

UNIVERSITY OF KENTUCKY
SENATE MEETING

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OCTOBER 10, 2016

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KATHERINE MCCORMICK, CHAIR
ERNIE BAILEY, VICE-CHAIR
KATE SEAGO, PARLIAMENTARIAN
SHEILA BROTHERS, ADMINISTRATIVE COORDINATOR
LISA GRANT CRUMP, COURT REPORTER

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MCCORMICK: I'd like to welcome you to the October 10th Senate Meeting. We'll begin. And remember to sign in and pick up your clicker.
So this is a reminder, remember that we do follow the Robert's Rules of Order. I appreciate it if you're civil and be a good citizen in terms of voicing. One of the things that -- I've been attending the college's meetings and I notice that they have very good attendance and I'm happy that the senators here are representing their committee and we want you to participate, use your voice. So remember to return your clickers when you're finished.
So we have an attendance slide as you all know. So if you're here today, please say yes.
So we are required to provide you all the materials necessary for you to make good decisions. Informed decisions is part of your role as a

senator. However, we weren't able to get you all the supplemental documents or supporting documents, and so we ask that you waive SR 1.2.3 to allow the consideration of the Agenda for October 10th.

UNIDENTIFIED: Could you use the microphone?

MCCORMICK: Yes. So we were unable to get you all the documents that you needed for today. We've gotten most. There were some that came after the six day limit and so we'd ask that you waive Senate Rule 1.2.3 to allow consideration of the Agenda for today.

JONES: Are we supposed to be clicking now?

MCCORMICK: Yes.

UNIDENTIFIED: What are we clicking?

MCCORMICK: I need a motion.

WOOD: So moved.

UNIDENTIFIED: And second.

GROSSMAN: What are the responses that are being given? Is that still the attendance slide?

BROTHERS: I don't believe so. I think it's for this, this slide here.

GROSSMAN: But we don't know what we're voting for.

BROTHERS: You're voting to waive Senate Rule 1.2.3. And one is -- yes, one is approved, two is opposed and three is abstained.

MCCORMICK: All right. So we have 78 responses, but we don't know how they'll --

BROTHERS: Advance the slide one more if you don't mind.

BROTHERS: Vote by hands?

MCCORMICK: Yes. So if you had -- if you are agreeable, in favor of this motion, would you raise your hand? Opposed. That's 2. Abstained. The motion passes. Let's try minutes. We received -- I think that there were -- the minutes were sent to you and we've received some small changes. And unless there are any objections now, the minutes from September 12th will stand approved as amended by unanimous consent.

There are -- this is really the only announcement that I had. We -- we had a discussion before the Senate and so we had moved forward with this in terms of optional language around Title IX. If you remember, I think (INAUDIBLE) brought this to us, and so it is now a part of the Senate website and it says -- it's in that new format that says how do I create a syllabus. So the language is now there. So that's just an announcement on what things are useful -- it's part of what things are useful to have in the syllabus or not.

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All right. We sent four nominees for the external review committee for Libraries and Health Sciences. We also identified a small group of faculty to serve on an ad hoc committee to review Administration Regulation 6.2, if you remember. Those went forward. They were promulgated without soliciting faculty input or staff input, and so we'd like to have a look at those and have -- provide some comments. If the comments appear to be important or sufficient, then we'll bring that back to the Senate and then bring those back to you for review. (Inaudible).

So again, it will be a small group we hope to have. We have some people already willing to do this. And so we'll send those names to you probably in just an email so you that you know who the committee is.

So 6.2 is really about -- it changed significantly based on Title IX. One of the issues that are the educational opportunities that you have is to help all of us understand a little bit more about Title IX. If you follow the Chronicle, or any other resource around institutions of higher education, there's been a lot of discussion about Title IX and ways in which universities are implementing those policies and procedures.

And so we have a Title IX officer at UK. We've invited that person to make a presentation to Senate Council. Some colleges are also thinking about having her come to their meetings so that we're all well informed regarding what the parameters of Title IX are.

So it did change its regulations significantly, and so we just wanted a chance to review it and send forward our comments.

Ernie Bailey, is our vice-chair, do you have a comment at this time?

BAILEY:

No.

MCCORMICK:

Kate Seago is our parliamentarian, would you like to make some comments?

SEAGO:

We're -- we're good.

MCCORMICK:

Remember this is the parliamentary procedure. Her role is to advise me when I need support and she's been very gracious to do that. And our procedure is drawn from the Robert's Rules of Order.

So remember that any faculty member may serve as the University Senate parliamentarian and Kate has graciously agreed to do that for us. This is her second term.

All right. If there is a need

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for a point of order, this is the way we'll do that. And if you have any questions, we have this information on the Senate website.

All right. Bob and Lee, do you have comments?

BLONDER: Okay. So we haven't had a Board meeting since we last came to the Senate, but a couple things have -- have happened. So the board chair assigns board members to various committees of the board and Bob and I were assigned to Academic and Student Affairs and Human Relations. Is that correct? Yes. So those were the two committees that we were assigned to.

In addition, we -- we requested and want to provide the opportunity to attend the Provost and the President's meetings with the various college faculty. So we've been going to those so that we could hear what the faculty are -- are saying and the feedback that they're giving to the President and the Provost.

The Gatton re-opening was four days ago and we were invited as Trustees to attend, and it was a wonderful celebration and we had many speakers, including Dean Blackwell and Mr. Gatton, who is very, very funny and entertaining.

He also -- he made a comment about going to Wharton and compared that to Donald Trump going to Wharton. It was very funny.

We have next Thursday and Friday, the Board of Trustees, it's a two day annual retreat. We've received a tentative agenda for the retreat. So it starts on Thursday, the 20th, and we are going to have -- the Trustees will have a tour of the new science building. We're going to be having lunch and we'll have a Strategic Plan presentation. There's a social and a dinner that night and then the next day, we have board meetings and the Strategic Plan presentations.

The agenda will be publicly posted next Monday afternoon, probably. So if you want, you can go to the Board website and there should be links to some of the agenda items. You can look at those.

If you have any specific feedback for either one or both of us, please either email us or email us and request that we set up a phone call. We can do it that way, but, you know, if you have any feedback about items that are coming to the Board next week, please communicate with us. And I think that's all I have.

GROSSMAN: I have one quick announcement, I

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guess. Some of you may know that the University runs buses back to certain cities at the -- right before Thanksgiving and then again at Christmas time and I think at spring break also. And someone pointed out to me that last year, the buses left on Tuesday early evening, which meant that any classes that were scheduled for Tuesday night -- whereas those students who needed to take those buses, would miss those.

So I brought this up to the administration, Eric Monday, and he delegated it to a group of people who are in charge of scheduling these things. And Todd Porter, I guess was on this committee as well.

So what they decided to do was for the bus to Chicago, where they actually need to run two buses, not just one, they're going to have one run leaving Tuesday afternoon, I think at 3:00 or 4:00, and then they'll have another bus leaving Wednesday morning. For buses to Atlanta and Cleveland, they -- those were only single buses, so they couldn't have them -- they couldn't do it that way. So those are just going to go ahead and have them leave on Tuesday afternoon, not on Wednesday morning.

So if this causes problems for you or any of your students, please let me know so I can convey that information to Melody or whoever is in charge of making these decisions in the future.

This body gave all the students Wednesday, before Thanksgiving, off, because there was a safety issue about students trying to run home right after class was ended on Wednesday. So we already designated Wednesday as a day off for travel, which is why I brought it up. You know, having buses leave on Tuesday really isn't the best thing, but like I said, this is the decision they made.

I don't know, but maybe if you have questions about it maybe you can talk to Todd about why they made the decision this way. But, again, if you have feedback about this based on specific cases -- like I had a student who I had to give an -- well, I had to give an unexcused absence because having to catch a bus home is not an official University excuse and it caused these sorts of problems for the student and would not have caused these problems if a bus had left on Wednesday morning instead.

BLONDER: Questions? Comments? Thank you.

GROSSMAN: I was trying to think of a good Donald Trump debate joke for up here, but

I couldn't. So I'm sorry I failed.

MCCORMICK: All right. Scott.

YOST: welcome all. First, before I get started, I do want to say one thing. At the last Senate meeting, it was -- I was challenged that maybe I was a bit cantankerous and confrontational with one of my colleagues from the College of Engineering. And so I publicly want to apologize to my colleague from the College of Engineering if I was -- seemed to be hostile toward you.

And the main thing is, is that in this room here, some people may not speak if they feel like they're going to be talked back against (inaudible). And I want to make sure this -- this is a place for open debate, so I do apologize for that perception, from that standpoint.

So now on this issue right here going forward, this is old business from old business from back in May and hopefully we can get it all resolved.

We have two items here to deal with. One is the admission -- let's see, which one do we have first -- Admission to College of Nursing. If you could pull that up so we can look at it real quickly.

Fundamentally, what they want to do on this particular policy, which was tentatively approved by Senate Council over the summertime because they needed to move forward with it, and it was just to take and change the application deadlines and dates for when students should have their application packets in. And it's basically under the 4.2.2.1 D at the very bottom of this section, the Senate Rules.

This is a change to take the spring -- the fall semester deadline and make it May 1st. And the October -- I'm sorry, the spring semester deadline from December 1st to October 15th. And someone from the College of Nursing, am I correct or --

WELSH: No. Right here.

YOST: Are we all good with that, correct?

WELSH: We're good there.

YOST: So that is a fairly very simple change. We'll just -- any questions, I guess? No one needs a second from the committee. We recommend, so.... Any questions, comments, or thoughts?

MCCORMICK: All in favor? Keep you fingers crossed. Five, four, three, two, one. All right.

YOST: So this is for the College of Medicine. This is some proposed changes

that deal with admissions criteria and requirements. Fundamentally -- and that one too, Sheila, if you can pull it up, because I think it will be a little clearer if you look at it, so....

Just some small editorial changes, but then there was -- to take out of the Senate Rules the actual list of details when it comes to what is going to be the admission criteria as far as background information and reference that information in specifically the bulletin. And so the bulletin, then, would have -- would -- how the information, when it comes to the specific courses of background chemistry, English, things like this.

So this is a fundamental change and then, of course, then they are going to change -- much like this is the (inaudible) that could be kind of holistic -- was that a couple of years ago -- pharmacy, sorry, they did this. My memory goes back. So they wanted to basically instill kind of a holistic approach and then sort of change the specific listings to this, you know, kind of catchall character, other information that may be pertinent to the successful completion in a professional program.

And then they also include in the description of the proposal what the proposed bulletin language would look like where they took the language out of the Senate Rules, put it into the bulletin, got, I guess, proposed changes there. So you can kind of see how that would all play out and then they moved the specific language for background courses and that kind of information out of the book.

MCCORMICK: Again, this comes from a committee and doesn't need a second. Questions?

TAGAVI: Kaveh Tagavi, Engineering. First of all, you are too much of a gentleman to even offer an apology. I don't think I accused anyone of being cantankerous.

My narrow point was, in my opinion, I couldn't (inaudible) people who present should not become advocates, and years ago this was not the case. It has kind of slippery slope now.

You find yourself debating with a fellow senator. If a fellow senator wants to opine, they should sit down, raise their hand, get in line and make their opinion. Presiding officers should not take a side.

I have a question regarding this particular proposal and if somebody from Department of Medicine could please

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explain my doubts to me. If you go -- can you please go to where it says two -- two years of biochemistry in that section. Right there. Right there.

So this used to be part of the rule and I presume it was approved by the Senate and I presume if they wanted -- fundamentally wanted to change this prerequisite or (inaudible), it had come -- to come back to the Senate.

Now, it is taken out and put in a section -- you know, you don't have to go -- and it's not clear to me. Are we approving that section and if we're approving that it, if you change it, it had to come back to the Senate, so you cannot just unilaterally (inaudible) a new College of Medicine, change the initial requirement without going to the Senate.

I went to the section on bulletin. It's actually a wonderful section and some sections of the 150 page, it's like a fraction of a page. It says nothing. Who -- it doesn't even say the bulletin has to be approved by the faculty of the -- of the department. So here we have this situation by putting this outside of the Senate group and into the bulletin. I don't know who can change a bulletin. Is it just a chair?

So at the very least in addition to this main question, if College of Medicine wants to change the admission requirement, would they come back to the Senate or would they just change it at the bulletin level? If that's the case, I would like to have the college to fix this rule by saying the list of additional requirements are listed in -- as approved by the department faculty (inaudible) in the bulletin. That would fix the deficiency that I see.

FEDDOCK: Chris Feddock. College of Medicine.

So currently -- and I'm going to look to the Senate to answer this question because we had this discussion at Senate Council, is that the -- if we were to change it in the bulletin, it would be a transmittal to the University Senate and that -- but it would be approved by the faculty of the college. That is our requirement. It would have to be approved by our curriculum committee or faculty. I mean, our admissions committee and then our faculty counsel. So we'd be fine with that amendment. If you'd prefer to say after approved by the faculty of the college.

TAGAVI: If you're okay with it, I'd like to suggest that.

FEDDOCK: Okay.

GROSSMAN: Can you scroll it back up?
MCCORMICK: Yes. Scroll it back.
GROSSMAN: A little more. Okay.
FEDDOCK: So right there, the top line, shall be listed, the required pre-medicine course work shall be listed the University Bulletin -
TAGAVI: As approved by the department, appropriate college faculty.
FEDDOCK: -- as approved by the college faculty -- as approved by the college of Medicine faculty. No, we're fine with that. Yeah. That's our process.
MCCORMICK: Any other? All right. So we have a friendly amendment. Sheila, can you include that now or....
BROTHERS: The minutes with reflect that that friendly amendment was accepted.
MCCORMICK: Okay.
BLONDER: Okay. We've got a motion that needs to say as amended.
MCCORMICK: As amended, yeah and actually -- it's just not going to go our way today. There it goes. Thanks. Thanks, Dr. Blonder. As just amended.
GROSSMAN: That would be -- that is set out at the top.
MCCORMICK: Oh, I'm sorry. The next one. There we go. Ready to vote? Five, four, three --
BROTHERS: No, you've got one more slide.
MCCORMICK: There always is. Oh, I'm sorry.
BROTHERS: Yes.
MCCORMICK: Now. All right. This is again old business and we have Kevin Pearce, Charles (inaudible) and (inaudible) to talk with us about this.
PEARCE: Thank you. Can you all hear me okay? Kevin Pearce, Family Medicine. In May, we had put before the Senate a change in ARs around voluntary faculty appointments, and right now it's in effect as an interim AR and we're bringing it back for your consideration to make it a permanent change in the ARs.
There was one main reason to do this. We discovered in the springtime that the ARs were requiring full faculty vote for any voluntary faculty member, and the College of Medicine has over 1200 of them and they're re-appointed every five years. So that was frankly not being followed as well as it should have been and -- and thought to be a pretty onerous way to have to do it.
So what we worked out, with a lot of input, was to propose that faculty could vote a committee to represent them through secret ballot and that each department, in fact, will do that, would vote in a committee by secret ballot to represent the full faculty in voluntary

faculty appointments. That was the one big new change.

There was an opportunity to clarification on periodic reviews, clarification on setting rank, clarification on promotion, clarification on -- on termination, clarification on the appropriate review to do before placing a student with a voluntary faculty member. Those are the changes.

We've gotten some feedback on this round that is very good. For instance, there is a place where it says that licensure and malpractice insurance shall be checked periodically. That's not relevant obviously to outside healthcare. So that should be as applicable.

And there are some changes in wording that I think they're necessary that don't really follow the proper sequence of events from dean to president, through provost and from president to BOT for approval. And that error there is probably in three different places.

Other than that, I think -- I don't know if anyone -- actually, Dr. Tagavi, I had forgotten, you had some --

TAGAVI:

No.

PEARCE:

-- anyway had some. Was there anything else you thought of Dr. Tagavi?

TAGAVI:

No, you used to be my primary physician. I'm not going to speak.

PEARCE:

Used to be.

TAGAVI:

You know too much about me.

PEARCE:

Anyway, that is the situation there. And, again, the main, main thing is that the Health Sciences total, it would be six colleges, have over 2,000 voluntary faculty to work with and that's what sparked this. We have an elected committee by each department, rather than full faculty. So with that, are there any questions?

MCCORMICK:

Any other questions? Mark.

WHITAKER:

Mark Whitaker, A & S.

I'm just curious. In the event that someone applying for one of these positions was turned down by the committee, would they have the right of appealing that decision to the full faculty or something like that?

PEARCE:

Well, nothing is written in there about that. That's true. And I should point out also that what we will do is endorse to the dean. The dean would still (inaudible). So your point is well taken. That's not in there, nor to whom -- at what level would they appeal. Tagavi?

TAGAVI:

These are not employees. There is no appeal. You apply for a position

to a university. They reject you. You just take your losses and leave. You know, you cannot appeal a rejection.

PEARCE: There is re-appointment.
TAGAVI: Re-appointment is different.
PEARCE: And so re-appointment is in here.

TAGAVI: Yes.
PEARCE: Of course, they're voluntary throughout. They're not paid.

MCCORMICK: Marcy, do you have a comment on this? No?

BLACKWELL: I just had a question. Is this -- do these changes apply to all the colleges or just for the Health Sciences?

DEATON: All colleges. Each college can choose to use the full faculty as it has always said or form a committee to work on voluntary appointments.

MCCORMICK: Carlos, how many do you have of these in your (inaudible)?

MARIN: We have over 2,000. We may have more than that. The re-appointment process is every five years. So at that point, it is up to the committee or faculty, the way this procedure is determined, if that volunteer faculty will be reappointed or not, or promoted if that be the case, as well.

DEATON: I think that would be an interesting appeal. You must let me volunteer.

PEARCE: Any other questions? We will try to answer.

MCCORMICK: I think we -- we will need a motion for this.

BROTHERS: It came from Senate Council.
UNIDENTIFIED: It came from us.

MCCORMICK: All right. So I need -- all in favor?

PEARCE: We thank you.

MCCORMICK: Dr. Jackson.

JACKSON: Good afternoon. Back in mid-August, the University Committee on Joint Honorary Degrees met to consider nominations for honorary doctorates, which, if awarded, would be presented at the December 2016 commencement.

Of the five nominees, the Committee voted unanimously for two, they being Donald R. Ball and Mira S. Ball. And the recommendation is that they would receive honorary doctorates of humane letters.

Mr. Don Ball is probably best known as being the Chairman of the Board and co-founder of Ball Homes, recognized as one of the top 100 builders of single family homes in the United States, is also creator and President of Barkham, Inc. It's a non-profit that builds and remodels facilities. And up until 2010, was creator and President of LexLinc, a

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non-profit that assists welfare recipients to locate and obtain employment.

In addition, Mr. Ball is an organizer, board member, and board chair of the Hope Center which -- which is concerned with many of the problems of the homeless in our community. And is also co-chair of the Recovery Kentucky Task Force which assist Kentuckians recovering from chronic substance abuse.

Mr. Ball has won numerous awards. He was the first ever recipient of the Builder Magazine's National Hearthstone Builder Humanitarian Award for making community a better place to work and live. He has received UK's Sullivan Award and is a co-recipient, along with this wife, of the Happy Chandler Kentuckian Award, and also co-recipient with Mrs. Ball of the W. T. Young Lifetime Achievement Award.

Mira Ball taught school in Fayette County before becoming co-founder of Ball Homes with her husband, and served as Chief Financial Officer and Secretary-Treasurer.

Mrs. Ball served as Chair of UK Board of Trustees and chaired the Greater Lexington Chamber of Commerce, and has also served as a Director of Kentucky Energy and LG&E Corporation.

She has a number of firsts. First woman to chair the UK Board of Trustees and to chair the Midway College Board of Trustees. She was the first woman elected to the Kentucky Utilities Board of Directors and has served on the boards of a number of different institutions, including Kentucky Chamber of Commerce, Kentucky Horse Park, and the Lexington Industrial Foundation.

She is involved in many civic activities. Board member on KET Endowment, Children's Advocacy Center, United Way of the Bluegrass, Kentucky Historical Society, and the Henry Clay Center for Statesmanship.

So in conclusion, the Committee recommends that Don Ball and Mira Ball receive honorary doctorates of humane letters which recognize extraordinary contributions to philanthropy, human development, education, and societal well being. Thank you.

MCCORMICK: Thank you, Dr. Jackson.

GROSSMAN: Bob Grossman, Faculty Trustee.

Can you address the confidentiality issue, Brian, for this body in terms of we're not supposed to say anything until the Board of Trustees has had a chance to....

JACKSON: Yes. A letter did go forward to Mr. and Mrs. Ball. If it -- if it

were approved, would they be willing to attend the ceremony which is going to be essential. But absolutely on the understanding, it still had to go through the entire approval process.

MCCORMICK: Senate Council approved for these for you in our August meeting.
All right. We now have our report the Senate's Academic Organization and Structure Committee. Dr. Ernie Bailey is our chair. We have a -- it's a proposal for the John. H. Schnatter Institute for the Study of Free Enterprise. You have some material on -- supporting material for this.

TAGAVI: Sorry, maybe I'm mistaken. We are not going to vote on that?

MCCORMICK: On this?

TAGAVI: On the --

GROSSMAN: Honorary degrees.

TAGAVI: -- on the degrees?

MCCORMICK: No those were all in favor, they were voted for on your behalf by Senate Council in August.

TAGAVI: You have already voted in the in the Senate and I think you we should have gone to an executed (inaudible). So none of these discussions would be in the minutes. Otherwise, we have to put all these names in the minutes, but....

UNIDENTIFIED: Parliamentarian?

TAGAVI: We usually vote to execute the session, so none of this will be reported.

MCCORMICK: The committee brought these to Senate Council in August and Senate Council voted to endorse those, but the vote among the five candidates is not at Senate Council nor at the Senate. That's in the committee.

TAGAVI: We are not going to vote as the Senate on this?

MCCORMICK: We -- the Senate Council has already endorsed these.

CROSS: Point of order. Al Cross, Communication and Information.
We -- the practice of the Senate is to vote on honorary degrees. Why are we not voting on honorary degrees this time?

MCCORMICK: Well, I -- we voted at the Senate Council in August to endorse these --

CROSS: I beg your pardon, but that is not acceptable. I move that the Senate return to this matter and take a vote on these degrees. Yes or no?

TAGAVI: Thank you.

MCCORMICK: Parliamentarian?

SEAGO: Point of order. Since the Senate has voted in the past. I mean, unless they're in the -- and since the Senate Council was not acting in

place for the Senate, then I do think the vote is owed the Senate.

CROSS: And just to be clear. I'm not opposed to these degrees, but I want the proper procedures.

MCCORMICK: I understand.

CROSS: I don't want a bad precedent set.

MCCORMICK: I understand. Yes, Roger.

BROWN: Roger Brown.

At Senate Council, my memory is that there were some timing issue with respect the Board of Trustees meeting and that as a result of that, these were approved on behalf of the Senate in order to make the appropriate deadline for the Senate. But I -- I may have that incorrect, but if that's true, that -- that would provide an exception to the general policy where these matters are always brought here and voted on by the entire Senate.

CROSS: Only the Senate can do that. Not the Council.

UNIDENTIFIED: I think there is a motion on the floor.

KENNEDY: And I second it. Are we discussing that motion now.

MCCORMICK: And tell me again the motion, Al.

CROSS: The motion is that the Senate proceed to a vote on the proposed honorary degrees.

MCCORMICK: With a second.

GROSSMAN: whoever said that is not acceptable for the Senate Council to be -- to act on behalf of the Senate when time is pressing, that is incorrect. It is in the Senate Rules that the Senate Council can act on behalf of the Senate when -- when there's a matter that needs to be dealt with before the next Senate meeting.

So it's in the Senate Rules and it just has to be reported back to the Senate and we did so. Now, I don't mind if this body has a vote just because it wants to have a vote to approve these, but the Senate Council's action was taken under the auspices of that Senate Rule.

MCCORMICK: Connie.

WOOD: I'd like to concur with what Bob Grossman just said. The Senate Rules do give the Senate Council the right to act for the body of Senate, you know, under time constraints and especially over the summer. I also don't mind voting, but I want to make that very clear that that is the case.

MCCORMICK: Tagavi.

KENNEDY: Michael Kennedy, Emeritus.

MCCORMICK: Just a moment. Tagavi was recognized.

TAGAVI: Bob is correct. But in all

fairness, it was not mentioned that the Senate Council acted on behalf of the Senate. Had that been mentioned, I wouldn't have brought this up, but historically we have always voted on these.

BROTHERS: It was mentioned at the September Senate meeting in the announcements, but it -- the Senate didn't get to honorary degrees in September to -- excuse me. There was an informational presentation for senators in September, and at the beginning of the September meeting -- well, after the President had spoken.

Katherine made an announcement that Senate Council approved the honorary degree nominees on behalf of Senate, but as a courtesy there was an intent to have the presentation at the Senate meeting in September. But because the September meeting ran out of quorum, it's now been brought to Senate as an informational opportunity again in October. Albeit, somewhat late.

MCCORMICK: Michael.

KENNEDY: Never mind.

MCCORMICK: So we can vote.

GROSSMAN: Are we voting in favor of the honorary degrees or in favor of moving back to have a vote on the honorary degrees?

MCCORMICK: We're voting on point of order, correct?

CROSS: The motion was to move to a vote. Put it on the agenda basically.

MCCORMICK: Comments. This motion to vote on the honorary, on endorsing the honorary degrees. No? Isn't that -- wasn't that --

CROSS: The motion was to move to a vote. What I'm effectively moving is put it on the agenda and make it the next order of business.

MCCORMICK: Okay. All right. So the motion is to have a vote. It's not to vote, right?

UNIDENTIFIED: Right.

MCCORMICK: All right. So all in favor of voting on the honorary degrees --

SEAGO: A motion to move to vote.

MCCORMICK: -- to move to vote. That's right. All in favor? All opposed? So we're going to put it on.

CROSS: And I'll make the motion to approve the degrees.

MCCORMICK: Thank you. Do I have a second.

FIEDLER: Second.

MCCORMICK: Second. Who was the second?

FIEDLER: Ted Fiedler, Arts & Sciences.

MCCORMICK: All right. Ready? So this is to endorse the -- sorry, what Connie?

WOOD: If you're going to vote on

honorary degrees, they have to be voted separately.

UNIDENTIFIED: Correct.
MCCORMICK: Now -- thanks, Connie. Now, we're ready. This is your vote for Don Ball as the recipient of the UK Honorary Degree to be awarded in December. All of those in favor? Are we ready, Sheila?
BROTHERS: wait just a second. A show of hands might be appropriate.
MCCORMICK: Show of hands for Don Ball as the honorary recipient. All right. Vote no? Two. Abstained? Two. And the motion carries.
CROSS: Same motion for Mira Ball.
MCCORMICK: Thank you.
BROTHERS: Second?
UNIDENTIFIED: Second.
MCCORMICK: Thank you. All right. All in favor? All opposed? And abstentions? One -- one for each.
BAILEY: Hello. So the Senate Academic Organization and Structure Committee considered a proposal for the John H. Schnatter Institute for the Study of Free Enterprise in the Gatton College of Business and Economics. And this is based on a gift from the Schnatter Foundation and the Koch Foundation that was accepted by the Board of Trustees in December of 2015.
Following that, Dean Blackwell, from the College, drafted a proposal for the institute and brought it to the Senate, but it was late in the year and so we -- we considered it this fall rather than last spring.
And we met on the 14th of September at the Blood Center and we had presentations from Dean Blackwell and from Ernie Yanarella talking about the proposal. The basic basis for the proposal is a \$10 million gift from the Schnatter Foundation and Koch Foundation for funds to be used for salaries for administrators associated with the institute, graduate student support, and to fund salaries for hiring five faculty members who will serve from present until 2022.
The proposal was discussed by the College faculty and votes were taken by the faculty at large, the elected faculty council, and by faculty in the individual departments in the College. And the overall vote for the faculty was 47 in favor of the proposal, 12 opposed, and 1 abstained. The faculty council voted 5 in favor and 1 opposed, and then there was a listing of the votes by the individual departments, is listed in the report you may have seen.

Some people took note that there

was -- there was strong support in all departments. One department that did seem to be split was the Department of Economics, which voted 9 to 8 in support of the proposal.

Let's see. Ernie Yanarella was invited to come and give a presentation. He also gave a presentation at the Senate Council last week, and I believe he's going to make a presentation today, because there are some concerns about this -- this source of funds for the program.

We had quite a bit of discussion following that and a lot of the discussion had to do with the academic integrity of the institute, whether this was going to impinge on academic freedom. Dr. Yanarella brought up instances where the Koch Foundation had supported institutes in other -- at other colleges that had been problematic and were -- were a major concern.

Dean Blackwell talked about his experience in terms of drafting the proposal. Dean Blackwell is here and can address any concerns, but basically, felt that what he had constructed was a proposal, it was consistent with the policies of the University for academic freedom.

There's a report -- we're going to have, I suspect, considerable discussion. We had a second meeting after that. I think we met for about a hour and a half. We had a second meeting where the committee discussed the issues (inaudible) and there were two votes that were on (inaudible) and multi-disciplinary centers where we're required to take two votes, one is we have the authority to approve or disapprove centers and that is based on the academic merit of the program. The second vote is to endorse the -- I would say the administrative aspects.

The line of communication and support is set up for the program. And this is a recommendation that goes to the -- to the Board of Trustees. The -- can we have the motions?

BROTHERS: This is the first motion.

UNIDENTIFIED: No, this is not the first motion.

BAILEY: Well, I just wanted to show them. Can we show the first motion?

What I wanted to do is, so we went through -- we went through and we talked about the proposal. This was the first motion that came up, and this is actually one that was amended following a discussion at the Senate Council, a friendly amendment basically. And it was

a motion that we approve the proposed center on the basis of academic status.

We had recommended and the Senate Council changed it to require that there is a review of the program halfway through to look at the -- the scholarships and the safeguard of academic freedom.

And this is a bit of an unusual motion because usually the motions are simply to approve or to disapprove. There was considerable concern about the reputation of the -- of the support of the foundation and so what we appended to this was a requirement that there is a review. And this is -- this is a duty of the Senate because if we do review multi-disciplinary research centers, it's not something that we often do. (Inaudible) neglected, but in this case because of concern, a number of the people on the Committee and then on the Senate Council felt that this was important to say, yes, we do want to take a look at the program halfway through.

And so this was voted on -- the previous motion was voted on by our Committee. It was (inaudible) and that passed six for, two against, and then one abstained.

When it went to the Senate, it was -- Senate Council, it was amended and then this was voted 9 to nothing in support of this particular motion. The second -- the second motion was for the --

WOOD: Point of clarification. The Senate has -- only has -- has the right to approve the academic content of the institute.

BAILEY: Correct.

WOOD: But we only can endorse the administrative structure.

BAILEY: Correct.

WOOD: So it takes two motions.

BAILEY: Correct. And so that was the second motion, and this had to do with the -- the resources for the program and again, our Committee voted -- the Senate's Academic Organization and Structure Committee voted to endorse the proposal and it -- again, this was controversial because of concerns.

The thing that we were impressed was that there is very strong support by Dean Blackwell and by the Provost, in a letter, that if, for any reason, the -- the -- the support from the foundation fell through, that the College and the University had the funds and it would continue to support the program. And this was important for us because, again, while faculty on the committee thought

that this had academic merit, there were concerns that the funds would be a source of -- of undue influence on the program, and so we wanted to be sure that there was -- that we had the resources to -- in case they turned down funds at some point if (inaudible).

And so with that caveat, the committee -- the committee voted, in that instance it was seven in favor of that proposal, two against. When that went to the Senate Council, the Senate Council voted three in favor, four opposed it. So it was not recommended by the Senate Council.

There was, I think, one other point to make. I'm sorry it's so complicated. The one other point was that there was some editorial changes that were made, if you had looked at the proposal early on, there were a couple of items that the committee asked to add. Those are listed in the cover letter on the proposal and I don't believe that those are controversial (inaudible). And with that....

MCCORMICK: Yes, we do have -- we're open for discussion. This was a recommendation from one of our committees, and I've invited Dr. Yanarella and Dean Blackwell to speak.

BAILEY: Actually before -- before they speak, are there any questions about our procedure or the committee? Okay.

GROSSMAN: Bob Grossman, Faculty Trustee. Just a really minor edit. There shouldn't be a period after John in John H. Schnatter Institute.

MCCORMICK: Thank you. Dr. Yanarella.

YANARELLA: First of all, I would like to thank Katherine McCormick for her efforts, and Ernie Bailey, for his efforts to keep this discussion civil and to be even-handed throughout. I really appreciate what they've done in -- over the last couple of weeks, and I am hopeful that both David and I will predispose ourselves in a way that continues that basic trend.

For those of you who came in early, there -- there are copies of what would have been a PowerPoint presentation that I'm about to read from. So let me -- let me begin with my fundamental concerns, and there's a basic case against support for the Schnatter Institute for the Study of Free Enterprise.

Any of us who live on the planet earth and are associated with the United States knows that a major trend that we have seen in the last five years or so, certainly, indeed, going back to the

1970s, has been a galloping corporatization of universities and colleges as part of a massive infusion of money into American politics.

This was begun in the early '70s and it has been spearheaded by the Koch brothers and other oligarchs to do two things: One, to reshape the landscape of American political culture in order to establish -- through the establishment of conservative think tanks and by flooding elections with money, and secondly, dispersing money in the form of allegedly charitable gifts to American universities and colleges increasingly strapped for cash.

I think that they pose a significant threat to our college and university campuses.

With the writers of the University of Kentucky Urbana-Champaign report of the Chancellor's Advisory Committee on the Academic Capitalism and Limited Government Fund, I fear the assault from this proposed institute upon two of the most fundamental ideas and ideals and principles of the modern university, institutional neutrality and institutional autonomy.

And with the Florida State University Report, I question the nature of the Koch-Schnatter gift with its many controls, constraints and its conditions, which to me, posing -- serve as a violation of the principle of institutional autonomy.

And so the question arises: Is the Koch-Schnatter gift truly a charitable gift or is it a Trojan horse? I make the claim, the argument that it is indeed a Trojan horse.

If you look at the next page on the strings that have been attached to the proposal, you will see that it is replete with conditions and restraints that undercut, to me, both institutional autonomy and institutional neutrality. These are all elements that are part and parcel of the 117 page agreement.

The second point that I would make is that Dean Blackwell has consistently argued that my concerns amount to a tread on academic feet. I personally think that this is really a red herring.

My focus is not on the individual academic freedom of the faculty. It is -- it is on the Schnatter Institute itself. It's the administration. It's connections to the Koch integrated network linking University donations to the wider electoral and lobbying and legislative

activities that I think are deleterious to our American democracy.

Disapproving the institute then does not affect the academic freedom of any faculty member in the College of Business and Economics. It simply prevents the institute from becoming an ideological instrument of big money's designs on taking hostage our democratic processes and reshaping campus culture to a version of economic correctness and an ideological image of our complex economy and its "free enterprise" capitalism.

I've spoken about or alluded to the Koch integrated network. I want to make connection between that network and the institute.

To me, evidence is already accumulated, showing the way that these linkages between the Koch state and national strategies and the Schnatter Institute are happily being forged. The putatives of Schnatter Institute director's comments at the Koch underwritten Association of Private Enterprise Education says some disturbing things in my views. And I have both the full transcript and I have the audio tape of from UnKoch My Campus organization to -- to back that up.

Secondly, I think the director's role as chair of the institute's board of scholars at the policy -- at the Bluegrass Policy Institute and his affiliation with the tax foundation and the Cato Institute allow us to really connect the dots between the Koch political strategy and its institute.

And coming to the next page, we'll see one quotation from John Garen's participation on a panel at the American Private Enterprise Education Conference in 2016. And there what I find quite disturbing is his acknowledgment in the ways in which he will seek to promote this so-called integrated structure of production for culture change, which I think to be, as I interpret it, affecting a significant change in academic culture on campus.

The second quotation is much longer and I hope you'll have an opportunity to read it in full, but once again, we find in the words of the punitive Schnatter Institute director some very disturbing comments where he raises the issue of the hiring of faculty not on the basis of their qualifications, but the fact that he wants more. Insists, in fact, that we're hiring someone to -- also going to be affiliated with the institute we need more, we need more, and he goes on.

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So the question, then, is what is more? What is it that is being looked for in the hiring of these particular faculty, if not the adherence to an ideology of free-market capitalism and supporting public policies attuned to the Koch mission?

Now, and in pointing out these comments from the director, I'm neither trying to impugn his character, nor attack his integrity. He has been very consistent from his philosophy to his ideology, to his political activism and research and vision of the institute. Nor am I trying to undercut his academic freedom to do any kind of legitimate academic work and to explore and support whatever moves his research.

But these comments, it seems to me, from a -- a public quorum, are to me, deeply disturbing. They lend credence to my worries over the narrowness of the institute's mission and his apparent plans to shape its programs to the Koch national strategy.

So what, then, is the real threat to academic freedom that I believe is posed by this institute? Well, to me, the institute's mission statement effectively restricts research to supposedly positive features of actually existing capitalism. Its support will allow for no critical focus on capitalism and its alternatives or capitalism and its many actually existing variance.

If you read the mission statement carefully, if you read its mission goals and objectives, I think you will agree with me. While it indicates that research outside B & E will be eligible for funding, the mission's narrow framing of permissible topics and the apparent normative economic model and objectives of its director, I think will effectively preclude such critical research, or it will risk the Koch and Schnatter Foundation pulling its funding.

So to conclude, for UK, the agreement involves giving the payer the right to call the piper's tune. That is to say, defining the institute's mission and objectives and tying payment to the University adhering to its narrow political and ideological agenda.

The bottom line to me, and I can't express this too much, is that the infusion of these monies into this campus and its intent to remold campus culture in support of an ideological and political agenda cannot be separated from the darker national campaign of the Kochs and the Schnatters to use dark money to heavily impact our elections, our

legislative actions at the state and national levels and the public policies generated both legislatively and administratively.

In sum, the design, the control, the agenda of this institute is unworthy of our highest academic ideals and principles and to my mind, should be voted down. Thank you very much.

BAILEY:

Thank you. I just wanted to follow up on some of Ernie's comments. We have heard some of them before, and some of them address the purview of our committee to look at. And we really are responsible to investigate the -- the integrity of the program.

One of the things that -- that Ernie had brought up was that there were other institutions where there had been problems. Florida State was one. The University of Illinois was another one. And what was identified there was that there was a contract that basically gave the foundation a voice in terms of the hiring of the faculty within. And so we looked very carefully at the contracts and at the construction of this one. The contract does not have any influence from the foundation. There is, I believe, an advisor committee. I don't remember the composition of it, but it has no authority over the -- over the hiring of faculty.

The procedures for recruitment of faculty are that they would be hired into one of the assistant departments and there is a statement that the director of the institute will be a member of that -- that committee. So it's not a matter that the institute is hiring and is directing it. It seems to fall within the University's purview.

I'm trying to remember the other points. As I say, I think the biggest concern that we had was because of the issues that Ernie and others had brought up, was the concern about undue influence in terms of the funds, and the issue was how secure would we be without those funds if they were pulled, or if we, what usually happens, if we decided that we did not want to have the funds anymore.

And a big concern was if we hired five faculty, four of them tenured, would we feel constrained to continue on the (inaudible). I think the other point was that the work that's being done is -- is basically, as I understand it from the discussions with the faculty and Dean Blackwell is -- is work that is currently ongoing in the program, it's not the creation of a new -- new type of activity, so....

MCCORMICK: Dean Blackwell? Or do you want to take questions now?

BAILEY: It doesn't matter. What would you like to --

BLACKWELL: I have some remarks. Thank you. Good afternoon. Thank you for giving me some time. Mr. Gatton's tax accountant, tax accounting professor was not the same tax accounting professor of Donald Trump. That's my punch line.

First, I'd like to speak about the nature -- the nature of the Schnatter Institute. It does not create, house, or deliver any degree program. Degree programs reside in our departments. It does not create new courses. Courses are proposed and approved by faculty in our academic departments.

It does not hire or house any faculty members. Any affiliates of the institute are hired, evaluated, rewarded, tenured and promoted in the academic departments. Any new faculty positions hired from donor funds are housed in one of our academic departments and are hired using our normal faculty search process.

The institute exists primarily to support the research and teaching of faculty members interested in studying the impact of free enterprise on society and to (inaudible) recognition of the primary donor through branding of activities supported by donor funds.

While the institute may be technically considered an academic (inaudible), it does not resemble, in any way, an academic department or a degree program.

Let me talk a little bit about the research that would be conducted under the auspices of the institute. First, the study of free enterprise encompasses the examination of individual markets and economies that have varying degrees of private ownership, competition, consumer choice, as well as differing degrees of government involvement and regulation of economic activity. As such, the study of free enterprise is not narrow. It applies to virtually every field of economics, including labor economics, public economics, industrial organizations, economic development, macro-economics and monetary economics, health economics, environmental economics, and international economics, among others.

Researchers in this vein put a strong emphasis on gaining a deep understanding of how the markets actually work, how well our models characterize them, and their affect on things such as prices, outputs, employment, wages and

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human welfare. This line of research often considers how government activity may interact with markets either to support their function or counteract them and how this effects the various outcomes I mentioned.

Research output that utilizes this approach is reviewed and evaluated by the standard process of peer review followed in the economics profession. Faculty in the UK Economics Department and other departments that have faculty affiliated with the institute are expected to publish in reputable, well-regarded peer review journals.

As stated in our department's evidences on meeting promotion and tenure criteria, our department's view that the most important way to demonstrate the scholarship necessary for promotion is through publication of high quality and original research and academic outlets that are peer-reviewed and have high professional standard.

In our promotion and tenure process or in the merit review process, our -- our departments reward faculty members for publishing their research in the elite general journals and other highly regarded general journals or excellent field journals similar in quality and impact.

The Schnatter Institute affiliates will be held to the same evaluation standards as other faculty members in the college. The faculty members that intended to affiliate with the Schnatter Institute each have long careers in research following the above-noted approach and with great success over the years in publishing in outstanding journals.

Below is a very short sampling of their published research. I don't mention the -- the authors, but just a few titles and journals. Assessing the Literature on School Reform from an Entrepreneurship Perspective, published in the Journal of Entrepreneurship and Public Policy. Health insurance generosity and conditional coverage evidence from Medicaid managed care in Kentucky, in the Southern Economy Journal. Public health insurance and private savings, published in the Journal of Public Economy -- excuse me, Journal of Political Economy. The Market for Real Estate Brokerage Services in Low and High-Income Neighborhoods: A 6 City Study, appearing in Cityscape: A Journal of Policy Development and Research. Do Health Insurance and Pension Costs Reduce the Job Opportunities of Older Workers,

in the Industrial and Labor Relations Review. And Federal Credit, Private Credit and Economic Activity, appearing in the Journal of Money, Credit and Banking.

My my point here is that this research is neither narrow nor biased in viewpoint. It doesn't appear in these journals without meeting a rigorous academic standard which includes academic objectivity.

Next, I'll speak a bit about academic freedom and integrity. Faculty members in the Gattton College have been conducting research about free enterprise, teaching about it, hosting guest speakers, and using donor funds to support faculty research and various non-credit student enrichment activities for over 30 years. We're not doing anything new.

Academic freedom means that faculty members determine their own research agendas and each faculty member is free to engage in the type of research they wish. No department chair, dean, provost, president or governance body can dictate a faculty member's research agenda.

I also happen to believe that faculty members should be free to compete for grant money to support their research agendas. A successful research agenda requires intellectual rigor and integrity if it is to be published in reputable, peer-reviewed outlets and they have an impact on the profession.

The academic value of institute work will be determined by publication in peer review journals, our academic standards, as reflected in departmental evidence as documents, the merit review process, the raise process, the promotion and tenure process and the labor market (inaudible).

As documented in the proposal, the institute has been carefully vetted and endorsed by majority vote of the Gattton College faculty, the faculty of each academic department of the college, the Gattton Faculty Council, the external dean's advisory council, and furthermore, I've endorsed and the Provost have endorsed the institute, including providing for funds in the event that the institute funds are not renewed by the donors.

The votes came after transparent and vigorous discussions of the concerns raised by our faculty, which includes all of the concerns raised by Professor Yanarella today.

The donor agreements and

proposal documents were made available to everyone involved in the discussion. The protection of academic freedom and integrity requires that we apply our normal shared governance practices and rigorous standards in the hiring, evaluation, and promotion of faculty, in admitting graduate students, advancing them through their academic programs, in teaching and developing courses, and in any other academic pursuit.

As I believe is clear from the agreement, our proposal and the supporting documents, all of these processes are in place and I commit to you that they will be followed.

In conclusion, this charitable grant is similar to any other grant in that it requires accountability for executing the activities specified in the grant agreement and reporting to the grantors annually on institute activities. Grants are contingent on performance under the grant and grantors can stop payment for non-performance. Thus, the institute supported by this charitable grant should be treated no differently than any other similar entity on this campus. Other research centers in our college are also supported by external grants that could go away for any number of reasons.

The academic merit of this institute will be evaluated based on the many scholarly accomplishments of faculty members who have come together to form it and not on whether one agrees with the political views of the donors.

I think everyone agrees that we get on a slippery slope if we evaluate this institute differently than others on campus because of the perception of the donors' political views. Thank you.

VISON :

My name is Monica Blackmun Vison . I am a member of the College of Fine Arts, the School of Art and Visual Studies.

I actually have two questions for perhaps both the dean and to Yanarella. The first is that I've been a member of the International Education Advisory Council and so there has been considerable talk about the Confucius Institute, which I am going to present to you should be called, perhaps, the Study for Non-free Enterprise because, of course, the Confucius Institute is funded by the government of China which as we know has significant (inaudible) rights. And I know the director quite well and she has argued that the University of Kentucky should accept donations from the government, communist government of China

because of the events and the opportunities that that institute funds.

However, I should say that because of what has happened (inaudible) of the university system in the United States, she -- that director has subjected her Confucius Institute, here on campus, to oversight that is probably stronger than you see elsewhere.

As you may know, the Confucius Institute has been kicked out of other -- of other universities. So I think that this perhaps this would be a good model to follow.

There are many faculty members who probably feel that communist China and the families that are funding this particular institute are pretty much on par, and I think that we have to be aware that this is an unusual situation just like the Confucius Institute is.

The second might be that, and I apologize for sending (inaudible) here, but there is a lot importance in the way discussions are framed. Whether -- when you -- you call something an institute for free enterprise, the assumption is that you are valuing certain kinds enterprise over other kinds of enterprise.

The way that term has been used in the past reminds me of driving between here and Chicago. I don't know if in Anderson, Indiana there is still a big sign on the barn that says, God Bless America and the Free Enterprise System. That's, I think, the context, sociological context, cultural context in which that term appears.

So I think there is a feeling on the part of the faculty in general that framing this debate within these (inaudible) within that term is somewhat narrow. (Inaudible).

BAILLEY: Actually, first could I address the issue of the Confucius Institute? That's different from this. This is a multi-disciplinary research institute. It's supported by faculty.

The Confucius Institute is not. It's an administrative unit. They are -- it's cultural exchange. They offer classes and so on, but what they had done is that they had -- there was no University oversight. And so they came in and they asked to could create that.

This, as it's set up, actually does have it because it's set in the, you know, at the University, has oversight by faculty. So that -- that part doesn't really pertain. The second part.... Ernie's ready. Go ahead, Ernie.

YANARELLA: I was a member of the Confucius

Institute Review Committee. Is Wally Ferrier here? Wally was the chair of this. And we wrestled with a lot of the issues that you raised in your -- in your comments here.

I -- I think the -- what we -- the way that we reconciled things with regard to the Confucius Institute was that the University set up a separate administrative body to supplement the work and the direction, then, that the Confucius Institute took.

None of us was naive enough to believe that the Confucius Institute was simply a neutral institution. I emphasize it is culture and music and art and language study and so forth. Many of us have benefitted from that. However, Confucius Institute is an instrument of Chinese foreign policy, what's called soft power.

And we (inaudible) discussion, debated for a good long time before we gave a stamp of approval on this. I -- I may have one ally in terms of the comments that you've made because when we speak of the John Schnatter Institute for the Study of Free Enterprise, the emphasis needs to be on the notion of free enterprise and what that means.

When we look at the mission statement and its emphasis on essentially the positive features of -- of actually existing capitalism, you have to bear in mind that in institute, after institute, after institute throughout this country, that language has been posed in terms of ideological code words. And those code words have been utilized at some of these institutions (inaudible) precludes the kinds of research that I am very much concerned about.

Now, let me -- let me answer the last question that was asked at the -- at the presidential debate last night. What is one good thing that I can say about David Blackwell? The one good thing I can say about him is that he has made a really terrible agreement into a much less worse agreement and it -- he has done, I think, an excellent job of it. And so I -- I want to congratulate him now. He doesn't have to say anything about me.

BAILEY: I think, I mean the second question you had was really the prickle. It had to do with the -- the aspects of the language and you wanted to comment on that.

BLACKWELL: We intentionally named the institute the Institute for the Study of Free Enterprise so as to not convey that we're trying to advocate the one side or

the other. The important element of the mission is that the researchers affiliated with the institute asked questions about the impact of free enterprise on society. The answers are not pre-determined and as long as they're asking the questions and doing it in a rigorous way, ends up being published in -- in our media outlets, we're fine.

MCCORMICK: Bob.

GROSSMAN: Yeah, Bob Grossman, Faculty Trustee.

So one of the points (inaudible) it's the study of free enterprise. In terms of the mission statement, I'd like to kind of draw a parallel to a mission statement that we might find in Chemistry or Pharmacy, which is, our mission is to develop new drugs to treat human ailments. That doesn't mean that every time we make a new compound, we're going to say, hey, it's a drug. Everyone start taking it. Because we know that there are many failures. And part of what we do, in fact, is try to ameliorate the sometimes unintended damage that existing drugs cause or that new drugs might cause.

So I don't think that it should be taken that because we want to study the impact of free enterprise on society, that it necessarily means that the people who are doing this research are always going to have a happy view of -- of whatever impacts that they are studying.

The second point I would like to make is this week or last week there was an article in The Chronicle about Western Carolina University, which had a very similar controversy over a Koch Brothers institute, and there was a huge -- administration initially signed an agreement with Koch Brothers without consulting the faculty and there's a huge uproar from the faculty. And to their credit, the administration went back to the Koch Foundation and re-negotiated the contract and the re-negotiation was then accepted by the majority of the faculty. And even the person from the UnKoch our campuses group said, that, oh, this is -- this is much, much better and the only objection he had was the provision of that funding could be withdrawn within 30 days, which is also present in our agreement.

Essentially, after all that controversy, we ended up exactly where we already are, only our administration and our faculty consulted with the other faculty right from the beginning. So I just wanted to -- we are not the only ones having this discussion and many,

many others are ending up exactly where -- where we already are.

FIEDLER: Ted Fiedler, Arts & Sciences. I'm going to point out what I take to be a fundamental contradiction between the charitable grant agreements on the mission of this institute and the proposal that came forward from Dean Blackwell. If that were the proposal, I wouldn't have any problems endorsing this. But the agreement says, and I'm basically reiterating what Ernie and Yanarello already said, to discover and understand aspects of free enterprise that promote the well-being of society.

There is no mention here of those aspects that undermine the well-being of society, and by God, we just went through this 1907 -- at 2007 to 2009. And if -- if this is basically the unvarnished agreement, then I have to be categorically opposed to this institute. I don't care what the -- I mean it's interesting that the language of the proposal is much more in keeping with an open and objective approach to all aspects of the impact of free enterprise on society, but we have plenty of evidence that free enterprise has both positive and negative impact on society. The agreement with the Koch and with Schnatter do not include that possibility, and until that is changed, I cannot support this instrument.

BAILEY: You know, what we're voting on is the proposal and the -- the contract is backup information.

FIEDLER: How can we not -- how can we not talk about the contract?

VOICE: We weren't involved in that. We're not -- we're not doing it. We're holding them to the principles in that and the proposal, so....

FIEDLER: But we can't agree to it if this is what the mission of the institute according to this agreement is. We've got to be able to talk about both the agreement and the proposal.

BAILEY: You know there's -- if I could I mean, there's different things --

MCCORMICK: In the back and then --

KEARNEY: Yeah, Paul Kearney, College of Medicine.

I -- I -- my question is real basic. What gift of this magnitude doesn't come with strings of some kind, to any institution? And the question really is a philosophical one really between -- and this is not for me to answer, so I -- the question is if you have academic freedom and you can assure academic freedom, the people that donate this money really are free to direct it

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in some form or fashion. They frequently do. They give to their areas of interest. So, you know, that's just a very basic question as far as gifts go.

MCCORMICK:

Yes.

BUTLER:

Hey, J.S. Butler, Graduate

School.

This is very interesting. I am an econometrician. I am awfully technically oriented. I work in the Martin School of Public Policy and Administration. I work with people on studying policies correctly. That is to say, technically correctly.

They study conservative policies and liberal policies and they study all policies and they come to the conclusion that they reach. And I argue with them if they don't do it right, no matter what their statement and no matter how it ends up. I've always done that and I find that, of course, personally unfortunate that econometrics is not seen as respected in what is alleged to be a quote here.

A technical correction, the technically correct procedure is as important as everything else and I'm happy to participate in all research, all directions.

The Dean convinced me that he is doing a good job on academic freedom and the faculty are successful. I want them to continue to do so. I don't trust this institute. I intend to vote no.

WOOD:

with all due respect here of Dean Blackwell, my concerns with this institute do not lie in the political leanings of the Koch Brothers. My concern, as my fellow senator has said, is in the agreement which the University has already signed.

There are two important facts in that agreement which was signed I believe in December of 2014 -- '15. The first is, is that any change in director has to be reported to the institute. The second is, is that they can terminate funding with a 30-day notice.

Even though the University says that they will protect faculty and, I assume, the up to 15 graduate students they intend to hire by, you know, coming up with money from their faculty, that money has got to come from someplace. Therefore, you're talking about \$10,000,000. You're talking about a great infusion of University funds and perhaps not -- it may not be of the highest academic priority. That's for the Provost and someone else to determine.

You -- the second thing that I'm

very concerned about is the agreement. In the -- the statement in the signed agreement that says that this institute will be for the benefit of the University of Kentucky and also the Koch Foundation. And given those two things, my concern is not with the academic content, but that I do believe the, you know, the processes of tenure will be upheld. It is with the administrative structure, and I plan to vote no on the administrative structure.

BAILEY: I actually could -- I just want to bring up because you had asked some questions about the funding of it. The one thing that impressed the committee, we were very concerned about -- about undue influence on the (inaudible) asked the question what -- what would constitute undue influence and Dean Blackwell said any influence would be undue influence. And so the issue was, what would we do.

Could you -- I mean, we were impressed that he was prepared to support the institute and he effectively would with funding. Could you comment on that?

BLACKWELL: Sure. (Inaudible). Address the first point which speaks to the editorial changes that were made in the proposal and that has to do with notifying the donor about change in the director. And I'll just use a recent example. The Von Allmen Center for Entrepreneurship resides in my college, and like the Schnatter Institute, it also reports directly to the Dean's Office.

The executive director of that center retired recently and I undertook a search for a replacement and I had a finalist in mind. And before all the formality of -- of appointing that person, I called both of the agencies that provide the grant funding that supports that center, the Economic Development Authority under the Department of Commerce and the Innovation & Politicalization Center that's funded by the Kentucky Cabinet for Economic Development. That's kind of standard procedure, though.

Furthermore, one of the senators provided some friendly amendments to the proposal to clarify the process through which the -- the director is named, and so there is a process that ultimately means the director has to be approved by the Board of Trustees. So that -- that will be followed.

And then with respect to the -- to the funding, so the \$10,000,000 is for the entire life of the grant. A lot -- a lot of that goes to support external research grants, enrichment activities,

speaker series, and a relatively small portion goes to support the faculty. So if you look at the commitment in terms of faculty positions, it's a little over a million dollars, counting salary and benefits. Now, that's a lot -- that's a lot of money, but in the grand scheme of things at the University, it's not -- it's not huge.

And we -- the college has enough -- enough turnover that we would be able to absorb a million dollars of faculty cost revenue easily if for some reason the funds were pulled.

And I'll raise one more point about the funding. There -- there is -- and I'm surprised it hasn't come up yet -- about the 30-day notice thing. I did -- I did some research and also had these discussions at the time we were negotiating the agreement. The Charles Koch Foundation has never pulled funding, never, from one -- from one of these institutes.

Secondly, here are the conditions that were explained to me under which they would pull funding: One, if the University did anything to lose its tax exempt status, they would obviously discontinue funding. Secondly, and the example that was used is, if -- if the foundation provides funding to an institute and then the University grabs that money and then uses it to add on to the football stadium, something to that effect, they would end the fund.

So it's not tied in anyway to -- to the -- the answers to the questions that the researchers affiliated with the institute find (inaudible).

MCCORMICK: In the back.

REGARD: Mike Regard.

I'm just wanting to get -- reiterate the aspect of this Koch foundation has over the institution. I know you mentioned the director, but it doesn't seem like that's too (inaudible). They don't approve that much (inaudible). It has to go through the Dean's Office if there were any other aspect of influence on the research, the decision of research topic and of research thesis.

BLACKWELL: I'm sorry. I missed the first part of your question.

REGARD: What other aspects of influence would the Koch foundation or the donors have over the hiring of faculty, over the decision on the research projects, if there are any (inaudible)?

BLACKWELL: The answer to that is none. The -- again, we -- we follow our normal processes for hiring faculty, evaluating them, supporting them. You know, faculty

would know if -- you know, they would be able to decide if they want to affiliate with the institute or not. If they agree to affiliate with the institute and they accept funding for that research, then that means they're agreeing to answer some of the questions that are reflected in the mission the institute.

BLONDER: Lee Blonder.

(Inaudible) Senate Council, so I want to echo the concerns that Senator Fiedler and Wood have had. There's several things in this grant agreement that concern me.

Before I get to that, though, I want to just make the point that 22 percent of the faculty in the College of Business voted against this proposal. Almost half of the Department of Economics voted against it.

We did not receive letters from those faculty who were against it, so we don't know specifically what their reasons were, but we did hear from a department chair that they were concerned about reputation.

So I dug deep into this charitable grant agreement because, as Senator Fiedler points out, that is what we are bound to. So as he mentioned and as Connie mentioned, the first thing that concerns me is the mission which specifically is to discover and understand aspects of free enterprise in the "well-being of society." Already that suggests that there is a slant to the institute.

The next thing is under the donor support for institute programs, and they state that, subject to terms of this agreement, the donor agrees to make a charitable grant of funds to the University and the University agrees to accept and use such funds solely to support the institute programs to advance the institute's mission which has to do with well-being of society.

Next, under the charitable grant request, every year the University has to submit an annual written grant request according to a schedule that's in the agreement and provide -- to receive the grant funds. So that's another thing.

And the fourth thing, of course, has been mentioned, which is the 30-day pull out clause that the institute can pull funds with 30-days notice.

So taken together, all of these things indicate that, yes, our agreement is better than Florida State and George Mason and Western Carolina, but it doesn't matter because they've already got in here well-being and 30-day pull

out and the annual request.

So they don't -- they've gotten more sophisticated, but they still can do what they want to do depending on the information they get. Now, this might be worst case scenario what I'm describing, but it's possible because of this agreement that it could happen.

So those are my concerns. So I voted yes on the content, academic content in Senate Council and no to endorse the -- the institute and that's how I intend to vote today.

BLACKWELL: Since it's come up a number of times, I thought I would just address the -- the mission statement. I think Senator Grossman tried to construct an analogy to explain the mission statement which I -- I agree with. You know, if you're a chemist, you're trying to get -- and you're funded by, say, the Markey Cancer Center, you're trying to find compounds to cure cancer, you're not trying to find compounds that don't cure cancer.

So I want to emphasize that we're trying to advance society by having a better understanding of free enterprise, both the good and the bad. As long as we ask the right questions and do it in a rigorous way with high academic integrity, I think the mission is fulfilled in the eyes of the donors.

And then just to another point that Senator Blonder made, at least the other major center that I oversee, the Von Allmen Center for Entrepreneurship, I have the Kentucky Cabinet for Economic Development and I have the Economic Development Authority. Every year, I write them a report. I give them a list of all the activities in the center, how we spent their money. And then I request that they send us the money for the next year.

So what is listed in the agreement is no different than any other center, research center on campus that gets external funding.

MCCORMICK: I'd like to ask due to the lateness of the hour if you have a new comment or a comment that moves the discussion (inaudible) rather than a comment that's already been brought up. Roger.

BROWN: Roger Brown, College of Agriculture.

I plan to vote in favor of the first vote which is on the academic merit, I'm an economist in the College of Ag.

And then on the second vote, I think there's a lot of interesting

discussion and can be viewed lots of different ways. This proposal here, the motion on the second point is to go back and look at the things that we're talking about, academic freedom, whether that's being safeguarded (inaudible) scholarship. So the way I look at this is they're asking for a chance to demonstrate their -- their ability to address these concerns and I'm planning to vote yes on the second part, as well.

MCCORMICK: In the very back.

CHILDS: Paul Childs, B & E.

I play a couple of roles at B & E that are relevant here, one is I'm on on faculty council.

UNIDENTIFIED: Paul, can you speak up?

CHILDS: Sure. I think it was

last fall the Dean asked to meet with the faculty council and let us know that this was in the works and was quite clear that he wanted input from the faculty.

So in point of consideration we're precisely on what we're talking about today. I mean, I can guarantee you that if the discussion had been the Florida State situation where we had oversight, had any concern about academic freedom, that it would have been shot down immediately or at least (inaudible). As part of the finance department is we have one of the lines proposed for this process.

Now, I've been in the department for a long time. We have a fairly long history of promoting academic freedom. We're kind of saying, we want to do what we want to do, this is science not politics. We feel very comfortable that there's no input from a donor on who gets hired and cost is the same as it's always been and it currently is.

We're very comfortable with the evaluation process. Our faculty is evaluated based on research in the top journals. I'm pretty comfortable the Koch Brothers or John Schnatter or anybody else doesn't have influence with the Journal of Finance or the Journal (inaudible). So, you know, we have -- so there are no concerns at that point after discussion. Certainly, before. You know, there's been some bad press with some of the agreements.

Certainly there are good agreements and not so good agreements, but when we looked at what was being considered, we didn't have those concerns because it's not -- it doesn't come from a department that takes these things lightly. And the department vote in the end was 12 to nothing; it was unanimous. So the end concerns about that are --

already been expressed. (Inaudible).

MCCORMICK: Mike.

KENNEDY: Michael Kennedy, Emeritus. I assume you would be hiring faculty for this research institute. How would you go about constructing the advertisement for the qualifications of those faculty?

BLACKWELL: So we're -- I guess we're hiring faculty into the academic departments and so we're using the normal channels for, you know, for advertising for new positions. And in the ads, there's some language that indicates that this is a position that is intended to be affiliated with the Schnatter Institute. Is that -- John, did I get that right?

MCCORMICK: One more. Yes.

EDERINGTON: Yes, Josh Ederington. I'm in B & E.

I'm in the Economic Department so I can try to speak a little bit about the concerns of the Economic Department. And I guess for background, you should understand the mainstream economic discipline isn't like -- people think of it ideologically based and like, oh, there are these different (inaudible). It's really not like that. In fact, it's almost resolutely not ideological.

I was entertained by the fact that the Nobel prize winner today who'd done 30 years of research, you know, CEO compensation and contract. Here you would ask, you know, if CEO was paid too high. He was like oh, no, I can't say anything about that. And, you know, reputation for academic research as opposed to advocacy is important, okay. And so that's why I think, you know, I think the question was what's the outcome? Do they take departmental (inaudible). (Inaudible) and I talk to people and, you know, it is reputation and second, how narrowly will the mission be interpreted; how broadly will it. You know, how constrained will the search be.

And a lot of these, you know, as far as will the concerns go away?

Probably not until we see who we hire, you know. But there is this idea that, you know, if -- usually who the department hires is very currently research active people who meet department needs. You know, (inaudible) or whatever. If we go out and hire people that are currently research advocates, you know, who meet the department needs, I think a lot of the concerns are going to be addressed.

And I should say Dean Blackwell, he has been fairly consistent. I mean, I don't want to put words in your mouth, but he has been fairly consistent that

that's his goal, that's what he wants us to do. And (inaudible).

MCCORMICK: All right. We have five minutes. Yes.

CHENG: Yang-Tse Cheng, Chemical Engineering.

Since publications and reputations (inaudible), I just want to a clear (inaudible). If you have this in the acknowledgment of our (inaudible), is this going to help you publish a paper or make publication worse? (Inaudible) If the graduate student graduates on this institute, is going to help him or her find a job or hurt his or her chances?

BLACKWELL: well, I think in business schools and economic departments (inaudible). You know, we're talking hiring graduate students that are receiving institute funding or faculty that receive institute funding, be expected to acknowledge that funding, you know, on the cover page of their -- their working papers and in their publications.

You know, given that we expect our faculty and graduate students to follow our usual standards for excellence in research, I think it's at worst neutral and perhaps positive, assuming that they achieve what they're supposed to achieve as faculty members and graduate students. I'm not the chair.

KORNBLUH: Mark Kornbluh, A & S.

This may be tangential, but it's related, A & S will be bring forward to this body later this year a proposal for a center for equality and social justice that will report to the entire University, so which people could all say -- also say has an ideological base. So we're -- universities are diverse places where faculty now have a bunch of these different types of centers.

MCCORMICK: Okay. Sean.

PEFFER: Sean Peffer, B & E.

I'm in accounting so I'm not going to get any money from this. And I'm not going to watch B & E's reputation be brought down because that will hurt me. So I was inclined to vote no right off the bat if there was any issues.

But the thing that got me to vote yes when the votes came up is the comment -- the answer to the comment that -- here that was, these people have no influence on the research, the hiring, and that. They're going to have -- with money out, I trust the administration -- wow, I can't believe that came out of my mouth. You didn't hear that Dr. Blackwell. I really trust the administration and what they've been doing. If they start to try to have

influence, I have full faith that they'll say go away. We don't need the money. And that's what actually made me vote yes.

I don't see the influence coming from the Koch Brothers and changing our department. I see us using their money to go out and do the research that again has to be published in the journals, and the journals are going to decide who gets promoted and who gets what in our department. That's what we're rated on.

MCCORMICK: Were you finished, sir? I didn't mean to cut you off.

PEFFER: No, I'm done.

MCCORMICK: So the motion from the committee is that the Senate approve the proposed new John H. Schnatter (without a period after John) Institute for the Study of Free Enterprise on the basis of its academic status and require at the halfway point of foundation support a review by the University Senate in collaboration with the Provost of the program's progress in scholarship and its mandate to safeguard academic freedom. Remember this is only the first one, or this is the first of those motions.

So we didn't -- so this would be to approve the proposed John H. Schnatter Institute for the Study of Free Enterprise on the basis of its academic status and require review of the program's progress in scholarship and its mandate to safeguard academic freedom. Connie.

WOOD: This is vote on the academic content. Am I not correct?

MCCORMICK: You are correct. Yes. On the basis of its academic --

WOOD: We should say to approve the academic content of the proposal. We're not approving the institute. You're approving the academic content.

SEAGO: Connie, I appreciate what you're saying, but we are in the process of taking the vote.

MCCORMICK: All right. So this is the vote on the academic only. The first is closing. All right.

The second part is to recommend endorsement of the academic organization reporting infrastructure and funding for the John H. Schnatter Institute for the Study of (inaudible). Vote now. Five, four, three, two, one. Thank you, Dr. Bailey. We had a number of other items, but (inaudible), so is there a motion to adjourn?

UNIDENTIFIED: So moved.

MCCORMICK: Second?

UNIDENTIFIED: Second.

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The meeting was adjourned at 5:03 p.m.
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C E R T I F I C A T E O F S E R V I C E

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

I, LISA GRANT CRUMP, the undersigned Notary Public in and for the State of Kentucky at Large, certify that the facts stated in the caption hereto are true; that I was not present at said proceedings; that said proceedings were transcribed from the digital file(s) in this matter by me or under my direction; and that the foregoing is a true record of the proceedings to the best of our ability to hear and transcribe same from the digital file(s).

My commission expires: April 6, 2019.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of office on this the 17th day of December, 2016.

LISA GRANT CRUMP
NOTARY PUBLIC, STATE-AT-LARGE
K E N T U C K Y