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Office of the President
April 30, 2002

Members, Board of Trustees:

PROPOSED AMENDMENT TO THE GOVERNING REGULATIONS

Recommendation: that the following proposed amendment to the Governing Regulations of the University of Kentucky be received for preliminary consideration and, at the next regular meeting of the Board of Trustees provided at least one month has elapsed, be included on the agenda for action.

Background:

At the Board's retreat last July, President Todd suggested the Board review its committee structure and charges. Mr. Miles reestablished the Ad Hoc Committee on Board Structure in December with the purpose of reviewing the configuration, charges, and responsibilities of the Board's committees and recommending appropriate changes. The committee has had extensive discussion on the Board committee charges, has consulted with the President, and is recommending these changes.

Note: The locations of proposed changes are indicated by a vertical mark in the margin. Proposed additions are underlined; proposed deletions are lined through.

Action taken: Approved Disapproved Other_____

PART II

GOVERNANCE OF THE UNIVERSITY OF KENTUCKY

The governance of the University of Kentucky is vested by law in the Board of Trustees. (KRS 164.131) Within the limits set by the State Constitution and the federal and state laws,* the Board of Trustees is the final authority in all matters affecting the institution, and it exercises jurisdiction over the institution's financial, educational, and other policies and its relation with the state and federal governments. The Board has the same powers with respect to the community colleges that it has to the University of Kentucky in general. (KRS 164.595)

These Governing Regulations of the University of Kentucky describe the composition, powers, and duties of the Board of Trustees of the University of Kentucky, as defined by Kentucky Statutes, and establish policies and procedures for the performance of its functions. In the Governing Regulations, the Board of Trustees has delegated certain responsibilities to the President and the University Senate in order to provide for the responsible and efficient administration of the University System and the accomplishment of its goals. As the chief administrative officer of the University, the President is authorized by the Board to promulgate the Administrative Regulations and the Human Resources Policy and Procedure Manual which provide interpretation and implementation of these Governing Regulations and of the Minutes of the Board and which delineate policies within the sphere of delegated responsibility. The University Senate is authorized to issue rules implementing the responsibility delegated to it in these Governing Regulations. Likewise, the Senate of the Community College System is authorized to issue rules implementing the responsibility delegated to it in these Governing Regulations.

Where appropriate, the detailed rules and regulations appearing in the Administrative Regulations, the Human Resources Policy and Procedure Manual, the Rules of the University Senate, and the Rules of the Senate of the Community College System should refer to the source or sources in the Governing Regulations or Minutes of the Board, so that interested persons seeking guidance will find it necessary to consult only the Administrative Regulations, the Human Resources Policy and Procedure Manual, and the Rules of the University Senate or the Rules of the Senate of the Community College System.

* The Council on Postsecondary Education in Kentucky (KRS 164.020) has powers and duties that relate to the governance of the University of Kentucky. These powers and duties are listed in the Appendix to these regulations.

A. Board of Trustees

1. Definition

The Board of Trustees is a body corporate, under the name of Board of Trustees of the University of Kentucky, with the usual corporate powers, and possesses all the immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions. It may receive, hold, and administer, on behalf of the University, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property. (KRS 164.160)

No member of the administrative staff of the University shall be directly or indirectly interested in any contract with the University for the sale of property, materials, supplies, equipment, or services, with the exception of compensation to the two faculty members. (KRS 164.131)

No member of a board of trustees shall have an interest in any contract with a state university unless such contract shall have been subjected to competitive bidding in compliance with KRS Chapter 45A, unless such trustee shall have been the lowest bidder and unless such trustee shall have first notified in writing the remaining members of the board, and to the newspaper having the largest circulation in the county in which the state university is located, of his intention to bid on such contract. (45A.340(7))

No member of the Board of Trustees may be held to be a public officer by reason of membership on the Board except as provided in KRS 45A.335 for the purpose of KRS 45A.340. (KRS 164.150)

All necessary expenses incurred by the Trustees in traveling to and from and while attending meetings of the Board of Trustees are designated to be paid out of the funds of the University. (KRS 164.170)

2. Membership

The Board of Trustees of the University of Kentucky consists of sixteen members appointed by the Governor, two members of the faculty of the University System who shall have the right to vote on all matters except that of faculty compensation, one member of the University System nonteaching personnel, and one member of the student body of the University of Kentucky. The terms of the appointed members shall be for six years and until their successors are appointed and qualified, except the initial appointments shall be as follows: two members shall serve one-year terms; two shall serve two-year terms, one of whom shall be a graduate of the University; three shall serve three-year terms; three shall serve four-year terms, one of whom shall be a graduate of the University; three shall serve five-year terms and three shall serve six-year terms, one of whom shall be a graduate of the University. Three of the appointments shall be graduates of the University and may include one graduate of the institution who resides outside the Commonwealth; three shall be representative of agricultural interests; and ten shall be

other distinguished citizens representative of the learned professions. The Governor shall make the appointments so as to reflect proportional representation on the Board of the two leading political parties of the Commonwealth based on the state's voter registration and to reflect no less than proportional representation of the minority racial composition of the Commonwealth. Appointments to fill vacancies shall be made for any unexpired terms in the same manner as provided for the original appointments. (KRS 164.131)

Each graduate member is appointed by the Governor from a list of three names submitted by the alumni of the University according to rules established by the Board of Trustees. (KRS 164.131; KRS 164.140)

The two faculty members representing the University System of the University of Kentucky shall be members of the faculty of the University System of the rank of assistant professor or above, elected by secret ballot by all faculty members of the rank of assistant professor or above in the University System. Faculty members shall serve for terms of three years and until their successors are elected and qualified. They are eligible for re-election but are ineligible to continue to serve as members of the Board if they cease to be members of the faculty of the University System. Elections to fill vacancies for any unexpired terms shall be held in the same manner as for the original elections. The authority to develop procedures for the election of faculty members of the University System to serve as members of the Board in accordance with the provisions of KRS 164.131 is hereby delegated to the University Senate.

Staff members eligible to vote and eligible to serve as an elected member of the Board of Trustees shall be those regular, full-time staff of the University of Kentucky, as defined in Staff Personnel Policy and Procedure Administrative Regulations, Number 4.0: Employee Status, excluding the president, vice presidents, academic deans and academic department chairpersons. The staff member shall represent all nonteaching university employees. The staff member shall be elected by secret ballot by the nonteaching employees. The staff member shall serve a term of three (3) years and until a successor is elected and qualified. The staff member shall be eligible for reelection, but a staff member who ceases being an employee of the university shall not be eligible to continue to serve as a member of the board. Elections to fill vacancies shall be for the unexpired term and shall be held in the same manner as provided for the original election. The authority to develop procedures for the election of a staff member of the University System to serve as a member of the Board in accordance with the provisions of KRS 164.131 is hereby delegated to the Senior Vice President for Administration.

The student member shall be the president of the student body of the University during the appropriate academic year and may be an out-of-state resident if applicable. If the student member does not maintain the position as student body president or the status of a full-time student at any time during that academic year, a special election shall be held to select a full-time student. The student member shall serve for a term of one year beginning with the first meeting of the fiscal year which contains that academic year. (KRS 164.131)

The number of student and employee members elected to the University of Kentucky Board of Trustees shall not exceed four. (KRS 164.131)

3. Meetings

The Board of Trustees must hold at least four regular meetings per year. Dates designated by law are: the Tuesday preceding the regular annual Commencement of the University; the third Tuesday in September; the second Tuesday in December; and the first Tuesday in April. Special meetings may be called by the chairperson or by any three members upon giving ten days' written notice to each member of the Board. The business to be transacted at special meetings shall be specified in the notice of the meeting. All meetings are to be held on the campus of the University unless otherwise specified by a majority vote of the Board. A majority of the voting members of the Board constitutes a quorum. (KRS 164.170)

The Board of Trustees may adjourn any regular or called meeting to any date that it may set for such adjournment. Any meeting of the Board, if a quorum is not present, may be adjourned by the members attending to a time when a quorum shall be present.

The meetings of the Board of Trustees are required to be open to the public. The Board is required to arrange for a stenographic transcript of each of its meetings to be prepared and filed, to send an agenda for each of the meetings to each member of the Board, and to make a copy available to the press. (KRS 164.170)

The President of the University shall attend all meetings of the Board of Trustees and of its Executive Committee.

4. Officers

The chairperson, vice chairperson, secretary, and assistant secretary of the Board of Trustees shall be elected annually at the September meeting of the Board. The Chairperson of the Board of Trustees shall be limited to no more than four consecutive terms as Chair. In the absence of the chairperson, the vice chairperson presides. The secretary keeps the Minutes of all meetings, issues notices of meetings, and provides for the publication and distribution of the Minutes in accordance with instructions from the Board. The secretary is responsible for the maintenance of an official revised copy of these Governing Regulations and for the publication of revisions from time to time. The assistant secretary is empowered to perform the duties of the secretary when the secretary is not present on the Lexington campus of the University and at such other place or places as are required for the efficient performance of the secretary's duties. The assistant secretary need not be a member of the Board of Trustees.

5. Committees

STANDING COMMITTEES:

The purpose of standing and special committees is to assist the Board in its oversight role by gathering information, discussing, and providing advice on policy proposals prior to their coming before the entire Board. Membership of standing committees shall include at least five members of the Board including the committee chair and shall be appointed by the Chairperson of the Board soon after the election of officers in September. ~~The Academic Affairs, Student Affairs, and Human Resources committees shall not be chaired by faculty, staff, or student trustees~~The Academic Affairs Committee shall not be chaired by either faculty trustee, the Student Affairs Committee shall not be chaired by the student trustee nor shall the Human Resource Committee be chaired by the staff trustee.

A. EXECUTIVE COMMITTEE

The Board of Trustees annually elects an Executive Committee of five members, which has the powers that the Board delegates to it as spelled out in KRS 164.190. This election shall be held at the September meeting of the Board. Vacancies may be filled at any meeting of the Board. ~~The Board designates one member of the Committee to serve as its chairperson~~The Chair of the Board of Trustees shall also serve as Chair of the Executive Committee. In general, the Committee exercises oversight of the financial and business interests of the University and possesses the same powers as the Board during the periods between meetings of the full Board.

Meetings may be held as necessary at the call of the chairperson. The secretary of the Board of Trustees acts as secretary, *ex officio*, of the Executive Committee. The President of the University shall attend all meetings.

The Executive Committee is required to submit to the Board of Trustees at each meeting, for the latter's consideration and approval, a complete record of the proceedings of the Executive Committee. The authority of the Board to amend the action of the Executive Committee does not extend to the rejection of any valid or authenticated expenditure of money by the Executive Committee. (KRS 164.190) The Executive Committee shall serve as a hearing panel in the event of a faculty, student or employee appeal coming to the Board. The Executive Committee shall also serve as a hearing committee in the event of a community member or group desiring to address the Board. (AR II-1.0-4)

The Executive Committee shall serve as the performance review committee for the President, setting and reviewing goals each fiscal year. The Executive Committee shall involve the entire Board in this evaluation process.

B. ACADEMIC AFFAIRS

Shall review recommendations to the Board ~~from the President~~ on policy matters pertaining to the academic mission of the University in teaching, research, and public service as

well as academic freedom and tenure and shared governance. Will review proposals from the President to ensure the academic programs are consistent with the University's mission, that resources are available to achieve academic priorities as set forth in the Strategic Plan, that academic programs are appropriate for its student needs and that the University has a system in place for assessing the effectiveness of its academic programs. Will review new program proposals and changes in the academic units to ensure the program proposals and changes will effectively carry out the academic mission and provide information to the Board if needed when new programs or changes in academic units are recommended to the Board for approval. Shall review the list of candidates for academic degrees and provide information to the Board if needed when degree candidates are recommended for approval.

C. STUDENT AFFAIRS

Shall accept and review recommendations from students, faculty and administrators ~~which the President submits~~ regarding revisions of the Code of Student Conduct. Shall review recommendations ~~from the President~~ concerning the general welfare of students and the adoption of rules, procedures, rights, and responsibilities governing non academic relationships between the University and its students.

D. HUMAN RESOURCES

Shall review recommendations ~~from the President~~ to the Board regarding policies pertaining to employee benefits, rights and privileges requiring Board approval. ~~Shall serve as a hearing panel in the event of a faculty, student or employee appeal coming to the Board.~~

E. UNIVERSITY RELATIONS

Shall review recommendations ~~from the President~~ relating to the economic, social, and public policy environments within which the University operates that directly affect the University. Shall review policies or policy proposals ~~from the President~~ regarding marketing and development as well as public, governmental, and alumni relations.

F. INVESTMENT

Under delegation from the Board and consistent with KRS 164A.550 through 164A.630, the Investment Committee shall be responsible for review and oversight of the endowment investment programs of the University and its affiliated corporations. This responsibility includes: formulating and reviewing investment policies; appointing, monitoring and evaluating investment managers and consultants; and reviewing and approving plans for the general management of the endowment funds of the University.

The Investment Committee Chairperson will report to the Board ~~at least annually after each meeting of the Committee~~ on the performance results of endowment investments. Policies of the Committee are implemented by the Office of Controller and Treasurer in carrying out the day-to-day operations of the University's endowment funds.

G. FINANCE

Shall ensure the financial stability and long-term economic health of the University by monitoring the financial operations of the University and its affiliated corporations and making appropriate recommendations to the Board to ensure achievement of the University's mission. Consistent with KRS 164A.550 through 164A.630, the Committee maintains oversight responsibility for the financial management of the University in the areas of accounting, auditing, payroll, purchasing, capital construction, real property and affiliated corporations. In particular, the Committee shall: oversee the budgets of the University, reviewing and recommending to the Board on the annual Operating and Capital Budgets; ensure that accurate and complete financial records are maintained by reviewing and recommending to the Board on annual financial reports and related recommendations from the Audit Subcommittee, interim financial reports, capital construction reports, long-term debt obligations, gifts to the University of \$100,000 or more, leases over \$30,000 per year, disposition of property, sale of assets, and financial transactions not provided for in the annual operating budget.

The Audit Subcommittee shall recommend to the Finance Committee on the appointment of the external auditors, receive and review the annual reports from the external auditors and make recommendations to the Finance Committee concerning these reports.

H. NOMINATING

Shall nominate officers of the Board and members of the Executive Committee. Shall review recommendations from the President concerning the appointment of Trustees to the boards and committees of the University and its affiliated entities which require ~~Board approval~~ Trustee representation.

I. SPECIAL COMMITTEES

Special committees may be established and appointed at any time by the Chairperson of the Board and with such charge as the Board Chair may determine. They shall carry out their duties as specified and report to the Board. They will function until discharged. Membership will include Trustees and may also include persons who are not Board members.

6. Powers and Responsibilities

The powers and responsibilities of the Board of Trustees include the following:

It may establish proper regulations for the governance of the University and the physical training, military or otherwise, of the students. It may authorize the suspension and dismissal of students for neglect or violation of the regulations or for other conduct prejudicial to the character and welfare of the University. (KRS 164.200)

It may determine from time to time the colleges, schools, divisions, departments, bureaus, and offices which shall comprise the University within the scope of the Acts of Congress approved July 2, 1862, and Acts supplementary thereto, and the relation which each division shall sustain to each other division and to the whole. It may devise, allot, and arrange the distribution of divisions with the designation appropriate for each, and devise the means required for their effective instruction, administration, and governance. (KRS 164.210)

It may appoint a president, professors, assistants, tutors and other personnel and determine the compensation, duties, and official relations of each. In appointments of presidents, professors and instructors no preference may be shown to any religious denomination.* It is required to provide compensation for all positions created and filled by the Board. It may provide for employee retirement benefits and such other employee benefits as are related to the respective employments and services furnished. Retirement plans may include, but without limitation, the retirement ages, the benefits of employees including group insurance, annuities, establishment of a trust fund or funds, and, the amounts to be paid or contributed by employees and the amounts to be paid or contributed by the University of Kentucky, and other appropriate terms and provisions with respect thereto. (KRS 164.220) It is further designated as an independent agency and instrumentality of the Commonwealth and given exclusive jurisdiction of the appointments, qualifications, salaries and compensation payable out of the State Treasury or otherwise, promotions, and retirement programs described. (KRS 164.225)

It has full power to suspend or remove any of the officers, teachers, professors, or agents that it is authorized to appoint, except that no president, professor, or teacher may be removed except for incompetence, neglect of or refusal to perform duties, or for immoral conduct, and then only after ten days' notice in writing stating the nature of the charges preferred, and after the individual has been given an opportunity to make defense before the Board by counsel or otherwise and to introduce testimony which shall be heard and determined by the Board. (KRS 164.230)

It may grant degrees to graduates of the University, prescribe conditions upon which postgraduate honors may be obtained, and confer such honorary degrees upon the recommendation of the faculty of the University as it deems proper. (KRS 164.240)

It is required to make a full report to the General Assembly, within the first month of each regular session, of the condition and operation of the University since the date of the previous report, with such recommendations concerning the University as are deemed necessary. (KRS 164.250)

It may acquire additional lands or other property or material for the purpose of expanding its plant and extending its usefulness. When unable to contract with the owner of land or other property or material necessary for the purposes of the University, it may acquire the same by condemnation proceedings in the manner provided in KRS 416.010 to 416.080. (KRS 164.260)

* See Parts X.A and XII.A

It may dispose of real estate held by the Commonwealth for the use or benefit of the University or the Kentucky Agricultural Experiment Station as authorized in KRS 164.270 and KRS 45.360.

7. Order of Business

The order of business at meetings of the Board of Trustees shall be as follows:

Call to Order

Invocation

Roll Call

Reading and Approval of Minutes with Necessary Modifications

Report of the President

Consideration of President's Recommendations for Action

Consideration of President's Discussion Items

Reports of Committees

Other Business

Adjournment

General parliamentary rules shall be observed in conducting the business of the Board of Trustees except as these may be modified by rules and regulations adopted by the Board.

B. Community College Board of Directors

(1) There shall be a board of directors for each community college under the Kentucky Community and Technical College System, except as provided in KRS 165.160.