

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Tuesday, December 13, 2022

The Board of Trustees of the University of Kentucky met on Tuesday, December 13, 2022, in the Gatton Student Center, Harris Ballroom.

I. Call to Order

Bob Vance, chair of the Board of Trustees, called the meeting to order at 1:15 p.m. Chair Vance asked Secretary Webb to call the roll.

II. Roll Call

The following members of the Board of Trustees were in attendance: Thomas Abell, Claude A. "Skip" Berry, E. Britt Brockman, Todd Case, Aaron Cramer, Ray Daniels, Ron Geoghegan, Brenda Gosney, Andrew Laws, Lance Lucas, Kimberly McCann, David Melanson, Paula Leach Pope, Derrick K. Ramsey, Sandra R. Shuffett, Hollie Swanson, Robert Vance and Rachel Watts Webb. Cathy A. Black attended via Zoom. Frank Shoop was not in attendance.

Secretary Webb announced a quorum was present.

III. Approval of Minutes

Chair Vance reported that there had been no petitions to address the Board since their last meeting. He stated that the minutes of the October 21 and October 27, 2022, meetings had been distributed and asked for a motion to approve. Trustee Gosney moved approval and Trustee Shuffett seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda")

IV. Chair's Report

Chair Vance called attention to the 26 consent items on the agenda:

PR 2	Personnel Actions
ASACR 4	Suspension/Closure of Degree in the College of Agriculture, Food and Environment
ASACR 5	Suspension/Closure of Degree in the College of Engineering
FCR 1	Acceptance of Gift and Pledge from Alltech
FCR 2	Budget Revision
FCR 3	Acceptance of Interim Financial Statements
FCR 4	Proposed 2023-24 Room and Board Rates
FCR 5	Approval of Articles of Incorporation Amendment Gluck Research Foundation

FCR 6	Approval of Disposal Staff Trailer
FCR 7	Approval of Disposal of Real Property
FCR 8	Approval of Ground Lease USDA
FCR 9	Princeton Replacement Capital Project
FCR 10	4H Camp Swimming Pools Capital Project
FCR 11	Delta Gamma Capital Construction
FCR 12	WT Young Elevator Capital Project
FCR 13	Cancer Treatment/Ambulatory Outpatient Center Capital Project
FCR 14	Kentucky Clinic Elevator Capital Project
FCR 15	Replacement Air Handling Unit Capital Project
FCR 16	Parking Structure 8 Capital Project
FCR 17	Good Samaritan Emergency Generator Capital Project
FCR 18	Pavilion WH Modernize Three Elevators Capital Project
FCR 19	Capital Construction Report
FCR 20	Patent Report
FCR 21	Pledge from John Maze Stewart
ICR 1	Revised Endowment Investment Policy
	UK HealthCare Medical Staff Privileges and Appointments

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

Chair Vance reported that the Executive Committee met the day prior to review the Board of Trustees Presidential Evaluation, which was very positive. Chair Vance noted there were suggestions for improvement, which the President appreciates, but stated it was clear President Capilouto continues to have the strong support of the Board of Trustees based on his outstanding performance and the progress the university is making.

ECR 1 2021-22 Performance Evaluation Resolution

Chair Vance reported that during the Executive Committee meeting the day prior, there was a motion to acknowledge the President's outstanding performance and renew the Board's commitment to continue under his leadership.

Chair Vance presented ECR 1, that the Board of Trustees approve the resolution commending President Capilouto's performance and accomplishments from his 2021-22 Presidential Evaluation. The Executive Committee of the University of Kentucky Board of Trustees has reviewed the input of all mandated constituency groups regarding President Eli Capilouto's performance for 2021-22 and commends the President's performance and accomplishments working toward the betterment of the University of Kentucky and advancing the Commonwealth.

Trustee Case moved approval and Trustee Brockman seconded the motion. Chair Vance asked if there was any discussion and recognized Trustee Swanson who stated, "I commend the President for his many accomplishments this year, but nonetheless a credible and fair performance evaluation is balanced. It is my view that this performance evaluation lacks balance."

Chair Vance thanked Trustee Swanson and recognized Trustee Cramer who stated, "Our students, our staff, our faculty, our alumni, legislators, many other stakeholders, trust the Board to evaluate the President and to hold him accountable. Mindful of our obligations to the entire university I concur that the resolution is not sufficiently balanced. I join the resolution in commending the President's strengths and accomplishments, but I note that the President also has opportunities for continued improvement, and I offer my encouragement to him to continue to do so."

Chair Vance thanked Trustee Cramer and asked for any additional discussion. Hearing none, ECR 1 passed with 17 affirmative and two against. (See ECR 1 on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda")

Chair Vance then recognized President Capilouto for his report.

V. President's Report

President Capilouto remarked, "I hope you have been as encouraged and uplifted by what you have heard over the last day and a half as I have. Our time together often provides me with a welcome reminder of the breadth of what we do at the University of Kentucky in service to students and in service to our state. In September, as you recall, we discussed our record enrollment and our continued trajectory as an institution that is helping more students succeed on time and without debt. Like so much else we do, that commitment to students reflects the fact that we are focused, as never before, on the north star that defines our university and that is advancing Kentucky."

The president discussed recent national headlines underscoring the efforts that UK is leading in Kentucky and the country. The stories reflect the fact that after years of progress completion, the university's graduation rates have stalled nationally. "Graduation rates for the most recent cohort of students from 2016 are basically the same as the prior year. However, the Commonwealth of Kentucky is one of only five states that appear to be bucking that trend. Graduation rates increased during this time across our public institutions by more than one percentage point. Graduation rates are an area where we are on the cusp of the elite among public institutions. As you have heard before, our six-year graduation rate is now at nearly 69 percent, more than 10 percentage points higher than a decade ago. Our four-year and five-year graduation rates are at record levels. In fact, the four-year graduation rate at 55 percent is almost 25 percentage points higher than in 2010; it takes everybody to move numbers like that. That trajectory of progress is the product of tireless work and effort by hundreds and hundreds of people across our campus from faculty whose scholarship and teaching talent attracts and inspire students to our dedicated staff who support our students through advising,

targeted interventions and support for an increasingly deep and sophisticated range of resources. We are making this progress not by getting smaller and more selective, but by growing our enrollment to meet the needs of our state as part of our mission to advance Kentucky.”

The president discussed the upcoming commencement ceremony with more than 2,000 degree applications as a powerful symbol of UK’s commitment to the Commonwealth. He reported another testament to that commitment with the pending construction of the Cancer and Advanced Ambulatory Complex that the Board was considering later in the meeting’s agenda. “This project will include multiple clinical care buildings and structured parking with an anchor of approximately 260,000 square feet for cancer specific services. You have heard more than once that the need is compellingly clear. Since becoming a National Cancer Institute (NCI) designated center in 2013 Markey Cancer Center Outpatient Clinic visits increased by 57 percent, including more than 120,000 patient visits in 2021 alone. In addition, cancer-related research funding has increased by over 100 percent since 2012.”

The president discussed the demand growth for advanced cancer care on an outpatient basis as well as other health services, especially in many sub-specialty areas. “We are preparing and planning for that growth, which is why, after consultation with our clinical chairs and senior administrators in recent weeks we have moved to add the project of shelling 150,000 square feet, similar to the strategy we used for Chandler Hospital. As we have done with other healthcare projects focused on increasing areas, we need to be ready to quickly move to meet those demands when they arise.”

“Over the last few weeks, I have had some nearly 50 conversations with leaders across our campus and the healthcare enterprise. We have discussed the challenges and opportunities that lie ahead for UK HealthCare across disciplines and specialties. One theme rang consistently true, it is the commitment of UK HealthCare in caring for those most in need throughout Kentucky. The vision to ensure that any Kentuckian, no matter how ill or how serious the challenge they face, can receive the best of care closest to home is real and as relevant today as it was years ago when we entered this covenant with the Commonwealth of Kentucky.”

“This facility extends and enhances that vision and that mission even further and underscores that our focus remains fixed on Kentucky’s needs and Kentucky’s people. That focus is true in our health enterprise, it is true in all those who support the success and wellbeing of our students, and it is true in every community across the state where our people serve.”

PR 3 Renaming of Residence Hall

President Capilouto introduced PR 3, a recommendation that the Board of Trustees approve the official renaming of Woodland Glen III Residence Hall as “Pigman Hall” in recognition of Stan and Karen Pigman’s impact on the College of Engineering.

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

PR 4 Naming of UK Center for Poultry Research and Innovation

President Capilouto introduced PR 4, a recommendation that the Board of Trustees approve the naming of an office building in the College of Agriculture, Food and Environment’s new poultry complex, the “Alltech – UK Center on Poultry Research and Innovation”.

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

PR 5 Change in Name: Educational Unit

President Capilouto introduced PR 5, a recommendation that the Board of Trustees approve the naming of the Department of Finance and Quantitative Methods within the Gatton College of Business and Economics as the “John Maze Stewart Department of Finance and Quantitative Methods”.

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

VI. Academic and Student Affairs Committee Report

Trustee Webb introduced ASACR 1, a recommendation that the President be authorized to confer upon each of the individuals the degree to which they are entitled, upon certification by the University Registrar that the individuals have satisfactorily completed all requirements for the degree for which application has been made and as approved by the elected faculty of the University Senate.

Chair Vance asked for a motion to approve ASACR 1. Trustee Gosney moved approval, Trustee Cramer seconded the motion, and ASACR 1 passed without dissent. (See ASACR 1 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

Trustee Webb introduced ASACR 2, that the President be authorized to confer upon the individual whose name appears on the attached list an In Memoriam Posthumous Degree. The degree for which application has been made has been approved by the elected faculty of the University Senate.

Chair Vance asked for a motion to approve ASACR 2. Trustee Swanson moved approval, Trustee Case seconded the motion, and ASACR 1 passed without dissent. (See ASACR 2 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

Trustee Webb introduced ASACR 3, that the President be authorized to confer upon the individual to which the individual is entitled, upon certification by the University Registrar that the individual has satisfactorily completed all requirements for the degree for which application has been made and as approved by the elected faculty of the University Senate.

Chair Vance asked for a motion to approve ASACR 3. Trustee Pope moved approval, Trustee Gosney seconded the motion, and ASACR 3 passed without dissent. (See ASACR 3 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

VII. Investment Committee Report

Trustee Daniels reported that the Committee met the day prior to review performance results and conduct other business. The Endowment pool had an estimated market value of \$2 billion as of October 31, 2022. In the four-month, fiscal year-to-date period, performance was flat, and the portfolio market value remained steady. Gains in U.S. equities and Diversifying Strategies during the period were offset by declines in non-U.S. equities and public fixed-income holdings. The Investment Committee also approved a revised Endowment Investment Policy. Trustee Daniels added that the main update was the adoption of modified asset allocation targets intended to enhance the Portfolio’s expected return while maintaining prudent diversification.

VIII. University Health Care Committee Report

Trustee Brockman reported that the University Health Care Committee met earlier in the day and recommended approval of FCR 13 to construct a new cancer and advanced ambulatory complex. The new estimated \$500 million complex furthers UK HealthCare’s mission to become the destination site for cancer treatment and prevention in the Commonwealth.

Dr. Brockman reported that Mark Birdwhistell and representatives from the new UK affiliated King’s Daughters Health System provided an update to the Committee and Chief Compliance Officer Brett Short and Assistant Chief Compliance Officer Noel True presented an annual compliance update as required by the Office of Inspector General.

Additionally, Craig Collins discussed FYTD23 October financials and detailed a budget revision for UK HealthCare, due to the addition of King’s Daughters Health System.

The Committee approved five additional FCRs for routine maintenance around the UK HealthCare campus and received a list of UK HealthCare’s clinical contracts. Lastly,

the Committee approved the list of privileges and appointments submitted by the UK HealthCare Active Medical Staff.

IX. Other Business

Chair Vance asked if there was any further business to come before the Board. Vice Chair McCann was recognized for comments. "I didn't want the day to go by and not make one comment about everything we have heard about cancer care and the new construction that is going to take place. I think that we should commend the university for its efforts in this regard. I know, having lived in Eastern Kentucky, that the numbers are really high there, but having also maneuvered the healthcare facilities with regard to cancer care with my loved one I know that it is particularly difficult to go from place to place and making this more convenient for the patients and their family as well as providing world-class care, I think, is wonderful. I did not want the day to go by without saying, thank you."

Chair Vance thanked Vice Chair McCann and asked if there were further comments or any other business to come before the Board.

X. Adjournment

Hearing no further business, the meeting adjourned at 1:42 p.m.

Respectfully submitted,



Rachel Watts Webb
Secretary