

Minutes of the Meeting of the Board of Trustees  
University of Kentucky  
Tuesday, June 10, 2014

The Board of Trustees of the University of Kentucky met on Tuesday, June 10, 2014 in the Board Room on the 18<sup>th</sup> floor of Patterson Office Tower, Lexington, Kentucky.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:00 p.m. Chair Brockman 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: William C. Britton, E. Britt Brockman, Sheila Brothers, Mark P. Bryant, Jo Hern Curris, Angela L. Edwards, William S. Farish, Jr., Oliver Keith Gannon, Carol Martin (Bill) Gatton, David Hawpe, Kelly Sullivan Holland, Terry Mobley, Roshan Palli, C. Frank Shoop, James W. Stuckert, John Wilson and Barbara Young. James Booth and Irina Voro were not in attendance. Secretary Brothers announced that a quorum was present. C.B. Akins joined the meeting in progress.

The University administration was represented by President Eli Capilouto, Provost Christine Riordan, 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 the Chair of the University Senate Council Lee Blonder, and the University staff was represented by the Chair of the Staff Senate Jeff Spradling.

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

C. Consent Items

Chair Brockman called attention to the three consent items on the agenda. The items were the minutes for the Board of Trustees meeting on May 9, 2014, PR 2, Personnel Actions and FCR 1, The Forcht Group of Kentucky Pledge. Trustee Stuckert moved approval of the consent items and Trustee Mobley seconded the motion. Chair Brockman called for the vote and it passed without dissent. (See consent items listed below on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Minutes, Board of Trustees Meeting, May 9, 2014  
PR 2 Personnel Actions  
FCR 1 The Forcht Group of Kentucky Pledge

D. Chairman's Report

Chair Brockman reported that there were no new petitions to appear before the Board of Trustees since the May 9, 2014 meeting. A petition from Dr. Ernie Yanarella, submitted in May 2013, was heard during the Finance Committee meeting.

Chair Brockman recognized University Senate Council chair-elect Dr. Andrew Hippisley, Faculty Trustee-elect Dr. Robert Grossman and Student Government Association President Jake Ingram, Board of Trustees Student Trustee-elect.

Chair Brockman announced the purchase of software that will facilitate the move of Board and its committee meetings to a paperless meeting environment. More information will be forthcoming over the summer.

Chair Brockman reminded the Trustees of the tour of the new residence hall Champions Court II at the conclusion of the meeting.

E. Executive Committee Report

Chair Brockman reported that the President's Evaluation Questionnaire, approved at the May 9, 2014 Board of Trustees meeting, was being distributed to constituency groups. The Executive Committee will meet in late July/early August to review the questionnaire results. The Committee will report the results to the full Board.

F. President's Report

President Capilouto began by thanking the Board of Trustees, faculty, staff and students for 20 months of questions, concerns and participation regarding the discussions of dining services on the University of Kentucky campus. He reiterated that with a new generation/community of students, our UK community must also adapt. Building on the work of the current UK Dining Services and its employees, President Capilouto hoped the Board would endorse the recommendation regarding dining services.

President Capilouto stated that a group of administrators and faculty had been working to build a cluster of excellence in the disciplines of science, technology, engineering and mathematics, commonly referred to as STEM. In February 2014, it was announced that UK was the recipient of a \$350,000 Summer Training in Alcohol Research grant. The award, sponsored by the National Institute of Alcohol Abuse and Alcoholism, will support 10-week, paid, hands-on research internships for undergraduate students. Partners on this project include faculty from the Colleges of Pharmacy, Medicine, and Arts and Sciences.

President Capilouto continued that in April, joined by representatives from nine colleges and universities in the region, it was announced that UK is the lead institution on a \$2,500,000 National Science Foundation (NSF) grant to establish the Louis Stokes Alliance for Minority Participation (LSAMP) in the STEM disciplines. Included in this multi-institution partnership are faculty and staff from the University of Louisville, West Virginia University, Western

Kentucky University, Centre College, Marshall University, Kentucky State University, West Virginia State University and the Bluegrass Community and Technical College.

Programs will be developed at the member institutions to attract exceptional students to the STEM fields, increase retention and graduate up to 500 students over the next five years. Through this work, the alliance has the potential to significantly impact the lives of high-achieving, underrepresented undergraduate students in the two Appalachian states.

President Capilouto stated that the third grant is a \$1,900,000 award from the Howard Hughes Medical Institute. It, too, is designed to improve retention and success rates of students in STEM. UK competed alongside several leading institutions and was one of 37 to receive this award. Other institutions include Duke, Berkeley, Brown, Michigan and Texas. With this grant, UK will launch a collection of initiatives to be called “STEMCats.” Included in the program’s portfolio are intensive preparatory STEM courses, a new living-learning community, an experiential research core and new introductory, interdisciplinary courses in chemistry and physics. These contact-intensive initiatives are being developed alongside advances in instructional technology such as the Chemistry MOOC developed last year. These programs will be directed by faculty in the College of Arts and Sciences in partnership with faculty at Bluegrass Community and Technical College.

President Capilouto reported that on a national level fewer than half of all students who enter college with the intention of majoring in STEM leave with a STEM degree. He is optimistic these grants will help reverse that trend and provide a framework to support the success of UK students.

President Capilouto was pleased to introduce Vice President for Institutional Diversity, Dr. Judy (JJ) Jackson and her colleague, Dr. Johné Parker, Associate Professor of Mechanical Engineering in the College of Engineering to further detail the scope, scale and potential impact of LSAMP in STEM. Dr. Jackson and Dr. Parker were enthusiastic about the potential to increase participation of underrepresented students in STEM across West Virginia and Kentucky. With the creation of a living learning community, the creation of a culture and the expectation of excellence, the goal of the alliance is to encourage students to pursue disciplines they may otherwise not consider.

President Capilouto introduced Dr. Vincent Cassone, chair of the Biology Department. Dr. Cassone is the Principal Investigator on the Howard Hughes Medical Institute grant to develop STEMCats and will lead the effort in developing the project. He shared with the Trustees that STEMCats will include: the expansion of ‘FastTrack’ courses in Biology, Math, Chemistry and Physics for at-risk students; the development of a living learning community; the development of a research laboratory that will teach the process of research; the development of a freshman STEM research course led by a community of scholars; the development of a seminar course focusing on the multiple career options available in the STEM disciplines; and a continuing assessment of these techniques to adopt best practices.

President Capilouto was pleased to announce, subject to the approval of the Board of Trustees, the appointment of Dr. Janie Heath as the new Dean of the College of Nursing. Dr.

Heath will begin on August 1, 2014 as Dean and will also hold the Warwick Professorship of Nursing. Dr. Heath joins UK as the immediate past Associate Dean of Academic Programs at the University of Virginia's College of Nursing. She has a distinguished scholarly record at Virginia and other notable institutions in Georgia, South Carolina and Washington, D.C. Dr. Heath is a widely recognized national leader in nursing education, tobacco control and health care outreach and is well suited to lead UK's College of Nursing as it continues to address many of Kentucky's most pressing health challenges.

Dr. Heath thanked President Capilouto for the opportunity to address the Board of Trustees. She stated that her 37 year career as an acute and critical care nurse had prepared her for the opportunity at UK. As she considered the next move in her career, she was interested only in an institution that maintained a research-intensive environment, a thriving academic medical center, a stellar flagship school of nursing and a meaningful community connection. UK met those criterion. The state of Kentucky also provides a unique opportunity for her research which targets improving health and wellness through tobacco control. She looked forward to leading transformation in nursing education, fostering healthy learning and working environments, and creating new models of health care delivery with the outstanding faculty, staff, students and community partners of the University of Kentucky enterprise.

President Capilouto thanked Dr. Patricia Howard for her dedicated and stellar service as Interim Dean of the College of Nursing since 2012.

President Capilouto introduced Dr. Jay Ambati, Vice Chair of Ophthalmology and Visual Sciences, a Professor of those disciplines and of Physiology, and the Dr. E. Vernon & Eloise C. Smith Endowed Chair in Macular Degeneration in the University of Kentucky College of Medicine. Dr. Ambati is an Electrical Engineering graduate from Johns Hopkins University, received his MD from the State University of New York Health Science Center in Brooklyn, and completed his clinical and research retina fellowships at Harvard Medical School. His laboratory has published several research papers in ocular vascular biology in the top academic and medical journals, and he pioneered new age-related macular degeneration diagnosis and treatment strategies that have affected tens of millions worldwide.

President Capilouto continued that in the words of one of his colleagues, Dr. Ambati "is clearly a uniquely gifted academician. Not only does he harbor a vast body of fundamental interdisciplinary knowledge, he also has an unparalleled keen insight with his method of inquiry that he applies to all of his endeavors whether in the classroom, clinic, or laboratory." His colleagues also say he is a "genuinely good and honest man who speaks from his heart with a transparent and truthful mind."

President Capilouto remarked Dr. Ambati is one of UK's exceptional faculty researchers, a celebrated scientist, surgeon and faculty member. His extraordinary success has garnered him several awards. Most recently, he was the University of Kentucky's nominee for the 2014 Southeastern Conference Faculty Achievement Award.

Dr. Ambati took the podium and expressed his gratitude toward President Capilouto and Provost Riordan, their predecessors, Dr. Michael Karpf and most importantly, his families, both

personal and professional. He shared some of his research on macular degeneration and how in the last few years his group has made some foundational discoveries in the dry form of macular degeneration. He was pleased to announce that by the fourth quarter of this year, a clinical trial for a new medication will begin. His team believes this medication can actually forestall the progression of the dry form of macular degeneration and hopefully will offer something of a transformative therapeutic option for people with this condition.

President Capilouto recognized and congratulated Athletics Director Mitch Barnhart, UK Athletics head coaches and their staff and UK's student-athletes for posting a record 3.218 GPA for 2014 Spring Semester. Eighteen of 20 teams earned above a 3.0 GPA and 13 teams attained a 3.0 while also competing in the championship portions of their schedule. In total, 325 students, both scholarship and non-scholarship, earned GPAs of 3.0 or better, accounting for more than 60 percent of UK's student-athlete population of 508. Seventy-one of those student-athletes had perfect 4.0 GPAs in the spring semester. UK Athletics has now posted GPAs of at least 3.0 in the last four consecutive semesters.

G. Appointment of Dean of the College of Nursing (PR 3)

President Capilouto stated that PR 3 was the recommendation that Dr. Janie Heath be appointed Dean of the College of Nursing, effective August 1, 2014.

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

H. Appointment of the Executive Director of the University of Kentucky Research Foundation (PR 4)

President Capilouto stated that PR 4 was the recommendation that approval be given to the appointment of Dr. Lisa Cassis, Interim Vice President for Research, as the Executive Director of the University of Kentucky Research Foundation (UKRF), effective June 2, 2014.

Trustee Stuckert moved approval of PR 4. Trustee Hawpe seconded the motion and it passed without dissent. (See PR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

I. Appointment to Board of Directors University of Kentucky Gluck Equine Research Foundation, Inc. (PR 5)

President Capilouto stated that PR 5 was the recommendation that the Board of Trustees approve the appointment of Bennie Bell Williams and Michael Banahan and the reappointment of Case Clay and Lisa Lourie to the Board of Directors of the University of Kentucky Gluck Equine Research Foundation for a four-year term ending June 30, 2018.

Trustee Curris moved approval of PR 5. Trustee Young seconded the motion and it passed without dissent. (See PR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees),

under agenda.)

J. Naming of University Facility: Soccer Complex (PR 6)

President Capilouto stated that PR 6, which was also reviewed and recommended by the University Athletics Committee, was the recommendation that the Board of Trustees approve the official naming of the new soccer complex at the University of Kentucky located on Alumni Drive as the Wendell and Vickie Bell Soccer Complex.

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

K. Candidates for Degrees: May 2014 (ASACR 1)

Trustee Gannon, chair of the Academic and Student Affairs Committee, stated that ASACR 1 was the recommendation that the President be authorized to confer upon each individual whose name appears on the attached list the degree to which he or she 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 and the Academic and Student Affairs Committee of the Board of Trustees. Due to administrative error, the names were not previously submitted.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon asked for approval of ASACR 1 and it passed without dissent. (See ASACR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

L. Candidates for Degrees: August 2014 (ASACR 2)

Trustee Gannon stated that ASACR 2 was the recommendation that the President be authorized to confer upon the individual whose name appears on the attached list the degree to which she is entitled upon certification by the University Registrar that she 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.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 2 and it passed without dissent. (See ASACR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

M. Academic Degree Recommendation: College of Arts and Sciences (ASACR 3)

Trustee Gannon stated that ASACR 3 was the recommendation that the Board of Trustees approve the establishment of a Bachelor of Arts with a major in Health, Society and Population degree within the College of Arts and Sciences effective in the Fall 2014 Semester.

The proposed degree will draw on the expertise of numerous faculty members, complement current programs and foster collaboration through shared course work with other disciplines. This program has the approval of the appropriate councils, the University Senate and has completed the 45-day review process of the Council on Postsecondary Education. The Provost supports this recommendation.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 3 and it passed without dissent. (See ASACR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

N. Academic Degree Recommendation: College of Communication and Information (ASACR 4)

Trustee Gannon stated that ASACR 4 was the recommendation that the Board of Trustees approve the establishment of a Master of Science with a major in Information Communication Technology degree in the School of Library and Information Sciences, within the College of Communication and Information, effective in the Fall 2014 Semester.

The program will build on the skills and content covered in the undergraduate program and will prepare students for a successful career in the global economy. This program has the approval of the appropriate councils, the University Senate and has completed the 45-day review process of the Council on Postsecondary Education. The Provost supports this recommendation.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 4 and it passed without dissent. (See ASACR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

O. Academic Degree Recommendation: College of Public Health (ASACR 5)

Trustee Gannon stated that ASACR 5 was the recommendation that the Board of Trustees approve the establishment of a Bachelor of Public Health degree within the College of Public Health, effective in the Fall 2014 Semester.

The need for this program is a high priority both nationally and in Kentucky. This program has the approval of the appropriate councils, the University Senate and has completed the 45-day review process of the Council on Postsecondary Education. The Provost supports this recommendation.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 5 and it passed without dissent. (See ASACR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

P. Academic Degree Transfer Recommendation: College of Engineering (ASACR 6)

Trustee Gannon stated that ASACR 6 was the recommendation that the Board of Trustees approve the transfer of the Master of Science in Manufacturing Systems Engineering from the

College of Engineering to the Department of Mechanical Engineering, within the College of Engineering, effective in the Fall 2014 Semester.

The University of Kentucky has been a leading university in manufacturing for more than 25 years. The growth and development of this program, through moving to the Department of Mechanical Engineering, will help maintain that reputation, especially in the areas of advanced manufacturing including lean manufacturing and sustainable manufacturing.

The transfer has been reviewed and recommended by the Senate Committee on Academic Organization and Structure and the Senate Council; and endorsed by the University Senate. The Provost supports this recommendation.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 6 and it passed without dissent. (See ASACR 6 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Q. Change in Name of an Educational Unit: College of Fine Arts (ASACR 7)

Trustee Gannon stated that ASACR 7 was the recommendation that the Board of Trustees approve the change in the name of the Department of Theatre to the Department of Theatre and Dance, in the College of Fine Arts, effective July 1, 2014.

In November 2009 the Department of Kinesiology and Health Promotion in the College of Education voted to suspend its Dance minor. At that time, the Department of Theatre began the process to introduce Dance into its curriculum. The Dance minor, which was approved by the University Senate in November 2011, has become tremendously popular with UK students, representing majors from eight colleges across campus. The Dance program has quickly become a high point for recruitment, research/performance, outreach and pedagogy in the unit. Changing the name of the unit to the Department of Theatre and Dance will better communicate the scope of the program, and benefit the recruitment efforts both on and off campus.

The proposed change has been approved by the faculty of the Department of Theatre; reviewed and recommended by the Senate Academic Organization and Structure Committee and the Senate Council; and endorsed by the University Senate. The Provost supports this recommendation.

On behalf of the Academic and Student Affairs Committee, Trustee Gannon moved approval of ASACR 7 and it passed without dissent. (See ASACR 7 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

R. University Athletics Committee

Trustee C.B. Akins, Sr., chair of the University Athletics Committee, reported that the committee had met that morning.

Athletics Director Mitch Barnhart gave a Department of Intercollegiate Athletics report.



Highlights in sports since April 1, 2014 include that UK Athletics is in the final week of one of the best overall seasons in department history. UK is No. 16 in the latest official Directors' Cup standings and soon to move up due to strong performances by spring sports teams. With 18 of 22 sports contributing to the tally, UK Athletics is poised to break the record set with last year's No. 25 finish.

In winter sports, men's basketball ended its NCAA Tournament run in the national championship game, falling to the University of Connecticut 60-54. The team was welcomed home by thousands of well-wishers. Within weeks of the end of the season, six players elected to bypass the NBA Draft and return for next season. Finally, Coach Calipari has signed a new contract that will keep him at Kentucky through the 2020-21 season.

In spring sports, softball completed the best season in school history, advancing to the Women's College World Series for the first time. Sophomore pitcher Kelsey Nunley threw every pitch in the NCAA Tournament for UK, receiving WCWS All-Tournament Team honors. Baseball returned to the NCAA Tournament and ended the season with a 37-25 record. Senior A.J. Reed, already named national player of the year by Collegiate Baseball, led the way. UK's outdoor track and field teams will compete at NCAA Championships in Eugene, Oregon. UK will be represented by 15 athletes, 11 women and four men. Men's tennis advanced to the Sweet 16 for the fifth straight season. Women's tennis made its first NCAA Tournament appearance since 2009 and advanced to the second round before falling at No. 3 Virginia. Men's golf returned to the NCAA Championship finishing in a tie for No. 18. Women's golf reached an NCAA Regional for the fourth straight season.

Trustee Akins stated that as President Capilouto shared with the Board earlier, UK's scholarship student-athletes combined for a cumulative GPA of 3.218. This marks four straight semesters in which UK has posted a department-wide GPA of 3.0 or better. All UK teams received passing marks in the NCAA's Academic Progress Rate (APR), with a school-record three teams (women's cross country, men's golf and men's tennis) earning national awards.

Star women's soccer senior Arin Gilliland will receive the prestigious 2014 Honda Inspiration Award from the Collegiate Women Sports Awards in Los Angeles later this month. She is being honored for overcoming reconstructive knee surgery and the passing of her mother to become one of the best players in the country.

UK's volleyball team recently returned from a two-week cultural exchange trip in China. The Wildcats played seven matches against elite teams, visited numerous historical sites and landmarks and took a class that began a week before their departure and continued while in China. Art History professor Andrew Maske traveled with the team.

Women's basketball head coach Matthew Mitchell will donate \$1,000,000 to the Department of Intercollegiate Athletics over the next 10 years. It is the largest gift to the department ever by an employee and will help fund continued capital growth.

In business items, Trustee Akins reported that the Committee was pleased to review and to recommend for the Board's approval, PR 6, the naming of the Soccer Complex as the Wendell and Vickie Bell Soccer Complex.

The Committee considered the financial statements of the Department of Intercollegiate Athletics. Melissa Gleason, Senior Associate Athletics Director - Finance, reviewed the interim financial statements of the department for the nine months ended March 31, 2014. The information included the statement of net position, the statement on revenue and expenses, and the change in net position. The Committee accepted the quarterly financial statements as presented.

Ms. Gleason also presented a detailed Fiscal Year 2014-15 Operating Budget for the Department of Intercollegiate Athletics. This budget is included in the University wide budget presented in FCR 4. The Committee accepted the FY 14-15 Operating Budget for Intercollegiate Athletics as presented.

Dall Clark, Capital Project Management, reviewed FCR 9 regarding the request for an exemption for LEED Silver Level Certification for the Commonwealth Stadium capital project. The Committee recommended approval to the Finance Committee.

In conclusion, Trustee Akins reported that Director Barnhart updated the Committee on FCR 10, the Renovate Old Softball/Soccer Locker Room Capital Project. The project will renovate the existing soccer/softball locker and shower space in the old soccer/softball building to create new office and administrative space for the coaches and coaching staff of the men's and women's soccer and women's softball teams. This project will be funded with private funds. The Committee recommended approval to the Finance Committee.

S. Finance Committee Report

Trustee James Stuckert, chair of the Finance Committee, reviewed the one consent item FCR 1, the Forcht Group of Kentucky Pledge. (See FCR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

T. Acceptance of Interim Financial Report for the Nine Months Ended March 31, 2014 (FCR 2)

Trustee Stuckert stated that FCR 2 was the recommendation that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2014.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 2 and it passed without dissent. (See FCR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

U. A Resolution Providing for the Authorization, Issuance and Sale of General Receipts Refunding Bonds of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005. (FCR 3)

Trustee Stuckert stated that FCR 3 was the recommendation that the Board of Trustees

approve a Resolution authorizing the issuance of University of Kentucky General Receipts Obligations, to be designated University of Kentucky General Receipts Refunding Bonds (the "Refunding Obligations".)

Trustee Stuckert explained that by refunding \$95,000,000 of bonds that were issued approximately ten years ago, the University of Kentucky is estimated to save about \$1,700,000 of debt service in Fiscal Year 2014-15 and more than \$15,000,000 through Fiscal Year 2025-26.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 3 and it passed without dissent. (See FCR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

V. Fiscal Year 2014-15 Operating and Capital Budget (FCR 4)

Trustee Stuckert stated that FCR 4 involved recommendations that the Board of Trustees:

1. Approve the Fiscal Year 2014-15 Operating and Capital Budget.
2. Approve the appropriation and allocation of all fund balances for future operations, to include amounts necessary to cover accounts receivable and inventories that will represent assets on the audited balance sheet of the University of Kentucky as of June 30, 2014. These audited balances may be different than the estimates incorporated in the proposed budget. Since the books of account for the University of Kentucky are maintained on a full accrual basis, this action will provide the authorization to expend accumulated fund balances as necessary to maintain a sound financial position during Fiscal Year 2014-15.
3. Order that the Operating and Capital Budget be recorded as an integral part of the University's financial system with the necessary fiscal control being exercised for the collection and appropriation of income and for the expenditure of departmental appropriations in accordance with authorized fiscal policies and procedures.
4. Accept the Operating and Capital Budget as the basis of maximum expenditure for Fiscal Year 2014-15, subject to item number two above and other Board approved revisions.

Trustee Brothers thanked the hundreds of staff across a number of departments on campus for their efforts in the preparation of the budget. On behalf of the staff, she also thanked President Capilouto for the second consecutive year of salary increases and its priority in the Fiscal Year 2014-15 budget.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 4 and it passed without dissent. (See FCR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

W. Disposal of Personal Property (FCR 5)

Trustee Stuckert stated that FCR 5 was the recommendation that the Board approve a plan for the disposal of personal property and the methods of disposal. This annual approval includes the disposition of equipment and machinery, vehicles, library books and materials, livestock, and recyclable materials having a value of less than \$25,000.

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](http://www.uky.edu/Trustees), under agenda.)

X. Resolution for the Designation of an Agent for the Application of Federal Emergency Management Assistance (FCR 6)

Trustee Stuckert stated that FCR 6 was the recommendation that the Board of Trustees approve a Resolution designating the Executive Vice President for Finance and Administration to be authorized Applicant Agent Representative of the University in all public assistance and hazard mitigation matters for the purpose of obtaining federal financial assistance from the Federal Emergency Management Agency (FEMA) and FEMA programs under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

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](http://www.uky.edu/Trustees), under agenda.)

Y. Repair/Upgrade/Improve Building Mechanical Systems Capital Project (William R. Willard Medical Education Building Air Handling Units) (FCR 7)

Trustee Stuckert stated that FCR 7 was the recommendation that the Board of Trustees approve the initiation of the Repair/Upgrade/Improve Building Mechanical Systems Capital Project (William R. Willard Medical Education Building Air Handling Units.) The project will replace the air-handling unit which is in poor mechanical condition. Replacement of the unit is needed to meet regulatory requirements and ensure air quality and maintenance of a constant temperature for research purposes.

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](http://www.uky.edu/Trustees), under agenda.)

Z. Center for Applied Energy Research Slipstream Capital Project (FCR 8)

Trustee Stuckert stated that FCR 8 was the recommendation that the Board of Trustees approve the initiation of the Center for Applied Energy Research Slipstream Capital Project.

The University's Center for Applied Energy Research (CAER) is the recipient of a grant award from the United States Department of Energy National Energy Technology Laboratory (USDOE NETL). CAER has partnered with Louisville Gas & Electric and Kentucky Utilities (LG&E/KU) to test a carbon dioxide (CO<sub>2</sub>) capture system. CAER has developed a novel heat integration scheme for the system that is expected to meet the Department of Energy performance and cost targets of 90% CO<sub>2</sub> capture, 95% CO<sub>2</sub> purity, with an increase in the cost of electricity of less than 35%. The CAER CO<sub>2</sub> capture process has been designed and will be erected and operated at LG&E/KU's E.W. Brown Generating Station in Harrodsburg, Kentucky.

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](http://www.uky.edu/Trustees), under agenda.)

AA. Expand and Renovate Commonwealth Stadium Capital Project (Commonwealth of Kentucky High Performance Building Standards Exemption) (FCR 9)

Trustee Stuckert stated that FCR 9 was the recommendation that the Board of Trustees grant an exemption from the Commonwealth of Kentucky's High Performance Building Standards for Leadership in Energy & Environmental Design (LEED) Silver Level Certification pursuant to 200 Kentucky Administrative Regulation (KAR) 6:0070 Section 3(c) for the Expand and Renovate Commonwealth Stadium Capital Project.

The renovation of the stadium has been designed to maximize sustainability wherever feasible and to meet basic LEED certification requirements. However, an exemption from the Commonwealth's High Performance Building Standards (200 KAR 6:070 Section 3(c)) is necessary as the improvements required to attain the requisite LEED Silver Level certification would add substantial work to existing non-renovated spaces. The additional work would be in areas used only during home football games thus providing a negligible return on the investment. While an exemption to attain LEED Silver Level Certification is requested, the project will meet the necessary requirements for basic LEED certification.

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](http://www.uky.edu/Trustees), under agenda.)

BB. Renovate Old Softball/Soccer Locker Room Capital Project (FCR 10)

Trustee Stuckert stated FCR 10 was the recommendation that the Board of Trustees approve the initiation of the Renovate Old Softball/Soccer Locker Room Capital Project.

This project will renovate the existing soccer/softball locker and shower space in the old soccer/softball building to create new office and administrative space for the coaches and staff of the three teams. As a result, the student-athletes will have access to their coaches and coaching staff in adjacent facilities. The vacated space in Commonwealth Stadium will house event management, facility operations and sports turf personnel to provide a more cohesive and efficient work environment for those units.

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

CC. Renovate/Upgrade UK Healthcare Facilities Capital Project (FCR 11)

Trustee Stuckert stated that FCR 11 was the recommendation that the Board of Trustees approve the initiation of the Renovate/Upgrade UK HealthCare Facilities Capital Project and declare its official intent to reimburse capital expenditures from a future debt obligation for the Capital Project.

With a scope of \$150,000,000, the Renovate/Upgrade UK HealthCare Facilities Capital Project (designated as Phase I-F of the Development Plan) includes the following components:

- Fit-up of two additional patient floors (9 and 10) in Pavilion A
- Replacement of 52-year old kitchen and cafeteria
- Hyperbaric Chamber replacement and relocation to Pavilion A
- Magnetic Resonance Imaging (MRI) Relocation to Pavilion A
- Installation of remaining elevators in Pavilion A
- Central Chiller Plant Addition
- Neonatal Intensive Care Unit (NICU) relocation from Pavilion H to Pavilion HA

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

DD. Approval of Dining Capital Project and Transfer of Vehicles (FCR 12)

Trustee Stuckert stated that FCR 12 was the recommendation that the Board of Trustees approve the initiation of planning, design and construction of multiple dining capital projects funded from private funds and authorize the transfer and sale of a food truck and seven golf carts to Aramark.

On behalf of the Finance Committee, Trustee Stuckert moved approval of FCR 12. Chair Brockman opened the floor for discussion.

Trustee Brothers understood the investment by Aramark to support UK's mission of teaching, research and service, but felt that their "bottom line remains their financial success." She believed that a UK entity managed and run by UK employees ensured the focus would remain teaching, research and service. She stated she would abstain from this vote.

Trustee Curris stated that though she had initial concerns that UK Dining Services had not been given an equal opportunity to compete, she had decided that based upon the terms stated and announced, it would appear that negotiations with Aramark had the required

elements pertaining to concerns about employees, the use of local products, and the establishment of an educational component. She stated she had chosen to support FCR 12.

Trustee Hawpe stated he thought the process had been open, inclusive and rigorous. He found the objections and inquiry of fellow Trustees to be helpful in identifying areas of concern. Ultimately, he believed the proposal successfully balanced public and private interest and represented good stewardship.

Trustee Shoop was pleased with the process and the elements of the negotiation that concerned employees and student-workers, the Kentucky Proud initiative and the efforts of our local farmers.

Trustee Britton was very proud that in this era of tight resources and escalating costs, he was proud that this partnership would lower costs for students for years to come.

Trustee Gatton was complimentary of the negotiation and of the Executive Vice President for Finance and his team.

Trustee Stuckert concluded the discussion with praise for President Capilouto and his team for the continued transformation of the campus.

Chair Brockman called the question and FCR 12 passed with 17 affirmative votes and one abstention from Trustee Sheila Brothers. (See FCR 12 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

#### EE. Human Resources/University Relations Committee Report

Trustee Terry Mobley, chair of the Human Resources/University Relations Committee, reported that the Committee had met this morning and heard an annual report from the Staff Senate Chair, Jeff Spradling. The Staff Senate represents some 12,000 employees.

Trustee Mobley asked fellow Trustee Jo Hern Curris to give the end of the year UK National Alumni Association report.

Trustee Curris reported that with over \$3,000,000 in the scholarship endowment, UK Alumni Association was able to award over 100 scholarships this past year. Alumni clubs across the country conducted 246 student recruitment activities, including college fairs, senior send-offs, and book awards to help recruit prospective high school students. The Alumni Career Services program assisted more than 2,800 alumni in their job search efforts. Their ten year effort and partnership with UK Public Relations to expand technology, social media sites and create alumni and friend databases, have allowed alumni to remain connected through broadcast emails, the Wildcat Connection electronic newspaper and the Kentucky Alumni Magazine.

Trustee Curris was also proud of the Alumni Plaza capital project and the unveiling of the wildcat mascot. It now serves as a campus landmark for new and old students alike. She encouraged fellow Trustees, who were not already members, to join the Association.

#### FF. Investment Committee Report

Trustee Bill Gatton, chair of the Investment Committee, reported that the Committee met on June 9, 2014 to review performance results and conduct other business. He reported that the Endowment Pool had a market value of \$1,170,000,000 as of April 30, 2014. For the ten months ended April 30, 2014, the Endowment Pool returned 12 percent due to strong equity market returns during the period. The Endowment Pool outperformed the policy benchmark during the ten-month period by 55 basis points mainly due to strong relative performance by the non-US equity and absolute return asset classes.

#### GG. University Health Care Committee Report

Trustee Barbara Young, chair of the University Health Care Committee, thanked the Trustees for attending the day long University Health Care Retreat on June 9, 2014.

Trustee Young provided a few highlights of the day. She stated that as UK HealthCare embarks on its next Strategic Plan, 2015-2020, the question of the day was “how big will we be and how big do we want to be?” Trustee Young stated that one of the most important issues facing UK HealthCare is the urgent need for bed capacity and renovation/upgrades of the existing space in the Chandler Hospital. Trustee tours of hospital space over the last several months clearly demonstrate this need.

Trustee Young continued that equally important is the need for research space. In his report, Dr. Mark Evers stressed to the Committee the clear connection between research (i.e. innovation and discovery) and great clinical care and reputation. He reported that at the present time UK is nearly out of modern research space. As a result it is becoming increasingly difficult to recruit cutting-edge funded investigators. He concluded to the Committee that if UK is to sustain its momentum in both research and clinical care, it must find a way to fund a new research facility with financial support from the state as well as clinical revenue and philanthropy.

Trustee Young also reported that the Committee heard reports regarding future strategic planning, the 2015 budget, graduate medical education, the faculty compensation plan, Eastern State Hospital, compliance, and enterprise goals. For more information and a full retreat report please see University Health Care Committee at <http://www.uky.edu/Trustees/minutes/ukhealthcare/2014/june/report.pdf>.

#### HH. Presentation to Chairman of the Board of Trustees

Vice Chair Keith Gannon presented Chair E. Britt Brockman with a plaque from the Board of Trustees with thanks for his service as Chairman of the Board of Trustees. The plaque read "With special thanks and appreciation to E. Britt Brockman, MD, Chairman, Board of Trustees, 2010 to 2014."



Vice Chair Gannon highlighted some of the outstanding accomplishments during Chair Brockman's term. These included the search process for the 12<sup>th</sup> President of the University of Kentucky, which resulted in the successful hiring of Eli Capilouto; the challenge to expand and enhance the undergraduate educational experience and renew and rebuild the campus core; major capital project implementations; a successful SACSCOC reaffirmation; and revisions to the Governing Regulations regarding the Board's committee structure.

Vice Chair Gannon summarized that "Chair Brockman has effectively and selflessly served the University of Kentucky with unceasing diligence to extend and enhance its impact on the state and nation. He has spent his time, energy and resources to support the enduring mission and the vision of the University of Kentucky."

There was a standing ovation for Chair Brockman.

## II. Resolutions

Chair Brockman asked Trustee Holland to read the first resolution honoring and commending

### JO HERN CURRIS

for her service to the UK Board of Trustees, her University, community and Commonwealth.

**WHEREAS**, Jo Hern Curris has served the University of Kentucky with a dedicated spirit and represented more than 192,000 living, degreed alumni in her role as an elected, alumni member of the Board of Trustees since 2008; and

**WHEREAS**, she was chair of the Board's Human Resources and University Relations committee, as well as a member of the Finance, Academic and Student Affairs, and Nominating committees, and served as a Trustee member of the UK Mining Engineering Foundation Board; and

**WHEREAS**, the accomplished attorney and Harlan County native, Mrs. Curris is admitted to practice in Kentucky, Iowa and South Carolina specializing in tax, estate planning and elder law; and

**WHEREAS**, she is deeply connected to numerous programs at her alma mater, including a term on the UK College of Arts and Sciences Advisory Committee, as class representative for the College of Law fund-raising campaign, and as a Life Member of the UK Alumni Association; and

**WHEREAS**, Mrs. Curris, having been the former first lady of Clemson University, Northern Iowa University and Murray State University, has a special connection to campus life and launched a support initiative for veteran students and families through Operation Campus Friends/Freedom, and directs national programming for spouses of more than 400 university presidents; and

**WHEREAS**, she also contributes her time and talent to many boards and community programs, including previous service on to J.D. Massey Classic Horse Show in South Carolina, Mid America Savings Bank in Iowa, the Murray-Calloway County Community Theater, and the Hyatt Mountain Lodge.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 10, 2014 and expresses, on behalf of the University community, our individual and collective gratitude to Jo Hern Curriss for her exemplary service and wishes her well in all of her future endeavors, and orders that this resolution be made part of the minutes of the meeting.

Trustee Curriss' service was recognized with a round of applause. Trustee Curriss stated it had been a pleasure and honor to serve as Trustee. She stated that she was most proud of the creation and opening of the Veterans Resource Center to help 'our bravest and most dedicated' transition into education.

Vice Chair Gannon read the resolution honoring and commending

**ROSHAN PALLI**

for his service to the UK Board of Trustees, his fellow students and his University.

**WHEREAS**, Roshan Palli, Student Body President and member of the Board of Trustees, has admirably and tirelessly served the University of Kentucky with care and determination; and

**WHEREAS**, he was a member of the Board's Academic and Student Affairs Committee, as well as the Human Resources and University Relations Committee; and

**WHEREAS**, Mr. Palli held several leadership positions on campus, including his service as a Wildcat Ambassador, Chellgren Fellow, Student Government Senator, participant in the Leadership Development Program, member of the Economics Society and brother in his fraternity, Delta Sigma Phi; and

**WHEREAS**, the Mathematical Economics, Economics, Mathematics and Political Science major shares his dedication and love for the University of Kentucky with others as a tour guide in UK's Visitor Center; and

**WHEREAS**, as a student, Mr. Palli spent a summer at City University in London, interned in the Office of the Kentucky Attorney General and published several papers while working in research laboratories across campus; and

**WHEREAS**, Mr. Palli is an accomplished scholar and has been recognized with prestigious academic honors, including the Otis A. Singletary Scholarship, National Merit Scholar Finalist and Delta Sigma Phi's Order of the Sphinx; and

**WHEREAS**, he constantly demonstrates a passion for making UK a better place.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 10, 2014 and expresses, on behalf of the University community, our individual and collective gratitude to Roshan Palli for his exemplary service and wishes him well in all of his future endeavors, and orders that this resolution be made part of the minutes of the meeting.

Trustee Palli's service was recognized with a round of applause. Trustee Palli was grateful for the relationships and knowledge gained from his time as a Trustee. He was inspired by the leadership of the Board and President Capilouto over the past three years and looked forward to seeing the continued transformation in the University's future.

Secretary Brothers read the resolution honoring and commending

**IRINA VORO**

for her service to the UK Board of Trustees, her college, University, the community and Commonwealth.

**WHEREAS**, Irina Voro, elected faculty member of the Board of Trustees since 2011, has represented her constituency as a member of the Academic and Student Affairs, and Human Resources and University Relations committees; and

**WHEREAS**, Professor Voro is an internationally renowned pianist and teacher of music and creativity; and

**WHEREAS**, she has been recognized for creative teaching techniques that inspire the artistic passions of her students and encourage them to pursue performance excellence; and

**WHEREAS**, her academic career includes visiting professorships at the University of Florida and Faculdade de Musica do Espirito Santo in Brazil, as well as teaching engagements at the Prague International Piano Master Classes and Indiana University Summer Music Academy; and

**WHEREAS**, in recognition of her artistic excellence, Professor Voro has received numerous awards, including the U.S. Presidential Administration's Distinguished Teaching Award, Kentucky Music Teachers' Association "Teacher of the Year" and the Provost Award for Outstanding Teaching, among others; and

**WHEREAS**, in addition to being an advocate for her students and discipline, Professor Voro has performed with philharmonic orchestras on four continents, and given solo recitals in 11 countries and 15 states across the nation; and


**WHEREAS**, Professor Voro is also the co-owner of Fallibility Management Group, a change management firm.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 10, 2014 and expresses, on behalf of the University community, our individual and collective gratitude to Irina Voro for her exemplary service and wishes her well in all of her future endeavors, and orders that this resolution be made part of the minutes of the meeting.

JJ. Meeting Adjourned

Hearing no further business, Chair Brockman declared the meeting adjourned at 2:47 p.m.

Respectfully submitted,



Sheila Brothers  
Secretary, Board of Trustees

(PR 1, PR 2, PR 3, PR 4, PR 5, and PR 6, ASACR 1, ASACR 2, ASACR 3, ASACR 4, ASACR 5, ASACR 6, and ASACR 7, FCR 1, FCR 2, FCR 3, FCR 4, FCR 5, FCR 6, FCR 7, FCR 8, FCR 9, FCR 10, FCR 11 and FCR 12 are part of the minutes of the meeting.)