

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Tuesday, December 10, 2019

The Board of Trustees of the University of Kentucky met on Tuesday, December 10, 2019, in the Gatton Student Center Ballroom A.

A. Meeting Opened

Bob Vance, Chair of the Board of Trustees, called the meeting to order at 11:13 a.m. Chair Vance asked Cammie DeShields Grant, 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: Claude A. "Skip" Berry, Cathy A. Black, Lee X. Blonder, Joe R. Bowen, E. Britt Brockman, Michael A. Christian, A.C. Donahue, Cammie DeShields Grant, Robert Grossman, Michael Hamilton, Kimberly McCann, Elizabeth McCoy, Derrick K. Ramsey, C. Frank Shoop, Sandra R. Shuffett, Robert Vance, Rachel Watts Webb, and Barbara Young. Trustees Carol Martin "Bill" Gatton and David Melanson, were not in attendance.

Secretary Grant 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 University Senate Council Chair Jennifer Bird-Pollan, and the University staff was represented by University Staff Senate Chair Jon Gent.

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

C. Chair's Report

Chair Vance reported that there had been no petitions to address the Board since the last Board of Trustees meeting and stated that the minutes of the October 18, 2019, meeting had been distributed and asked for a motion. Trustee McCoy moved approval and Trustee Young seconded the motion. The motion carried without dissent.

Chair Vance called attention to the 25 consent items on the agenda. The items

were as follows:

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| PR 2 | Personnel Actions |
| ASACR 1 | Candidates for Degrees: December 2019 |
| ASACR 2 | Academic Degree Recommendation: College of Arts and Sciences |
| ASACR 3 | Academic Degree Recommendation: College of Fine Arts |
| ASACR 4 | Academic Degree Recommendation: College of Social Work |
| ASACR 5 | Change in Name of an Educational Unit: College of Education |
| FCR 1 | Gift Commitment from J. David Rosenberg |
| FCR 2 | Acceptance of 2018-1019 Audited Financial Statements and the Independent Auditor's Report on Financial Statements |
| FCR 3 | Approval of the 2018-2019 Endowment Match Program Annual Report |
| FCR 4 | Acceptance of Interim Financial Report for the Three Months Ended September 30, 2019 |
| FCR 5 | Budget Revisions 2019-2020 |
| FCR 6 | Resolution Providing the Authorization, Issuance, and Sale of Approximately \$125,000,000 General Receipts Obligations of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005 |
| FCR 7 | Election to Obtain Private Property Loss Insurance |
| FCR 8 | Approval of Disposal of Real Property, Owen County, KY |
| FCR 9 | Improve Campus Parking and Transportation System - 2020 Maintenance Capital Project |
| FCR 10 | Construct Research Building (Fit-Up of Two Wet Labs) Capital Project |
| FCR 11 | Renew/Modernize Facilities Capital Project |
| FCR 12 | Internal Loan Demolition of Kirwan-Blanding Complex |
| FCR 13 | Internal Loan Improve Civil/Site Infrastructure |
| FCR 14 | Proposed 2020-2021 Room Rates for University-Constructed Housing |
| FCR 15 | Capital Construction Report |
| FCR 16 | Patent Assignment Report |
| UHCCR 1 | UK HealthCare Medical Staff Bylaws |
| UHCCR 2 | University Health Care Committee Operating Rules |
| UHCCR 3 | UK HealthCare FY2020 Quality, Safety, and Patient Experience Plan |

Hearing no requests to remove items from the consent agenda, Chair Vance asked for a motion for approval. Trustee Shuffett moved approval of the consent agenda. Trustee McCann 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.)

Chair Vance discussed the President's qualitative evaluation, which was presented during the Executive Committee meeting the previous day. "The Board's

evaluation of the President was very positive. There were a few suggestions, which the President appreciates, but it is clear President Capilouto continues to have the strong support of the Board of Trustees based on his outstanding performance and the progress the University is making. Thank you again for your input and time with this process." Chair Vance continued, "During the Executive Committee meeting, there was a motion to acknowledge the President's outstanding performance and renew our commitment to continue under his leadership. The motion was unanimously approved."

D. Nominating Committee Report

Trustee Frank Shoop, Chair of the Nominating Committee, reported that the Nominating Committee met on December 6, 2019, to discuss and approve a nomination for the office of Vice Chair that was recently vacated by Trustee Jennifer Barber. Trustee Shoop submitted Kimberly McCann for Vice Chair.

Chair Vance stated that the Nominating Committee had nominated Kimberly McCann for Vice Chair and asked if there were any nominations from the floor. Hearing no discussion, the nominations were closed. Chair Vance called for a vote for Trustee Kimberly McCann as Vice Chair and it passed without dissent. Vice Chair McCann thanked her fellow Board members for their vote of confidence and acknowledged Jennifer Barber and her service to the Board and the University.

E. President's Report

The President began by thanking the Chair and the Board of Trustees for their feedback, and for their recognition of Dr. Mary Lynne Capilouto's importance to his success in his role. He emphasized the diversity of the largest new class in UK's history, as well as the goal of the University to create spaces that encourage students to think critically and foster deep connection and understanding of people different from one another. He highlighted the importance of campus leaders and student activity in contributing to conversations that promote understanding.

The President continued his report by recognizing the 70th Anniversary of integration at UK. He recalled Trevor Noah's convocation at Memorial Coliseum. He expressed admiration for Trevor Noah's message on the importance of access to education in making people equal by providing equal opportunities. The President acknowledged that 70 years ago, UK did not provide equal opportunities. He shared the story of Lyman T. Johnson as the first African-American student who "forced open our doors, defining the educational opportunity for the generations that would follow."

The President then described the achievements of Dr. Doris Wilkinson, UK's first full-time African-American faculty member, who received an honorary doctorate degree from UK after the Trevor Noah event. She founded and first directed the African American Studies and Research Program and contributed greatly to the Sociology program at UK. The President also recognized Dr. Melynda Price as the first woman and

first African-American to be appointed Director of the Gaines Center for the Humanities at UK since the creation of the Center in 1986. "All of these people," the President stated, "dared to take those bold first steps."

The President then turned to the role of students in contributing to meaningful understanding of others and the world around them. First, he acknowledged the UK Student Government Association for hosting a gubernatorial debate, which granted students the opportunity to "tap into their identity as not just a student, but more importantly, as a citizen of the nation and world." The President then recalled the visitors to UK's campus in the fall expressing views that many students found offensive. He affirmed UK's commitment to respecting "the right of free speech and expression for all individuals," including students. The President described the importance of student engagement with the visitors in refining, changing, and strengthening ideas. "I'm extremely proud of our students," he said.

The President continued by talking about the ideologically varied events that students hosted in the month of November. He recognized the MLK Center's Diversity Leadership Summit "to enhance the educational experience of students from diverse backgrounds." He also noted the speaker engagement arranged by the Young Americans for Freedom for Michael Knowles, which took place the same night that the Office of LGBTQ* Resources hosted a discussion and karaoke night in honor of Trans Week of Awareness. "We know that a lot of the lessons come from interacting with those who are different from you outside of the classroom. So we should do all that we can to encourage this, because it is these interactions that help our students grow and develop."

The President thanked David Rosenberg, UK College of Law alum, for his generous gift of \$20 million—the third-largest gift in UK's history. The President praised Mr. Rosenberg for being a role model to UK students as "a leader in his profession and a philanthropist in his community." Mr. Rosenberg's gift represents his belief in our community and an investment in our future.

The President concluded his report by emphasizing that UK welcomes people of all opinions and "is enriched by diverse backgrounds, beliefs, and perspectives." He affirmed the importance of UK as a "space where students are going to be inspired, transformed, and emboldened" to give back to their communities, like Mr. Rosenberg has done. The President recalled a quote from the Talmud: "Whoever saves a life, it is considered as if he has saved the world." He recognized UK HealthCare for saving lives in Kentucky, and he commended the improvement in UK's first-year student retention rate as affecting the families of students forever.

The President expressed gratitude to the Board, faculty, and to all those involved in the success of UK.

PR 3 Naming of College of Law

The President introduced PR 3, which recommends that the Board of Trustees approve the official renaming of the College of Law as the "University of Kentucky J. David Rosenberg College of Law.

Chair Vance asked for a motion for approval. Trustee McCann moved approval of PR 3. Trustee Black seconded the motion and it passed without dissent. (See PR 3 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

PR 4 Amendments to Articles of Incorporation and Bylaws UK Humanities Foundation, Inc.

The President introduced PR 4, which recommends that the Board of Trustees approve amendments to the Articles of Incorporation and Bylaws of the University of Kentucky Humanities Foundation, Inc.

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

PR 5 Appointments to Board of Directors UK Humanities Foundation, Inc.

The President introduced PR 5, which recommends that the Board of Trustees approve the appointments of:

- Jennifer B. Coffman, Melody Flowers, Joan B. Gaines, Jim Gray, and Stephen L. Grossman to the Board of Directors of the University of Kentucky Humanities Foundation for a two-year term, ending January 1, 2022;
- Thomas B. Gaines, Donna S. Hall, Alan Hawse, Adam Kegley, and Daniel Rowland to the Board of Directors of the University of Kentucky Humanities Foundation for a four-year term, ending January 1, 2024; and
- Joshua E. Santana, Ben Self, Scott Shapiro, Jay Varellas, and James C. Woolery to the Board of Directors of the University of Kentucky Humanities Foundation for a six-year term, ending January 1, 2026.

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

F. Health Care Committee Report

Trustee Barbara Young, Chair of the Health Care Committee, reported that the Committee met the day prior and approved three UHCCRs. Two of the approved recommendations supported a revised UK HealthCare leadership structure and enhanced peer review framework. The third recommendation approved by the Committee was a Centers for Medicare and Medicaid Services (CMS) required annual Quality, Safety, and Patient Experience Plan for the UK HealthCare Enterprise.

Trustee Young reported that the Committee also heard annual reports from Compliance and Graduate Medical Education, as required by UK HealthCare's accrediting bodies, and approved the list of UK HealthCare Medical Staff Privileges and Appointments.

Ms. Young continued by reporting that the September FY2019-20 Operating Results indicate that the UK HealthCare Enterprise has a positive 3.1% margin year-to-date compared to budget, adding that pharmacy operations continue as a strong contributor to the overall margin.

Trustee Young reported that the Committee approved a budget revision for the current Fiscal Year. This adjustment was a result of three factors: a change in how UK HealthCare will receive Medicaid payments going forward; continued strong management of expenses; and a short delay in the implementation of UK HealthCare's plans for an Electronic Health Records (EHR) system. The UK Board of Trustees will consider the revised UK HealthCare Budget as part of a revision to the overall University Budget at its February 2020 meeting.

G. Investment Committee Report

Trustee Elizabeth McCoy, Chair of the Investment Committee, reported that the Investment Committee met the day prior to review performance results and conduct other business. She reported that the Endowment pool had a market value of \$1.6 billion as of October 31, 2019 and gained an estimated 0.2%, or \$3 million, in the four-month Fiscal Year to date period; adding that U.S. and international equity exposure were the primary contributors to performance for the period.

Ms. McCoy continued by reporting that the Committee approved two ICRs - the Endowment Investment Policy and the Extension of the Endowment Investment Custodian Contract. The Committee also heard presentations from the graduate Student Managed Investment Fund (SMIF) program; Mr. Todd Shupp regarding the endowment asset allocation and rebalancing/transition activity as of October 31, 2019 and manager appointments, terminations, and due diligence since the last meeting; and on performance results for the periods ending September 30, 2019 and October 31, 2019, by Mr. Aluise from Fund Evaluation Group (FEG). Ms. Krauss concluded the

meeting by reviewing the 2020 Investment Committee meeting schedule and other Investment Committee supplemental materials.

H. Other Business

Chair Vance apologized to the University and Staff Senates for postponing the Connect Blue Reception previously scheduled immediately following the Board meeting. "There will be a robust attendance at the rescheduled date." Hearing no further business, the meeting was adjourned at 11:40 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie D. Grant". The signature is written in a cursive style with a large initial 'C'.

Cammie D. Grant
Secretary

(PR 2, ASACR 1, ASACR 2, ASACR 3, ASACR 4, ASACR 5, FCR 1, FCR 2, FCR 3, FCR 4, FCR 5, FCR 6, FCR 7, FCR 8, FCR 9, FCR 10, FCR 11, FCR 12, FCR 13, FCR 14, FCR 15, FCR 16, UHCCR 1, UHCCR 2, and UHCCR 3 are official parts of the Minutes of the meeting)