

Minutes of the Meeting of the Board of Trustees of the University of Kentucky,
Tuesday, October 29, 2002.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, October 29, 2002 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. Steven Reed, Chairperson, called the meeting to order at 1:05 p.m., and Mr. Tim Robinson gave the invocation.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mr. Paul W. Chellgren, Ms. Marianne Smith Edge, Professor Michael Kennedy, Dr. Robert P. Meriwether, Mr. Billy Joe Miles, Dr. Elissa Plattner, Dr. Claire Pomeroy, Mr. Steven S. Reed (Chairperson), Mr. Tim Robinson, Mr. C. Frank Shoop, Ms. Marian Moore Sims, Ms. Alice Stevens Sparks, Dr. W. Grady Stumbo, Ms. Myra Leigh Tobin, Ms. JoEtta Y. Wickliffe, Mr. Billy B. Wilcoxson, Mr. Russ Williams, Ms. Elaine A. Wilson, and Ms. Barbara S. Young. Absent from the meeting was Ms. Pamela R. May. The University administration was represented by President Lee T. Todd, Jr., Acting Provost Michael Nietzel, Acting Senior Vice President Jack C. Blanton, Senior Vice President and Chancellor of the Medical Center James W. Holsinger, Jr., Acting Vice President for Research James Boling, and Acting General Counsel, Mr. Paul Van Booven.

Members of the various news media were also in attendance. A quorum being present, the Chairperson declared the meeting officially open for the conduct of business at 1:08 p.m.

C. Consent Agenda

Mr. Reed asked for a motion for approval of the following consent items on the agenda.

Approval of Minutes - September 17, 2002
PR 2 - Personnel Actions

Ms. Smith Edge moved approval. Her motion, seconded by Ms. Young, carried without dissent. (See PR 2 at the end of the Minutes.)

D. President's Report to the Board of Trustees (PR 1)

President Todd called attention to the following items in PR 1:

1. The University of Kentucky won a \$22.3 million grant for math and science education. Paul Eakin and Wimberly Royster were two of the

people who pushed the proposal through. Ron Atwood, Steve Henderson, and Carl Lee are other key faculty members involved. The real crux of this investment by the National Science Foundation in 52 counties in Kentucky is that UK can have an impact on the math/science score gaps that exist in that Appalachian region. This grant will help attack one of the problems that UK has highlighted in Kentucky.

2. First Lady Judy Patton and President Todd unveiled a Violence Against Women Center that has been active in Frankfort but is now on the University of Kentucky campus. This is a significant opportunity for UK to have input in that area.
3. The University received good coverage on the new Health Literacy Program. This is an effort where UK will attempt to help its employees understand their health issues better than anybody else in the world and keep UK's costs down. The problem UK has is that insurance costs are going to continue to increase at 18-20% and that takes a large amount out of the budget. This new program should help control the costs.
4. UK has broken into the top fifty public universities in *U.S. News and World Report* magazine.
5. The Gatton College wins \$1.17 million grant to establish a Kentucky Center for Poverty Research. This really attacks another major issue in the State of Kentucky. There are only a few of those in the nation, and we are very proud of that.
6. The College of Medicine faculty, staff and alumni recently gathered for a ceremony to rename the College of Medicine building after Dr. William R. Willard, the first dean of the College. Some of his family members were there, and it gave UK an opportunity to honor him. Dr. Willard was basically the founding father of the Medical Center.
7. Delta Dental has established a Center to improve oral health of Kentuckians and other issues. They contributed \$1.5 million divided between UK and the University of Louisville. Each university will have a Bucks for Brains professor in that area. Jeff Ebersole is the Director of UK's Center and, in addition, he has received a NIH grant.
8. Jack Guthrie, former Trustee, received a UK School of Journalism and Telecommunications recognition for lifetime achievement at a meeting held last week on campus.

9. UK had a major event recognizing the birth of African-American icon, Langston Hughes.
10. UK and city opens the Dorothea Smith Oatts Visitor Center at the arboretum. There was a ribbon cutting and ceremony that was appreciated by many people.
11. The Kentucky Kernel staff is a finalist for the top national college newspaper award. To be in the top listing is significant.

President Todd referred back to PR 2 on the consent agenda and pointed out the names of three very special individuals, the Alumni Professorships. He reported that President Oswald originated the Alumni Professorships, and the first professorship was awarded at the April 4, 1967 Board meeting. The Alumni Professorships were established to strengthen the academic program and also to benefit recruitment and retention of faculty. It is considered a special honor and recognition to a faculty member for significant contributions in a field of study and/or outstanding service to the University. The annual stipend for these professorships will be \$15,000 a year for five years.

President Todd asked Professor Allan Butterfield from Chemistry, Professor Everett McCorvey from the College of Fine Arts and the outstanding opera and music program, and Professor Dayong Gao from Mechanical Engineering to stand and be recognized, following which they received a round of applause. He said that these are the type of recognitions that the professors should be extremely proud of receiving, and he was proud of them and glad that they are at the University of Kentucky. He thanked them for everything that they do.

E. Update on University's Self-Study SACS Report

President Todd gave the Board an update on the University's Self-Study SACS Report. He thanked Board member Alice Sparks for the many hours she spent on the committee. UK's response to the report of the Reaffirmation Committee of the Commission on Colleges for SACS was sent to them on October 1, 2002. Copies of the response were also mailed to the Board last week.

In reviewing the documents, the Board will find that the institution has dealt with all of the SACS recommendations. The Commission on Colleges Committee on Criteria and Reports will review UK's response and make a recommendation of reaffirmation of accreditation to the COC Executive Council at their December 10, 2002 meeting in San Antonio. At that time, UK will get the final results for that process and then get ready for the next one which will occur ten years from now.

F. Naming of University Building (PR 3)

President Todd said that PR 3 is a recommendation that the Board of Trustees approve the renaming of Anderson Hall to the F. Paul Anderson Tower. This request is made because the new mechanical engineering building is named for Ralph G. Anderson. This

action is to try to eliminate any confusion between the two buildings. He recommended that the Board approve the renaming of Anderson Hall. Ms. Sims moved the approval of PR 3. Her motion, seconded by Ms. Sparks, unanimously carried. (See PR 3 at the end of the Minutes.)

G. Director of Food Services Emeritus be Conferred Upon Carol Raitz (PR 4)

President Todd said it was his pleasure to recognize another emeritus staff member. He recommended that Ms. Carol Raitz be named Director of Food Services Emeritus in recognition of her long service and dedication to the University of Kentucky students for more than 32 years. He noted that her husband, Karl Raitz, is one of UK's outstanding faculty members, and they were both in attendance.

President Todd reported that Mrs. Raitz began her career as manager of the Commons Dining Room. She was named Food Services Director in 1995 and served until the year 2002. She initiated the first academic partnership between Food Services and the College of Agriculture and the College of Home Economics that is now the College of Human Environmental Sciences. Under her direction, the Lemon Tree, a student managed dining room, and the Block and Barrel Deli in Erikson Hall became successful partnerships.

Mrs. Raitz also worked with the architects of the William T. Young Library to design Ovids that is no doubt a popular success with many UK students. Her menus for Food Services received the American Medical Association award for healthy food choices. The University of Kentucky was the only public university to receive that honor.

Mrs. Raitz was also active in the National Association of College and University Food Services, serving as Vice President for Region III for 1997 and 1998 and as Region III President from 1999 to 2002.

President Todd said it was his pleasure to ask Mrs. Raitz to step forward and be recognized. He presented a certificate to her, and she received a round of applause.

On motion made by Ms. Smith Edge and seconded by Ms. Wilson, PR 4 was unanimously carried. (See PR 4 at the end of the Minutes.)

H. Appointment of Provost (PR 5)

President Todd said that he wanted to bring forth a recommendation that the Board approve the appointment of Dr. Mike Nietzel as Provost effective November 1, 2002. He provided some background information and said that when he assumed office on July 1, 2001 he reorganized the University and created a position of Provost. He asked Dr. Nietzel to serve as the first Acting Provost in that position. He appointed a committee in August 2002 to identify and recommend qualified candidates for the permanent position of Provost. The committee included deans, a student that was selected by Tim Robinson, a faculty member that was selected by Carolyn Bratt and the Women's Commission. He said that he also consulted with the Commission on Diversity with regard to asking Everett McCorvey to

serve on the committee. He noted that there were two faculty members that were named by the Senate Council.

President Todd reported that when he first formed an Advisory Committee Dr. Doug Boyd was going to be the Chairperson; however, the Senate Council asked if he would put a co-chair on the Committee that they could name. He agreed to that, and the Senate Council named Loys Mather, whom many of the Board members know. In addition, they requested that they be allowed to add another faculty member, Lee Edgerton, and he approved that request.

President Todd reported that the Advisory Committee considered thirty-seven candidates who were either nominated or applied for the position. The Advisory Committee stated that the pool was broad and diverse in terms of race, ethnicity and gender. It also represented a strong mix of professional backgrounds, including some current provosts, some deans and some vice presidents of other universities. The Committee unanimously agreed to submit seven names to him, four of which they stated stood out from the rest of the pool of applicants.

In submitting the recommendations, the Advisory Committee asked him to consider an appointment from these candidates but, in addition, they noted that it was their unanimous belief that the University might best be served by my making a decision at this point in the process. They gave him the option of making the decision now or continuing the process. The opinion that the Advisory Committee gave him was a unanimous assessment. He pointed out that had the Committee come to him as a split Committee and had the Committee come to him and said that they wanted to invite four people to campus, he would have done that. He said that the Committee came to him and gave him the opportunity to make a selection at this time. He reminded the Board that there were thirteen members on the Advisory Committee, and it was a unanimous opinion. The Committee put forth a group of very strong candidates.

President Todd said that the Committee's discussion centered on the fact that given Dr. Nietzel's experience and his proven leadership in the position, they thought none of the other candidates could surpass these qualifications in the interview process. Had the process been extended and had candidates been invited to campus, they could have still ended up with the same decision. Therefore, based on the Committee's unanimous recommendation to him that he could make that decision now, he chose to do so. He said that he reviewed all the recommended candidates' credentials, and after that review, he had chosen Dr. Nietzel as the most qualified. Some of this is based on his long, distinguished service to the University of Kentucky already, his intimate knowledge of the institution, his high standing with his peers on campus, the innovative performance that he has shown to him during the last fifteen months, and the working relationship that he has had with Dr. Nietzel.

President Todd gave a very brief review of Dr. Nietzel's credentials. Dr. Nietzel began his career at UK in 1973 as an instructor in the Department of Psychology. In 1976, he was appointed Director of the Clinical Psychology Training Program. In 1987, he was named Acting Director of Graduate Studies for the Department of Psychology. In 1988, he

was named Associate Director of Graduate Studies. From 1991 to 1997, Dr. Nietzel served as the Chair of the Department of Psychology. He was named Dean of the Graduate School for UK in 1997 and held that position until he was appointed Acting Provost in 2001. President Todd recommended that the Board of Trustees approve the appointment of Dr. Michael T. Nietzel as Provost effective November 1, 2002. Mr. Shoop moved approval. Ms. Wilson seconded the motion, and it carried unanimously. (See PR 5 at the end of the Minutes.)

Mr. Reed said that it is a Board policy to respect President Todd's decision, and they will commend him for his decision. It is President Todd's obligation to make personnel decisions. He pointed out that President Todd had done one thing that he did not have to do, and that is to be as inclusive as he has been in formalizing his decision. He said that the Board appreciates the fact that President Todd was very inclusive so that he could make the best decision possible.

President Todd recognized Dr. Sandy D'Angelo, Dr. Nietzel's wife. He thanked her for her patience through the last year and a half and thanked her for coming to the Board meeting. Dr. D'Angelo received a round of applause. He asked Dr. Nietzel if he would like to say anything at this time.

Dr. Nietzel thanked President Todd. He said that he appreciated the vote, and the appointment that he would like to accept. He said he was very pleased that his wife, Sandy, could be there. She has stood with him through personal and professional matters all throughout a long period, and he is really grateful for her support. There were features of this that she did not bank on in terms of the last fifteen or eighteen months, and she maintained a great deal of calmness or, at least for his benefit, pretended that she did. Through that process, it was extremely helpful to him to have that kind of support from her. He is very happy that she is present and able to share in this with him.

Dr. Nietzel thanked President Todd. He said twenty months ago they barely knew each other. Whatever they have as a relationship has evolved through the opportunity to work together, and it has been a terrific experience for him, one that stretched him in this period of time a lot more than he thought it would. He said he knew President Todd took a risk on him, and he is very grateful that President Todd is giving him this chance to do the job permanently. He said he was really pleased to go from a two-word title to a one-word title.

Dr. Nietzel thanked the members of the administration who have extended themselves in all sorts of personal and professional ways to him during the past fifteen months to help him do the job, and he knows that they will continue to do that.

He recognized some staff with whom he has worked very closely with over the past year in the audience and extended his thanks to them. He singled out Kris Hobson and Joyce Fannin in the Provost's Office who put up with him daily and make his job a whole lot easier by their effectiveness and efficiency, and the fact that they like to work at the University of Kentucky.

Dr. Nietzel said that he thought the University, from an academic point of view, is continuing to make very good progress toward becoming one of the esteemed public universities in the country. No good university stands still and so the people that we are marching against or competing against are improving, but if you look at the experience of the past couple of years, you will see that UK's pace has quickened more than many of them. And, if UK stays rooted in the three missions for the University, research, outstanding teaching, and service, it will be able to maintain that pace of progress as it fulfills the obligation the legislature gave and the opportunity that the state has given UK to become a leading research university for the nation and also the world. He said that he looked forward to having a discussion about that at the Board retreat.

Dr. Nietzel expressed appreciation for everyone's support, and said that he looked forward to working with the Board and Dr. Todd, who he thinks has allowed this progress to occur because he has found it an uncommonly effective way to unite the missions of research, teaching and service for the University and articulating it in a way that has not been done before. It makes it very easy to lead the academic programs of the University when you have that kind of vision over-arching all of it. Dr. Nietzel received a round of applause.

President Todd asked Loys Mather and other members of the Advisory Committee to please stand and be recognized. The Committee received a round of applause.

I. Appointment of Vice President for Research (PR 6)

President Todd said that he had a second exciting recommendation that he would like to bring to the Board. The recommendation is that the Board approve the appointment of Dr. Wendy Baldwin as Vice President for Research effective January 1, 2003. He noted that when he assumed office in July 2001, he asked Dr. James Boling to be Acting Vice President for Research. He asked Dr. Boling to stand and be recognized, following which he received a round of applause.

President Todd reported that in January of 2002, he appointed a search committee chaired by Professor Kimberly Anderson from the College of Engineering to seek candidates for the position of Vice President for Research. As a result of that search, there were four finalists for the position. Three were brought to campus, and one was an internal candidate. The candidates met with him, the faculty and the staff of various organizations. Persons meeting with the candidates were invited to send their comments and their preferences on each of the candidates to the Committee and these, in turn, were forwarded to him.

He briefly reviewed Dr. Baldwin's credentials. He said that she began her career as a social worker in the Suffolk County Department of Social Services in Bayshore, New York. During the period of 1968 to 1972, she served as a research assistant in the Department of Sociology at the University of Kentucky, while obtaining her M.A. and Ph.D. degrees. In 1973, Dr. Baldwin began a twenty-year period of service to the National Institute of Child Health and Human Development. During that period, she served as the Health Scientist Administrator for the Behavioral Sciences Branch of the Center for Population Research, as

Chief of the Demographics and Behavioral Sciences Branch of the Center for Population Research and as Deputy Director. Since 1993, Dr. Baldwin has served as Deputy Director for Extramural Research at the National Institute of Health in Bethesda, Maryland.

Dr. Baldwin is a member of numerous professional associations, has published dozens of papers and articles, and has testified extensively before Congress on a broad range of research issues. She is a member of the Board of the Human Frontier Science Program, served as a U.S. Representative to the World Health Organization, and is a member of the International Advisory Committee for the Scientists for Health and Research for Development Association. Dr. Baldwin also has served on the Pew Charitable Trust, the Federal Demonstration Partnership of the National Science and Technology Council and the American Association for the Advancement of Science.

President Todd said that Dr. Baldwin could not attend the meeting; however, she would be at the Board Retreat Wednesday afternoon. He recommended that the Board approve the appointment of Dr. Wendy Baldwin as Vice President for Research at the University of Kentucky.

Mr. Reed called for a motion of approval of PR 6. Mr. Chellgren so moved. Dr. Plattner seconded his motion, and it carried unanimously. (See PR 6 at the end of the Minutes.)

President Todd extended his congratulations to Professor Kimberly Anderson and any members of the search committee for the Vice President for Research. He said it was a long, extended process, and they did a wonderful job.

President Todd noted that Dr. Baldwin would be available to the press by phone. He pointed out that Dr. Baldwin received her Doctor of Sociology at the University of Kentucky. She has done research in the area of arts and sciences. About 65% of UK's extramural research funding has come from NIH where Dr. Baldwin serves as Deputy Director. She has been involved with extramural funding of universities and knows that landscape extremely well. He said he was pleased that she could be at the University of Kentucky on January 1, 2003.

J. Appointment of General Counsel (PR 7)

President Todd recommended that the Board of Trustees approve the appointment of Paul C. Van Booven as General Counsel effective November 1, 2002. He reported that Mr. Van Booven has served as Acting General Counsel since May 2002. He has been associated with the University in various capacities for almost three decades. Mr. Van Booven's institutional knowledge and understanding of the University's organizational structure and operations make him an excellent recommendation for the position of General Counsel.

Mr. Van Booven received his bachelor's degree from DePauw University before returning to Kentucky to receive his Juris Doctor degree from the University of Kentucky Law School in 1976. At UK, Mr. Van Booven has served as the Managing Editor of the

Kentucky Law Journal. He served as an Assistant and an Associate Dean in the UK College of Law from 1976 through 1989. He moved to the UK Office of Legal Counsel in 1989 as Associate General Counsel and has served as Deputy General Counsel, and on two occasions, as Acting General Counsel.

Mr. Van Booven is admitted to practice in the Commonwealth of Kentucky, United States District Court for the Eastern District of Kentucky, and the United States Court of Appeals for the Sixth Circuit, and the United States Supreme Court.

The position of General Counsel was advertised online through the Office of Human Resources. Several applications were received and reviewed. From the review, it was clear that Mr. Van Booven was the most qualified of the applicants, principally through his years of service in the University's Office of Legal Counsel, his educational background, and his dynamic personality. President Todd said it was his pleasure to recommend that the Board of Trustees approve the appointment of Paul C. Van Booven as General Counsel for the University of Kentucky effective November 1, 2002.

Mr. Reed called for a motion for approval of PR 7. Mr. Williams so moved. His motion, seconded by Professor Kennedy, unanimously carried. (See PR 7 at the end of the Minutes.)

President Todd asked Mr. Van Booven if he would like to step forward and say anything.

As Mr. Van Booven approached the podium, Mr. Reed said that Mr. Van Booven was an Associate Dean while he was in Law School. He said that it was nice knowing him from his days as a student when he was scared to death of him.

Mr. Van Booven said that he did not realize that Mr. Reed was scared of him. He said it was a distinct honor to be selected as the University's chief lawyer because he has been selected to be the chief legal representative for the best client that there is in the State of Kentucky. He said that he has the best job now, and he thanked the Board very much. It goes without saying that the obligation of a lawyer is to represent the client. His client is the University of Kentucky, and the Legal Office gets instructions from the Board acting as a whole, from its Chair, and from President Todd. He said that they do their best to represent the University in the way that the Board directs them to represent the University.

Mr. Van Booven said that being a lawyer for the Board is not just a one-person affair. The University has a great Legal Office, and it has great outside counsel. Mr. Van Booven received a round of applause

K. Search Committee for Senior Vice President for Administration

President Todd reported that he has asked Henry Clay Owen to Chair a Search Committee for the Senior Vice President for Administration position. He will charge that Committee on November 7th, and that process will begin. While he would like to have the

position filled by the end of December, he noted that Dr. Jack Blanton has agreed to serve in that position until he gets it filled. He said that he looked forward to bringing a recommendation to the Board in the not too distant future.

L. Change of Organizational Structure of the Kentucky Tobacco Research Development Center (AACR 1)

Ms. Sparks, Chairperson of the Academic Affairs Committee, reported that the Committee had four items to bring to the Board's attention and, hopefully, approval. The first is the change of the organizational structure of the Kentucky Tobacco Research Development Center. This would be transferred from the Office of Vice President for Research to the Dean in the College of Agriculture. It comes as a recommendation from the Futures Task Force. The Acting Vice President for Research has recommended the proposal, and the Provost supports the recommendation. She moved approval of AACR 1. Ms. Young seconded the motion, and it unanimously carried. (See AACR 1 at the end of the Minutes.)

M. Bachelor of Science in Biosystems and Agricultural Engineering (AACR 2)

Ms. Sparks said that AACR 2 recommends that the Board approve the change in the name of the Bachelor of Science in Agricultural Engineering to Bachelor of Science in Biosystems and Agricultural Engineering. This recommendation changes the undergraduate degree title to conform to the departmental name. The Undergraduate Council, the Senate Council and the University Senate have approved this proposal. The Provost also supports the recommendation. She moved approval of AACR 2. Ms. Wilson seconded the motion, and it carried unanimously. (See AACR 2 at the end of the Minutes.)

N. Creation of a College of Design (AACR 3)

Ms. Sparks said that AACR 3 is a recommendation to create the College of Design. This recommendation was also part of the Futures Task Force Study. The College will include the School of Interior Design, the new School of Architecture and a Department of Historic Preservation. The proposal has been supported by everyone up the ladder, and the Provost supports the recommendation. She moved approval of AACR 3. Her motion, seconded by Ms. Smith Edge, carried unanimously. (See AACR 3 at the end of the Minutes.)

O. Master of Science: Professional Master of Biomedical Engineering (AACR 4)

Ms. Sparks said that AACR 4 is a recommendation that the Board approve the establishment of a Master of Science: Professional Master of Biomedical Engineering Degree in the Center for Biomedical Engineering. She reported that the program has met with the approval of everyone, and she moved that AACR 4 be approved. Ms. Wilson seconded the motion, and it carried unanimously. (See AACR 4 at the end of the Minutes.)

P. Acceptance of Interim Financial Report for the University of Kentucky for Three Months Ended September 30, 2002 (FCR 1)

Paul Chellgren, Chairperson of the Finance Committee, reported that the Finance Committee met that morning and had a relatively short agenda. The first item, FCR 1, was to accept the Interim Financial Report for the University of Kentucky for the three months ended September 30, 2002. That, of course, is the 25% completion point in the academic and fiscal calendar. The University had received realized income of a little over \$416 million which was some 31% of the anticipated revenues of \$1,341 billion, and the expenditures and commitments were some \$361 million or some 27% of the approved budget of \$1,341 billion. The Committee discussed the report in some length. Much of the revenue is sort of front end loaded as the University receives tuition, fees and income from the beginning of the academic year. There are a few expenditure items that are also front end loaded. Those would include student financial aid, a debt service and some other like items. He said that there was nothing that needed to be brought before the Board's attention and moved the acceptance of FCR 1. Ms. Tobin seconded his motion, and it carried unanimously. (See FCR 1 at the end of the Minutes.)

Q. Capital Construction Report (FCR 2)

Mr. Chellgren said that FCR 2 is the quarterly Capital Construction Report. Although a lot of physical work was done during the past summer quarter, the report is relatively quiet in terms of new initiations. There were no new contracts and only two amendments. The amendments had to do with the design services amendments to re-build the Administration Building and the Allied Health Building. Both of those projects are well under way. There were seven change orders, and six contracts were completed. The Committee discussed the report with the administration, and there was nothing that needed to be brought to the Board's attention. He moved the adoption of FCR 2. Ms. Smith Edge seconded the motion, and the motion carried unanimously. (See FCR 2 at the end of the Minutes.)

R. Patent Assignment Report (FCR 3)

Mr. Chellgren reported that FCR 3 is another quarterly responsibility, the Patent Assignment Report. There are some twenty patents that are described in the attachment behind the summary report. The Committee had a nice discussion with Dr. Jim Boling, and although he is soon to be the Ex-Vice President for Research, the Committee asked for a bit of an overview of the university's patent position.

There have been some fourteen patent applications and eight patents issued this year to date. A fiscal year to date patent income was just over \$190,000.00, and the Committee also received some information compared with some of the benchmark institutions as to the historic patent income in the fiscal year 2000. The University had a total income of \$2,680,000. Some of the benchmark institutions (Florida, Wisconsin, Washington, and Minnesota) earned over \$20 million from their patent portfolio during those years. Frequently, they have a blockbuster kind of a product. The University of Florida's income from Gatorade is probably one of the more high profile examples of that, but many of the

other institutions, including institutions of even greater size in terms of the research budget of our own such as Ohio State, Purdue, and the University of Texas, actually earned less than the University did in the year 2000 in their patent portfolio. This was useful information to benchmark UK's position. It is true, however, as Dr. Boling pointed out, that in fiscal 2001 the University's patent revenue dropped to \$2.3 million. In fiscal 2002, the year just ended, UK's patent income dropped to \$1.5 million as one particular medical patent went off patent, and therefore, the revenue from that item dropped. Mr. Chellgren said that he would be happy to answer any questions that any of the Board may have regarding the patent assignment report. He moved the adoption of FCR 3. Ms. Sparks seconded the motion, and it carried unanimously. (See FCR 3 at the end of the Minutes.)

S. Gifts and Pledges FCR 4 through 7

Mr. Chellgren said that he would like to consider FCR 4 through 7, inclusively, as a package. He reported that the Chief Development Officer reviewed these items with the Finance Committee.

FCR 4 - accept a gift to the Markey Cancer Center of some \$1.5 million of which \$300,000 is to establish an endowed Carmen Buck Professorship/Chair in Oncology Research, \$200,000 is to be added to an existing professorship/chair in cancer research and \$1,000,000 is for enhancement of cancer research programs. Some \$500,000 of this \$1.5 million is eligible to be matched by the state's Research Challenge Trust Fund. These were funds that had been anticipated and were earmarked from the previous Research Challenge Trust Fund. These funds are coming from the chairman and co-founder of the Subway sandwich restaurant chain. The wife of Dr. Peter Buck is Mrs. Carmen Buck who is a former patient of Dr. Alfred Cohen, CEO of the Markey Cancer Center. This gift is a result of Dr. Cohen joining the University to run to Markey Cancer Center. It is a very generous gift and an example of how these very high profile faculty members can bring wonderful support with them.

FCR 5 – accept a gift of almost \$760,000 from the estate of Jack H. Kimble to benefit the College of Agriculture in a general way. Mr. Kimble was a 1949 alumnus and a long-time friend of the College of Agriculture. This is a part of the remainder interest from his estate. Mr. Kimble died about ten months ago.

FCR 6 – acceptance of a gift of \$1,000,000 from Richard A. Barbella who is a long-time employee of the University of Kentucky (28 years). Mr. Barbella has been working in the budget administration area. This gift is part of his net proceeds from winning the Powerball lottery this summer.

President Todd gave some background information about how this gift occurred. He said that he was attending the Harvard Institute for New Presidents when his cell phone rang. Someone called to inform him that one of his employees just won \$41.6 million. He then went back and told the other Presidents attending the meeting, and they, of course, wanted to know his name.

President Todd said that he did not feel it was appropriate at that time to call Mr. Barbella and say “Hey, how ya doing?” So, he waited a few days. In Mr. Barbella’s own way, he did get a message through Ken Clevidence that Mr. Barbella would like to make a gift to the University.

Mr. Barbella came to his office, and they had a meeting. Prior to that, Mr. Barbella had sent him an e-mail with about six word documents connected to it which were thoughts he had well before the Powerball winnings based on his experience in the Budget Office. Mr. Barbella is renowned as a budget officer at the University and has an intimate knowledge of the process. President Todd said that he and Mr. Barbella discussed those ideas for quite a while until they kind of got to his comment about the gift. Mr. Barbella told him that he would like to make a million dollar gift to the University, if that was o.k. President Todd said he asked him what he would like to have it named. Mr. Barbella said he had not thought about that, but he wanted it to go in the general fund. President Todd said the general fund is where UK needs money, and he felt Mr. Barbella was making a point. It can go for salaries, it can go for awards, it can go for things that the President would like to do. This is money that the President does not get very often. President Todd said he really did appreciate Mr. Barbella’s sentiment in that investment.

President Todd said that he thought everyone should also know that when Mr. Barbella received those winnings, the first thing he did was buy UK bonds. He could have bought other bonds and probably had better proceeds, but he wanted to put his money where his life has been. He has two degrees from the University of Kentucky. He has twenty years of service to the University, and that, to him, was almost as meaningful as the million dollar check that Mr. Barbella presented to him.

President Todd said that he asked Mr. Barbella when he would like to sit down with Terry Mobley and work up the document. Mr. Barbella informed him that he had his checkbook with him and proceeded to write the check with a slightly shaky hand. President Todd said that the University was very indebted to Mr. Barbella, not only for his service but also for his show of loyalty to the institution. Mr. Barbella wanted to make sure that something good happened to UK. President Todd asked Mr. Barbella to come forward and say a few words.

Mr. Barbella said he would appear before the Board to show proof that dreams do come true. Without a doubt, he always had that dream, and it happened. His gift to the University is an attempt to make the University’s dream come true, and that is to achieve “Top 20” status. He challenged the Board of Trustees to get those additional resources, particularly in the general fund. He said, “Maybe, we have to make the people in Frankfort think a little bit differently about how the University is funded -- maybe apart from the rest of the universities in this state.” Otherwise, with the formula funding, he does not think that there will ever be enough money for the University to achieve what he and others wants it to achieve. He challenged the

Board to make his gift go a long way by getting a lot more and making the University achieve its dream. Mr. Barbella received a round of applause.

FCR 7 – accept a gift of some \$328,641 from Sandra A. Frazer and Thomas R. Frazer, II of Jackson, Mississippi, to create and endow the Thomas R. Frazer Family Endowed Basketball Scholarship in the Department of Athletics. The Board has seen a number of other gifts of this nature as they have moved to endow the individual scholarships in basketball in the Department of Athletics.

Mr. Chellgren moved that the Board accept FCR 4, 5, 6, and 7. Ms. Wickliffe seconded his motion, and it carried unanimously. (See FCR 4, 5, 6, and 7 at the end of the Minutes.)

T. Approval of 2001-2002 Endowment Match Program Annual Report (FCR 8)

Mr. Chellgren said that FCR 8 is a recommendation that the Board accept the Endowment Match Program Annual Report, the RCTF Program. He explained that there is an obligation for the various universities receiving these funds that an annual report must be submitted to the Council on Postsecondary Education. This is a recommended action that authorizes the administration to submit this annual report. It is quite an extensive report, approximately 5,000 pages. Fortunately, modern technology permits these things to be submitted on compact discs as well as hard copy. He said that the Board is just seeing the top of the pyramid in these few pages of summary attachments to FCR 8. He moved that the Board accept FCR 8 and authorize the administration to submit the annual report. His motion, seconded by Mr. Miles, carried unanimously. (See FCR 8 at the end of the Minutes.)

U. Other Business and Comments

Dr. Plattner said that she would like to make a comment about the passing of two distinguished Kentucky women who have contributed greatly in different ways to the University of Kentucky and to education in Kentucky in general:

Lucille Little, who really loved the University a great deal, whose love for art and music and drama and the theatre brought out a lot of what Kentucky really is and encouraged the culture that is Kentucky, who was the esteemed sister of Dr. Claire Louise Caudill, the distinguished Eastern Kentucky pioneer woman doctor. These two women of Floyd County demonstrated to the state their love and appreciation.

Joy Bale Boone of Western Kentucky passed away in October. She was Kentucky's poet laureate from 1997-1999. She was very close to many people here at the University in the English Department and Theatre and Drama. She wrote a special poem for the inauguration of Dr. Todd and Mrs. Todd and who by her cards and letters and interest in the policy and culture of the State has lifted up the dialogue about the arts and the spoken word and the word that is what we transmit to each other. I lament their passing both at grand old ages, but I remember them for what they contributed.

V. Meeting Adjourned

With no further business to come before the Board, Mr. Reed adjourned the meeting at 2:00 p.m.

Respectfully submitted,

Russ Williams
Secretary, Board of Trustees

(PR 2, 3, 4, 5, 6, and 7; AACR 1, 2, 3, and 4; FCR 1, 2, 3, 4, 5, 6, 7, and 8 which follow are official parts of the Minutes of the meeting.)