

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Monday, March 16, 2015

The Board of Trustees of the University of Kentucky met at 2:00 p.m. on Monday, March 16, 2015 in the Board Room on the 18th floor of Patterson Office Tower. The Board of Trustees meeting and associated committee meetings scheduled for February 19-20, 2015 were cancelled due to weather.

A. Meeting Opened

Dr. O. Keith Gannon, chair of the Board of Trustees, called the meeting to order at 2:01 p.m. Chair Gannon asked Trustee Sheila Brothers, secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: C.B. Akins, Sr., James H. Booth, William C. Britton, Sheila Brothers, Mark P. Bryant, Angela L. Edwards, William S. Farish, Jr., Oliver Keith Gannon, Carol Martin (Bill) Gatton, Cammie Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, Terry Mobley, James W. Stuckert, John Wilson, Robert Vance and Barbara Young. E. Britt Brockman and Jake Ingram were not in attendance. Secretary Brothers announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Provost Appointee Tim Tracy, Executive Vice President for Health Affairs Michael Karpf, Executive Vice President for Finance and Administration Eric Monday, and General Counsel William Thro.

The University faculty was represented by Chair of the University Senate Council Andrew Hippisley, and the University staff was represented by Chair of the Staff Senate Michael Adams.

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

C. Consent Items

Chair Gannon called attention to the six consent items on the agenda. The items were the minutes for the Board of Trustees meeting on December 9, 2014; PR 2, Personnel Actions; FCR 1, Wendell and Vickie Bell Gift; FCR 2, Michael L. Marberry Pledge; FCR 3, S. J. Whalen Charitable Remainder Unitrust Gift; and FCR 4, Dr. James F. Roark, Jr. Gift.

Trustee Stuckert moved approval of the consent items. Trustee Mobley seconded the motion. Chair Gannon called for the vote and it passed without dissent. (See consent items listed below on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Minutes, Board of Trustees Meeting, December 9, 2014

- PR 2 Personnel Actions
- FCR 1 Wendell and Vickie Bell Gift
- FCR 2 Michael L. Marberry Pledge
- FCR 3 S. J. Whalen Charitable Remainder Unitrust Gift
- FCR 4 Dr. James F. Roark, Jr. Gift and Pledge

D. Chair's Report

Chair Gannon reported that there had been one petition to address the Board since the previous Board of Trustees meeting. The petition's subject matter was not relevant to a pending or future Board agenda item.

Chair Gannon reported that Mr. Austin Mullen, a marketing management major from La Grange in Lee County, KY was elected as Student Government President Elect. Mr. Mullen will be introduced at the May Board meeting.

Chair Gannon acknowledged the historic moments of the last several weeks, including the Sesquicentennial celebrations on campus and the legislation passed and signed by Governor Beshear of the partnership to build a multidisciplinary research facility. He also thanked the thousands of University staff for their dedication and hard work during the most recent rounds of severe weather.

E. Alternate Meeting Site (CR 1)

Chair Gannon stated that CR 1 was the recommendation that the Board approve Hazard, KY as an alternate meeting site for the September 10-11, 2015 Board of Trustees meeting and associated committee meetings.

Chair Gannon stated that due to inclement weather, the Board of Trustee meeting scheduled for February 19-20, 2015 in Hazard, Kentucky had been postponed. This recommendation was to address the rescheduling of this meeting.

Trustee Grant moved approval of CR 1. It was seconded by Vice Chair Young and CR 1 passed without dissent. (See CR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

F. Executive Committee Report

Chair Gannon stated that the Executive Committee met that morning.

G. Approval of Executive Committee Authorization of Sale of the Coldstream Laboratories Inc. Manufacturing Facility Located on Coldstream Research Campus. (ECR 1)

Chair Gannon stated that ECR 1 was the confirmation of an action taken by the Executive Committee on January 15, 2015. Kentucky Revised Statute (KRS) 164.190 and Governing Regulation (GR) II.E.2.a(2) grants authority to the Executive Committee to act during the period

between Board meeting. KRS 164.190 and GR II.E.2.a(4) requires the Executive Committee 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 recommendation contained a summary of that proceeding. Trustee Vance moved approval of ECR 1. Trustee Grossman seconded the motion and it passed without dissent. (See ECR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

H. Process for the 2014-15 Presidential Evaluation (ECR 2)

Chair Gannon stated that a Presidential assessment is required annually as per the President's contract. Per GR II.E.a.2(c), the Executive Committee is charged with the responsibility of overseeing the review and to provide a final report to the full Board. University boards often engage third-party consultants to assist in carrying out presidential assessments, as was the case in 2012 and 2013 when UK's Board hired Dr. David Hardesty, President Emeritus of the University of West Virginia, for this process. Chair Gannon offered that the expertise brought by such individuals offers great assurance that the assessments will serve the chief executive, the Board and most importantly the University of Kentucky.

Chair Gannon continued that a number of highly credible and credentialed organizations and individuals exist across the country that provide this service. In early January, a request for proposal for a presidential evaluator was formally issued by the UK Purchasing Department. Of nine responses, three organization finalists were selected and formally interviewed by a four-member evaluation committee composed of senior leaders from Purchasing, Human Resources, Public Relations and Administration. Following each committee interview, Chair Gannon and Trustee Akins (as members of the Executive Committee) interviewed representatives from each of the finalist firms. Based on these interviews and subsequent reference interviews, a consensus evaluator firm and individual was selected. AGB Consulting, a division of the Association of Governing Boards (AGB), was selected and the individual evaluator identified was Dr. Carol Cartwright. Dr. Cartwright is President Emerita of Kent State University (1991-2006), and most recently President of Bowling Green State University (2008-2011). She is a highly respected voice in higher education with a career distinguished by innovative teaching, pioneering research and national leadership.

Chair Gannon continued that the scope of the President's evaluation will be 2011 through 2015 and Dr. Cartwright will follow an interview-based approach, accompanied by results from a questionnaire, with results of annual faculty survey appropriately integrated. The President's evaluation will be based on the guiding principles that have been passed by the Board of Trustees at each of its last four retreats, 2011, 2012, 2013 and 2014. Introductory planning meetings with Dr. Cartwright will be held in late March. From April to mid-May, surveys will be distributed and collected, one-on-one interviews performed, and the President will submit his self-evaluation. In early June, Dr. Cartwright will present a preliminary report to the President and Board Chair for fact checking and then present to the Executive Committee. A final report will be made to the full Board at its June 2015 meeting.

Trustee Farish moved approval of ECR 2. Trustee Akins seconded the motion and it

passed without dissent. (See ECR 2 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

I. President's Report (PR 1)

President Capilouto began by thanking and expressing his pride in the work done by the Crisis Management Preparedness Group, Physical Plant Division, Facilities Management, University Police, Parking and Transportation, Housing and Dining and UK Hospitals during the recent extreme weather circumstances. Employees worked long hours to provide not only for students living on campus, but ensured that patients and their families were cared for. Researchers and staff continued to monitor their labs and research studies and protocols continued. The Board of Trustees and President Capilouto gave these employees a round of applause.

President Capilouto shared that the Tenth Annual DanceBlue Marathon, the 24-hour student-run dance marathon, raised a total of \$1,615,057.18 for the Golden Matrix Fund and DanceBlue Kentucky Children's Hospital Pediatric Hematology/Oncology Clinic. President Capilouto stated that he periodically visited the event on February 14-15, 2015, and he saw scores of students from varying backgrounds, cultures, colors and perspectives standing together for a common cause. He stated he watched the student lives who were changed throughout the 24-hour marathon, seeing and sharing the full spectrum of emotions, alongside clinic families and patients who were facing critical illnesses. He visited with alumni who returned to campus to not only donate funds, but to experience again the special event. And he saw a "community unlike any other, as they like to say, 'fighting for the kids'."

President Capilouto introduced and welcomed Dr. Scott Lephart, the new Dean of the College of Health Sciences. Dean Lephart joins UK as a former distinguished professor and chair of the Department of Sports Medicine and Nutrition at the University of Pittsburgh. Dr. Lephart is the founding director of the Neuromuscular Research Laboratory at the University of Pittsburgh. In this role and as chair, he successfully built a flourishing research enterprise, with extraordinary growth in academic programs, personnel and facilities. He also led and developed partnerships between academic units, Allied Health and an academic medical center, and he cultivated meaningful relationships with federal funding agencies, private and public foundations and the industry.

President Capilouto thanked Interim Dean Sharon Stewart for her three years as Interim Dean and for further strengthening the College's commitment to preparing the clinical, educational, and research leaders of tomorrow.

Dean Lephart thanked President Capilouto and the Board of Trustees for the kind welcome and stated he looked forward to the compelling opportunity of serving as Dean of College of Health Sciences.

President Capilouto thanked co-chairs Dr. Robert Mock and Dr. Nancy Cox, along with committee members and individuals involved in the Provost search process. The committee implemented a time-sensitive, thorough and thoughtful process to identify and promote Dr. Tim Tracy as UK's next provost. Provost Tracy will be leading several key initiatives that include

completing the strategic plan, strengthening student success at both the undergraduate and graduate levels, fostering a diverse and inclusive environment, advancing UK's research enterprise, selecting new leadership for the Colleges of Dentistry, Design, Medicine, Public Health and Pharmacy and help implementing the new financial model.

President Capilouto acknowledged and thanked Dr. Judy (JJ) Jackson for her service as the first vice president for institutional diversity. Dr. Jackson will be leaving the University at the end of the spring 2015 semester. He thanked her for being instrumental in increasing diversity and fostering inclusivity, providing advice and assistance on diversity strategies and most recently, her key leadership and expertise for UK's successful application for support through the Louis Stokes Alliance for Minority Participation (LSAMP). This program grant aims to attract a more diverse student population to pursue degrees in the science, technology, engineering and mathematics (STEM) fields. Dr. Jackson received a round of applause.

President Capilouto stated that he would be updating the Board and University community soon about the next steps for the Office of Institutional Diversity.

In closing, President Capilouto thanked the Board for their leadership and the noted his appreciation for support of Governor Steve Beshear, House Speaker Greg Stumbo, Senate President Robert Stivers, the leadership of both chambers, both parties and scores of legislators that voted to allow the state to provide half of the support and be UK's partner to build the new research facility. This new space will allow UK to recruit and retain the very best of faculty, attract competitive federal grants and build promising synergies in research and discovery in the area of health disparities.

J. Appointment of the Provost (PR 3)

President Capilouto stated that PR 3 was the recommendation that the Board of Trustees approve the appointment of Dr. Timothy S. Tracy as Provost, effective February 23, 2015.

Trustee Stuckert moved approval of PR 3. Trustee Mobley seconded the motion and it passed without dissent. (See PR 3 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

K. Appointment of the Dean of the College of Health Sciences (PR4)

President Capilouto stated that PR 4 was the recommendation that the Board of Trustees approve the appointment of Dr. Scott M. Lephart as Dean of the College of Health Sciences.

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

L. Honorary Degree Recipients (PR 5)

President Capilouto stated that PR 5 was the recommendation that the Board of Trustees approve the awarding of an Honorary Doctor of Arts to Leslie Coleman (Les) McCann, an Honorary Doctor of Humanities to Lillian Henken Press and an Honorary Doctor of Letters to O. Leonard Press, as approved and recommended by the University faculty.

Trustee Akins moved approval of PR 5. Vice Chair Young seconded the motion and it passed without dissent. (See PR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

M. Proposed Revision to Governing Regulations: Nondiscrimination (PR 6)

President Capilouto stated that PR 6 was the recommendation that the Board of Trustees receive and vote to accept for the first reading the attached revisions to the Governing Regulation X and XIV relating to the University's statement on non-discrimination. The revisions are intended to update the nondiscrimination statement to conform to current law by adding gender identity, gender expression, pregnancy, marital status, genetic information, and whether the person is a smoker or nonsmoker.

Trustee Bryant moved approval of PR 6. Trustee Grant seconded the motion and it passed without dissent. (See PR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

N. Proposed Revision of Governing Regulation: University Appeals Board (PR 7)

President Capilouto stated that PR 7 was the recommendation that the Board of Trustees receive and vote to accept for the first reading the attached revision to the Governing Regulation XI relating to the authority of the University Appeals Board (UAB). The revision is intended to clarify the role of the University Senate Rules for academic misconduct and the Senate Code of Conduct for disciplinary offenses informing the decisions of the UAB.

Trustee Grossman moved approval of PR 7. Vice Chair Young seconded the motion and it passed without dissent. (See PR 7 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

O. Proposed Revision to Administrative Regulation: Residency Review Committee (PR 8)

President Capilouto stated that PR 8 was the recommendation that the Board of Trustees approve the attached revisions to Administrative Regulation 4:5, Residency Review Committee. The proposed revisions are intended to make the regulation more consistent with regulations promulgated by the Council on Postsecondary Education and current University organization, allow the University more flexibility in scheduling student appeals and eliminate any appearance of conflicts of interest.

Secretary Brothers moved approval of PR 8. Trustee Gatton seconded the motion and it passed without dissent. (See PR 8 on the Board of Trustees website, www.uky.edu/Trustees,

under agenda.)

P. Academic and Student Affairs Report

Trustee Angela Edwards, chair of the Academic and Student Affairs Committee, stated that the Committee met that morning. The Committee heard a report from Vice President for Student Affairs Robert Mock updating the Committee on the Student Code and the student conduct process. General Counsel William Thro shared an update on the revision to the Governing Regulations with respect to the University Appeals Board. The Committee also heard an update from Provost Tracy regarding the Strategic Plan.

Q. Creation of the Department of Integrated Strategic Communication (ASACR 1)

Trustee Edwards stated that ASACR 1 was the recommendation that the Board of Trustees approve the creation of the Department of Integrated Strategic Communication (ISC) in the College of Communication and Information, effective July 1, 2015; and that the corollary Bachelor of Arts and Bachelor of Sciences degrees move into the new department.

The School of Journalism and Telecommunications currently houses three degree programs: Journalism, Media Arts and Integrated Strategic Communication (ISC). Since 2003, the School has grown from 14 tenured and tenure-track faculty to 26 tenured and tenure-track faculty and two full-time lecturers. Each of these fields has its own scholarly and creative tradition, and faculty research and creative activity in each of the three areas varies widely. Significant growth in both faculty and student numbers has made the structure difficult to manage effectively and is a barrier to continued growth.

Establishment of the Department of Integrated Strategic Communication will strengthen the identity of the program. Students and alumni of the School seem to identify with their program of study rather than the School as an entity. The restructuring will serve to further strengthen that identification. Likewise, the reconstituted School of Journalism and Telecommunications will be strengthened through greater focus.

The restructuring also will increase the amount of attention the leadership of the reformulated School and new Department are able to give to the distinct academic and career counseling needs of students in the three degree programs. The School director's focus will be on the over 400 students majoring or minoring in Journalism and Media Arts and Studies; the new Department's chair will be focused on the over 600 ISC majors.

Under the proposed restructuring, the School of Journalism and Telecommunication will consist of the Journalism and Media Arts and Studies programs; the BA/BS Journalism and BA/BS Media Arts and Studies undergraduate degree programs; and the minors in Journalism Studies and Media Arts and Studies.

The proposal has been reviewed and recommended by the Senate Academic Organization and Structure Committee and the Senate Council and endorsed by the University Senate.

On behalf of the Academic and Student Affairs Committee, Trustee Edwards asked for approval of ASACR 1. Chair Gannon opened the floor for discussion. Trustee Hawpe offered that as a journalist he thought the future of media study was convergence; learning not only reporting, writing and editing, but the need to be a photographer, videographer and a team player with advertising and marketing/public relations. Based on the votes of the faculty, it was his opinion that the faculty votes did not represent a strong mandate for the move. Trustee Grossman stated that as reorganizations are somewhat balanced between the pros and cons, he felt the faculty vote was strong and the ASACR warranted the Board's approval.

Chair Gannon called for the vote and it passed with 16 affirmative votes and two no votes, Trustee Hawpe and Trustee Gatton. (See ASACR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

R. Candidates for Degrees: December 2014 (ASACR 2)

Trustee Edwards stated that ASACR 2 was the recommendation that the President be authorized to confer upon the individuals whose names appear, the degree to which the individuals are entitled upon certification by the University Registrar that they 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 and the Academic and Student Affairs Committee of the Board of Trustees. Due to an administrative error, the names were not previously submitted.

On behalf of the Academic and Student Affairs Committee, Trustee Edwards asked for approval of ASACR 2 and it passed without dissent. (See ASACR 2 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

S. Candidate for Degree: August 2014 (ASACR 3)

Trustee Edwards stated that ASACR 3 was the recommendation that the President be authorized to confer upon the individual whose name appears, the degree to which he is entitled upon certification by the University Registrar that he 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 and the Academic and Student Affairs Committee of the Board of Trustees. Due to an administrative error, the name was not previously submitted.

On behalf of the Academic and Student Affairs Committee, Trustee Edwards asked for approval of ASACR 3 and it passed without dissent. (See ASACR 3 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

T. University Athletics Committee Report

Trustee C.B. Akins, Sr., chair of the University Athletics Committee, stated that the committee had met that morning. President Capilouto made brief remarks. Athletics Director Mitch Barnhart gave an updated report on winter and spring sports. Items of note included: UK men's basketball team had won the SEC Tournament and championship; UK Athletics has now

reached the goals it set forth seven years ago as part of a 15 by 15 by 15 Plan, being 15 SEC and/or NCAA championships and a top 15 placement in the Director's Cup standing by 2015; and UK Athletics has also continued to succeed in the classroom, reaching the goal of a 3.0 GPA achieved in each of the last five semesters.

In winter sports, men's basketball's unbeaten record continues at 34-0. As SEC regular season and tournament champions, the Wildcats are a No. 1 seed in the Midwest Region in the NCAA Tournament. Coach Calipari has done incredible work leading this team and deservedly was named SEC Coach of the Year. Willie Cauley-Stein, SEC Tournament MVP, also won SEC Defensive Player of the Year. Karl-Anthony Towns won SEC Freshman of the Year, and Devin Booker won Sixth Man of the Year.

Trustee Akins continued that the UK women's basketball team has overcome injury and adversity to have another successful season. After solid play in the SEC Tournament semifinals, UK Hoops are 23-9 and ranked No. 11 in both polls. UK expects to host NCAA Tournament first- and second-round games for the second straight season. The gymnastics team is peaking with the postseason approaching, having posted their three best scores of the season in their final three meets. The rifle team finished sixth at the NCAA Championships this past weekend. Women's swimming and diving team finished seventh at the SEC Championships, the program's best finish since 2011. The men's team finished 10th. From the women's team, Christina Bechtel and Danielle Galyer each won individual SEC titles and will compete in the NCAA national meet.

Trustee Akins continued that in spring sports, after a historic 2014 season, UK's women's track and field team posted a school-record fifth-place finish at the NCAA Indoor Championships. The men's team finished 38th. Kendra Harrison led the way, winning UK's first-ever national championship in the 60-meter hurdles. The softball team, ranked No. 12, opened its home schedule to start the season by sweeping four games. Kelsey Nunley is having another strong season in the circle, headlined by Co-SEC Pitcher of the Week honors in February. Baseball, men's and women's tennis and men's and women's golf are all off to a good start.

Trustee Akins reported that construction continues on Commonwealth Stadium, with an expected completion date of September 5th. Football spring practice is underway and the new football practice facility construction commenced in February. Coach Stoops will also welcome another highly-regarded recruiting class this fall.

Off the field, UK's student-athletes combined for a GPA of 3.112 for the fall semester. Eighteen of 20 teams had GPAs of better than 3.0, and 63 student-athletes were named to the SEC Fall Academic Honor Roll, second in the conference. UK also had 31 current and former student-athletes graduate in December 2014.

A new era of autonomy in college athletics is underway, with schools from the five major conferences working to protect and improve the college experience for student-athletes, with student-athletes themselves having a voice in the process. A first step taken in January was the adoption and implementation of a measure allowing schools to award scholarships that include

the full cost of attendance. Beginning August 2015, the Department of Intercollegiate Athletics will offer cost-of-attendance scholarships for all 22 sports. Currently, 275 scholarships are distributed among over 500 student-athletes.

Last week, JMI Sports announced an expanded 15-year deal with iHeart Media that will ensure UK fans will continue to enjoy a best-in-class radio network. UK baseball star and Houston Astros draft pick A. J. Reed was named Kentucky Sportsman of the Year at the Bluegrass Sports Awards. John Calipari was named a finalist for the Naismith Memorial Basketball Hall of Fame last month. If elected, he will join Wildcat great Louie Dampier as a part of the 2015 Hall of Fame class. UK football pioneer Nate Northington was featured in a CBS Sports Network documentary last month. Mr. Northington became the first African-American football player in the SEC as a Kentucky Wildcat in 1967.

On February 20 and 21, two UK greats were honored with retired jerseys. Jenny Hansen, who won eight individual national titles from 1992-95, was honored before UK's gymnastics meet against Arkansas. Tony Delk, the Most Outstanding Player during the national championship run in 1996, had his jersey retired before the game against Auburn. UK All-American Art Still was named to the College Football Hall of Fame in January. Still was a star defensive end at UK and an All-American in 1977 before a 12-year NFL career. Women's soccer star Arin Gilliland was selected No. 8 overall by the Chicago Red Stars in the National Women's Soccer League Draft. Gilliland finished her UK athletics career in November as the most decorated player in program history. Director Barnhart was also voted Athletics Director of the Year by the National Association of Collegiate Directors of Athletics.

Trustee Akins reported that Sandy Bell, executive associate athletics director for Student Services and Rachel Newman Baker, senior associate athletics director for Compliance, provided an overview of NCAA, SEC and institutional rules and processes. As it pertains to NCAA Constitution 2.1, it is the responsibility of each member institution to control its intercollegiate athletics program in compliance with the rules and regulations of the Association. This educational session was provided in order to share information and avoid NCAA and SEC rules violations. Information presented included recruiting legislation, complimentary admissions legislation, review of current NCAA Governance structure (inclusive of an overview of the process for the autonomous conferences) and a general question/answer session.

Trustee Akins reported that in business items, Susan Krauss, treasurer, reported that the Audit and Compliance Subcommittee authorized the retention of BKD for the audit of the University's financial statements and other related audit work for the fiscal year ended June 30, 2015. The fiscal year 2015 audit engagement will include agreed-upon procedures as required by the NCAA on certain financial data detailing operating revenues, expenses, and capital expenditures. NCAA bylaws require that an independent accountant verify the accuracy and completeness of the financial data prior to submission to the institution's president and NCAA. The engagement letter for the fiscal year 2015 NCAA agreed-upon procedures was provided to the Committee.

The Committee also acknowledged the generous gift from Wendell and Vickie Bell. Vickie is a Community Advisory member of the University Athletics Committee. This gift will

be used towards capital projects in the Department of Intercollegiate Athletics. The committee also recommended approval to the Finance Committee of FCR 11, Renovate Old Softball/Soccer Locker Room Capital Project.

U. Finance Committee Report

Trustee James Stuckert, chair of the Finance Committee, reviewed for the Board the consent items, FCR 1 through FCR 4, which were vetted in detail earlier at the Finance Committee Meeting. He thanked Wendell and Vickie Bell, Michael L. Marberry, S. J. Whalen, and Dr. James F. Roark for their generosity to the University.

V. Request to Rename the Fifth and Pacific Foundation Endowment to the Kate Spade and Company Foundation Endowment (FCR 5)

Trustee Stuckert stated that FCR 5 was the recommendation that the Board of Trustees approve a request to rename the Fifth and Pacific Foundation Endowment to the Kate Spade and Company Foundation Endowment in the Center for Research on Violence Against Women.

Effective October 2014, the name of the Fifth and Pacific Foundation was changed to the Kate Spade and Company Foundation. Accordingly, the Foundation has requested that the name of the endowment be changed accordingly and that the University use the new name in all references to the endowment.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 5 and it passed without dissent. (See FCR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

W. Proposed 2015-16 Tuition and Mandatory Fees Schedule (FCR 6)

Trustee Stuckert stated that FCR 6 was the recommendation that the Board of Trustees approve the 2015-16 tuition and mandatory fees schedule and authorize the President to submit the schedule to the Council on Postsecondary Education. The tuition and mandatory fees schedule reflects a three percent increase for most resident students and a six percent increase for most non-resident students.

Trustee Stuckert reported that Vice President of Financial Planning and Chief Budget Officer Angie Martin reviewed with the Committee the recommendation, including tuition rankings relative to UK's peer institutions.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 6 and it passed without dissent. (See FCR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

X. Proposed 2015-16 Room Rates for University-Owned Housing (FCR 7)

Trustee Stuckert stated that FCR 7 was the recommendation that the Board of Trustees approve the 2015-16 room rates for University-owned housing.

The proposed 2015-16 University-owned housing rates primarily reflect a three percent increase for traditional double and single room residence halls, premium residence halls, graduate and family apartments and Greek housing. The 2015-16 dining rates reflect a 2.4 to 3.6 percent increase depending on the dining plan. All students living in residence halls are required to purchase a dining plan.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 7 and it passed without dissent. (See FCR 7 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Y. 2014-15 Budget Revisions (FCR 8)

Trustee Stuckert stated that FCR 8 was the recommendation that the Board of Trustees authorize and approve certain budget revisions to the 2014-15 budget. The budget revisions will increase the University of Kentucky's total budget by \$3,833,200.

The budget revisions include the recognition of funds and expenses due to increased enrollment, decreased fee collection, fund balances and the programmatic implementation of net transfers with the University's public-private partnership for dining and catering operations.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 8 and it passed without dissent. (See FCR 8 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Z. Approval to Submit and Application to Acquire the Quicksand Plant Materials Center in Quicksand, Kentucky (FCR 9)

Trustee Stuckert stated that FCR 9 was the recommendation that the Board of Trustees authorize the Executive Vice President for Finance and Administration, or his designee, to submit an application to the United States General Services Administration to acquire approximately four acres of improved property referred to as the Quicksand Plant Materials Center in Quicksand, Kentucky owned by the United States Department of Agriculture – Natural Resources Conservation Service.

Since 1925, the University of Kentucky, College of Agriculture, Food and the Environment has served the Appalachian regions by conducting applied field research and conducting educational programs in the areas of horticulture, forestry, livestock forage production and family consumer sciences. Continued access to the facilities on this USDA property, located in the heart of UK's operations at its Robinson Center for Appalachian Resource Sustainability, is vital to current and future research and educational efforts at the Robinson Center.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 9 and it passed without dissent. (See FCR 9 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

AA. Design/Renovate/Upgrade Hospital Facilities – Good Samaritan Capital Project (FCR 10)

Trustee Stuckert stated that FCR 10 was the recommendation that the Board of Trustees approve the initiation of the construction phase of the Design/Renovate/Upgrade Hospital Facilities – Good Samaritan Capital Project.

In December 2013, the Board of Trustees approved the initiation of the design phase for the Design/Renovate/Upgrade Hospital Facilities – Good Samaritan capital project with a scope of \$600,000 to be funded from agency funds. The construction phase of this project will renovate approximately 12,090 square feet of the Good Samaritan Emergency Department including space dedicated to patient care such as private patient rooms, expanded service capabilities and improved staff support space. The project also will expand the patient and family waiting area by approximately 1,250 square feet.

On behalf of the Finance Committee, Trustee Stuckert moved adoption of FCR 10 and it passed without dissent. (See FCR 10 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

BB. Renovate/Upgrade UK HealthCare Facilities (Phase I-G) Capital Project (FCR 11)

Trustee Stuckert stated that FCR 11 recommended that the Board of Trustees approve the initiation of the Renovate/Upgrade UK HealthCare Facilities (Phase I-G) Capital Project. The A.B. Chandler Hospital Facilities Development Plan provides for the systematic replacement and renovation of the patient care facility. Phase I-G of the Development Plan continues the fit-out of surgical services and other space within Pavilion A with the following:

- Fit-up of one additional patient floor (11th)
- Relocation of the Blood Bank to Pavilion A
- Expansion and relocation of Radiology to Pavilion A
- Continuation of fit-out of new operating rooms

On behalf of the Finance Committee, Trustee Stuckert moved adoption of FCR 11 and it passed without dissent. (See FCR 11 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

CC. Renovate Old Softball/Soccer Locker Room Capital Project (FCR 12)

Trustee Stuckert stated that FCR 12 was the recommendation that the Board of Trustees approve an increase in scope from \$1,500,000 to \$2,200,000 for the Renovate Old Softball/Soccer Locker Room Capital Project.

In June 2014, the Board of Trustees approved the initiation of the Renovate Old Softball/Soccer Locker Room Capital Project with a scope of \$1,500,000 to be funded with private funds. Actual bids exceeded the design consultant's original estimate requiring a scope increase to \$2,200,000. The \$700,000 increase will be funded with private funds from the Department of Intercollegiate Athletics.

On behalf of the Finance Committee, Trustee Stuckert moved adoption of FCR 12 and it passed without dissent. (See FCR 12 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

DD. Repair/Upgrade/Improve Civil/Site Infrastructure Capital Project (South Campus Parking Lot Expansion) (FCR 13)

Trustee Stuckert stated that FCR 13 was the recommendation that the Board of Trustees approve the initiation of the Repair/Upgrade/Improve Civil/Site Infrastructure Capital Project (South Campus Parking Lot Expansion).

In December 2013, the Board authorized the Repair/Upgrade/Improve Civil/Site Infrastructure (South Campus Parking Lot) capital project which created 411 spaces. This expansion to the recently constructed parking lot south of the E.S. Good Barn will create approximately 430 additional parking spaces. These additional spaces are needed to offset parking losses associated with the Commonwealth Stadium expansion and allow for parking along the University Drive transit corridor. The \$1,800,000 project was authorized by the 2014 Session of the Kentucky General Assembly and will be financed with agency funds.

Trustee Stuckert moved adoption of FCR 13 and it passed without dissent. (See FCR 13 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

EE. Construct Research Building Capital Project (FCR 14)

Trustee Stuckert stated that FCR 14 was the recommendation that the Board of Trustees approve the initiation of the Construct Research Building Capital Project.

This project will construct an approximately 300,000 gross square foot multidisciplinary research building to meet current and future needs of the University. This state-of-the-art facility will attract and retain researchers who successfully compete for externally funded research. The building design will be flexible and open to provide modern space for multidisciplinary research involving programs such as medicine, nursing, health sciences, pharmacy, psychology, agriculture, biology, chemistry and engineering.

Trustee Stuckert continued that the programming for the new research building includes:

- a) six levels of flexible, open, wet lab space to accommodate a variety of disciplines;

- b) flexible lab/office space;
- c) space for imaging equipment on the basement level;
- d) interior connections between the new research building, Biomedical/Biological Science Research Building and the Pharmacy Building;
- e) central service dock for the new research building, BBSRB and the Pharmacy Building; and
- f) shelled space for future fit-up opportunities.

The \$265,000,000 project, authorized by the 2015 Kentucky General Assembly, will be completed in phases and funded with \$132,500,000 of state bonds and \$132,500,000 from a combination of various institutional sources including federal, private and agency funds and an internal loan. Any internal loan will be executed in compliance with the University's debt policy and approved by the University's Debt Committee.

On behalf of the Finance Committee, Trustee Stuckert moved adoption of FCR 14 and it passed without dissent. (See FCR 14 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

FF. Capital Construction Report (FCR 15)

Trustee Stuckert stated that FCR 15 was the recommendation that the Board of Trustees accept the capital construction report for the three months ending December 31, 2014. This report refers only to projects that had activity within this quarter. Mary Vosevich, vice president for facilities management, provided details at the Finance Committee meeting.

On behalf of the Finance Committee, Trustee Stuckert moved adoption of FCR 15 and it passed without dissent. (See FCR 15 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

GG. Patent Assignment Report (FCR 16)

Trustee Stuckert stated that FCR 16 was the recommendation that the Board of Trustees accept the patent assignment report for the period October 1 through December 31, 2014. Interim Vice President for Research Lisa Cassis reviewed the report at the Finance Committee meeting.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 16 and it passed without dissent. (See FCR 16 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

HH. University Health Care Committee Report

Vice Chair Barbara Young, chair of the University Health Care Committee Report, reported that the committee met earlier that morning.

Vice Chair Young stated that Murray Clark, chief financial officer, reported that January continues the very positive trend observed in the first six months of Fiscal Year 2015. The strong balance sheet reflects record volumes and a very high case mix index. UK HealthCare is at present operating at near capacity levels. This has put considerable pressure on the system, and the challenge now is to bring the hospital capacity in line with patient volumes. This will require a continuing and careful assessment of UK's present and future needs. The approval by the state of UK HealthCare's Certificate of Need last month (increasing UK's bed capacity from 825 to 945 beds) is critical to UK HealthCare's ability to meet these needs. In addition, the opening of the eighth floor in December 2014, the fit-out of the ninth and tenth floors approved at the June 2014 board meeting, and the fit-out of the 11th floor of the patient care facility should help ease congestion throughout the entire hospital.

Vice Chair Young continued that the Committee reviewed and recommended approval of two action items to the Finance Committee: FCR 10, the Design/Renovate/Upgrade Hospital Facilities – Good Samaritan Hospital; and FCR 11, Renovate/Upgrade UK HealthCare Facilities (Phase I-G) Capital Project.

Vice Chair Young reported that Dr. Colleen Swartz, chief nursing officer, presented the February volume update and addressed the daily census and its steady rise over the past ten years. To put the increase in perspective, she pointed out in 2004 the average daily census was slightly over 300, before the acquisition of Good Samaritan. By December 2014, the average daily census had risen to approximately 700; due to the current capacity constraints UK is losing a lot of transfers. Dr. Swartz also presented a snapshot of the February census and spoke of the effect the winter weather had on the operation of the clinic and operating rooms, and noted that there was also a decrease in average daily discharges.

Vice Chair Young reported that Dr. Tukea Talbert, enterprise director of accreditation and regulatory compliance, updated the Committee on the scheduled review of UK HealthCare by The Joint Commission. She discussed The Joint Commission's mission and methods and strategies for assessing compliance. She pointed out that UK HealthCare prepares for the surprise visit by The Joint Commission by always being prepared and ready and fostering a health care environment that is committed to excellence, safety, and continued improvement.

In closing, Vice Chair Young stated that Dr. Kevin Nelson presented for approval the current list of privileges and credentials, which were approved by the Committee.

II. Other Business

Secretary Brothers shared that Associate Professor Gerald Smith, Department of History, was presented the Charles W. Anderson Laureate Award at the 28th Annual Equal Employment Opportunity Conference. This annual award is presented to an individual in the state for significant contributions to equal opportunity in their communities and was presented this year by the Commonwealth's Personnel Cabinet Secretary and the director of the state's Diversity and Equality Office. Past recipients have included Senator Georgia Powers, Lyman T. Johnson and Sanford T. Rose.

Chair Gannon thanked the Board members for their flexibility and willingness to adjust their schedules in rescheduling this meeting and also to the President's Office for their efforts.

JJ. Meeting Adjourned

Hearing no further business, Chair Gannon asked for a motion to adjourn the meeting. Trustee Mobley moved the meeting adjourn and it was seconded by Trustee Stuckert. The meeting adjourned at 2:32 p.m.

Respectfully submitted,



Sheila Brothers
Secretary, Board of Trustees

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