner of Gray Construction Incorporated, which was founded in the 1960s as a family-owned construction business.

The gift of more than \$5.2 million will transform a historic structure and be the new home of our College of Design. The Advisory Committee on naming university property has reviewed this request and found it to comply with Administrative Regulation 9.5 and recommends approval of this name designation.

Chair Vance asked for a motion to approve PR 4. Trustee McCoy moved approval, Trustee Sunderland seconded the motion, and PR 4 passed without dissent. (See PR 4 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

PR 5 Naming of the UK Early Childhood Laboratory Playground

The president introduced PR 5, a recommendation that the Board of Trustees approve the naming of the playground at the Early Childhood Laboratory as the Elliot Family Outdoor Learning Lab.

Dr. Edward C. Elliott is a passionate alumnus and supporter of the University of Kentucky. Dr. Elliott graduated from UK's College of Medicine in 1979 and is a third-generation University of Kentucky graduate.

Dr. and Mrs. Elliott care deeply about childhood development, and the care of children, and have agreed to fund the renovation of the playground at the Early Childhood Lab in the College of Education with a gift of \$150,000. The gift will fully fund the renovation and provide a fund for upkeep and enhancement.

The Advisory Committee on naming university property has reviewed this request and found it to comply with Administrative Regulation 9.5 and recommends approval of this name designation.

Chair Vance asked for a motion to approve PR 5. Trustee Melanson moved approval, Trustee Christian seconded the motion, and PR 5 passed without dissent. (See PR 5 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

PR 6 Proposed Revisions to Governing Regulations

The president introduced PR 6, a recommendation that the Board of Trustees approve revisions to the governing regulations as part of UK's process for reaccreditation. The president reminded the Trustees that this is the first reading of these proposed revisions, which were loaded for their review on Directors Desk. General Counsel Thro was present for any questions regarding the revisions.

Chair Vance asked for a motion to approve PR 6. Trustee Shoop moved approval, Trustee McCoy seconded the motion, and PR 6 passed without dissent. (See PR 6 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

VI. Investment Committee Report

Investment Committee Chair Elizabeth McCoy reported that the Investment Committee met to review performance results and conduct other business.

Trustee McCoy reported that the endowment pool had an estimated market value of \$2.1 billion as of March 31, 2022, and declined by an estimated 0.3 percent or \$8 million

in the nine-month fiscal year-to-date period. Gains in private equity and real assets were offset by declines in non-US equities and diversifying strategies during this period.

VII. University Health Care Committee Report

University Health Care Committee Chair Britt Brockman reported that Dr. Newman introduced two new physician leaders. Dr. Darwin Conwell has joined UK Health Care (UKHC) as the new Chair of Internal Medicine, and Dr. Zaki Hassan has accepted the Chair of Anesthesiology position. Both physicians bring a wealth of knowledge to UKHC and embody UK HealthCare's mission to take care of the Commonwealth.

Dr. Mark Evers presented an update on the UK Markey Cancer Center, which started receiving its National Cancer Institute (NCI) designation in July of 2013. The Cancer Center has positively impacted the significant burden of cancer in Kentucky, by taking care of patients from all 120 counties. Dr. Evers stressed the importance of receiving an NCI comprehensive status, to increase access to clinical trials, research and funding. Dr. Evers and his team want to ensure no Kentuckian has to leave the state to receive world-class cancer care.

The Committee heard a report from Dr. Roberto Cardarelli on ambulatory quality initiatives, created to enable UK Health Care's goal of high-quality, patient-centered care.

Craig Collins presented UK HealthCare's fiscal budget year to date. February financials had higher than budgeted labor costs which were offset by positive operating revenues, resulting in an eight percent positive budget variance.

Lastly, the Committee approved the list of privileges and appointments submitted by the UK HealthCare active medical staff.

Other Business

Chair Vance asked if there was any other business to come before the Board. Trustee Swanson reported that the faculty held their Trustee election, which had 66.2 percent participation. "I am pleased to report that the highly qualified Aaron Cramer will be representing the faculty on the Board of Trustees."

VIII. Adjournment

Hearing no further business, the meeting adjourned at 2:41 p.m.

Respectfully submitted,



Rachel Watts Webb
Secretary

(PR 2, ACC 1, ACC 2, ASACR 1, ASACR 2, ASACR 3, ASACR 4, ASACR 5, ASACR 6, ASACR 7, ASACR 8, FCR 1, FCR 2, FCR 3, FCR 4, FCR 5, FCR 6, FCR 7, FCR 8, FCR 9, FCR 10, and Medical Privileges and Appointments are official parts of the Minutes of the meeting)