

Minutes of the Board of Trustees of the University of Kentucky, Tuesday, May 8, 2012

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, May 8, 2012 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:00 p.m. Dr. Brockman asked Ms. Sandy Patterson, 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., William C. Britton, E. Britt Brockman (chair), Sheila Brothers, Jo Hern Curriss, William S. Farish, Jr., Micah Fielden, Oliver Keith Gannon, Carol Martin “Bill” Gatton, Pamela T. May, Billy Joe Miles, Terry Mobley, Sandy Bugie Patterson, Erwin Roberts, C. Frank Shoop, James W. Stuckert, John Wilson, Irina Voro, and Barbara Young. Absent from the meeting was Dr. Charles Sachatello. Dr. Brockman announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Interim Provost Tim Tracy, and General Counsel Barbara W. Jones.

The University faculty was represented by Chair of the University Senate Council Hollie Swanson, and the University staff was represented by Chair of the Staff Senate Mike Adams.

Members of the various news media were also in attendance.

C. Consent Items

Dr. Brockman called attention to the five consent items on the agenda. They included the minutes for the regular meeting of the Board on March 27, 2012, PR 2 which deals with personnel actions, an acceptance of two gifts, and a request for an endowment name change. Mr. Stuckert moved approval of the consent items. Mr. Britton seconded the motion, and it carried without dissent. (See consent items listed below on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Minutes March 27, 2012

PR 2 Personnel Actions

FCR 1 The Bernard Osher Foundation Gift

FCR 2 Gift from the Estate of Dr. E. Vernon Smith to Replace Unfulfilled Pledges to the Research Challenge Trust Fund

FCR 3 Request to Rename the Multicultural Studies Endowment to the Georgia Davis Powers Endowment

D. Chairman's Report (CR1)

Dr. Brockman began by reporting that there had been no requests since the last meeting to speak or appear before the Board.

Dr. Brockman reported the Executive Committee met this morning at 8:00 a.m. to discuss the Presidential Evaluation. There were three motions approved. The first was to engage a facilitator to lead the process. The second motion approved the draft set of questions to be used by the facilitator. The third authorized the chair to approach representatives of the various constituent categories that had been approved at the last Board meeting in CR 1.

In regards to the time table, President Capilouto will prepare a self-evaluation in early June. The facilitator will be on campus in mid to late June to interview the various constituents from the eight constituency groups approved in CR 1. The Executive Committee will meet with the facilitator in late June or July to discuss the results from the interviews. The Executive Committees recommendations will be delivered to the Board of Trustees soon thereafter.

E. President's Report (PR 1)

President Capilouto directed the Board of Trustees to review the summary and highlights contained in PR 1. He commented that the month had been exciting and perhaps transformative. He wanted to draw attention to a few items and people in particular.

President Capilouto thanked the Board for the leadership it has demonstrated in stating unequivocally that enhancing undergraduate education is a priority. On April 17, the groundbreaking for the new residence hall, New Central, was held. It is a 601 bed, modern living and learning community that will open in August 2013. He remarked that this is the first step of what will be a journey that changes the face of this campus over the next five-to-seven years. During this period of time, the University hopes to renovate or build some 9,000 new beds on this campus. These living and learning spaces will help our already strong efforts to improve retention and graduation rates, while creating the kind of space that students need to build community.

Another building project with tremendous symbolic value was dedicated on April 20th, Wildcat Alumni Plaza. Located off the Avenue of Champions, directly across from Memorial Coliseum, it is a 7-foot-tall bronze Wildcat statue. The UK Alumni Association, led by Stan Key, proudly funded this addition in the heart of our campus.

President Capilouto acknowledged that Dr. Tim Tracy had accepted the role as Interim Provost and Dean of the College of Pharmacy. Dr. Tracy brings a wealth of administrative and academic experience to this role, having served as Dean of the College of Pharmacy since August 2010. He came to UK after spending six years as Department Head and member of the faculty at the University of Minnesota. Prior to that, Dr. Tracy spent 11 years on the faculty at West Virginia University. He earned his Ph.D. in clinical pharmacy from Purdue University, and completed a postdoctoral fellowship in clinical pharmacology at Indiana University.

In addition to the day-to-day operations of the Provost Office, President Capilouto has asked Dr. Tracy to: focus on providing leadership as the University grapples with a challenging budget; continue to oversee the strengthening of the University's undergraduate education; prepare the University to transition to a new budget model effective in 2013-14; and lastly, evaluate changes to the organizational structure in the Office of the Provost.

President Capilouto will begin the process of conducting a national search for a permanent Provost with the hope of having a new Provost for the spring semester.

In addition, the University is in the process of conducting a national search for an Executive Vice President for Finance and Administration to replace Mr. Frank Butler, who announced plans to take phased retirement a few months ago. A search committee, led by the Dean of the College of Agriculture, Dr. Scott Smith, has completed an initial round of interviews with an outstanding pool of candidates. The search committee remains on schedule.

President Capilouto took one last opportunity to publicly thank Provost Kumble Subbaswamy, for his leadership and commitment to this University. The President noted that dramatic strides were made in undergraduate retention as Provost Subbaswamy led the adoption of a new landmark core curriculum for undergraduates. The Provost's focus on facilities and initiatives allowed scholars to reach new heights in research, and mentioned he had been a fierce advocate for students and faculty during his tenure. He thanked Swamy for his service, his commitment, and wished him every success as he assumes the Chancellorship at the University of Massachusetts Amherst.

The President commented on the reception the previous evening honoring not only Provost Subbaswamy, but also Frank Butler and Len Heller. He thanked Mr. Butler and Mr. Heller for their service to this institution and the Commonwealth.

President Capilouto proudly recognized Coach Dennis Emery, who coached the men's tennis team to the 2012 Southeastern Conference Championship behind a perfect 11-0 season. He was named the SEC Coach of the Year, actually his third Coach of the Year honor. He also mentioned that Eric Quigley, who graduated this past Sunday, won the SEC Player of the Year award in tennis.

President Capilouto announced that joining the Board today were the recipients of the Sarah Bennett Holmes Award. The award is granted annually to two women, a staff and faculty member, working at the University who promote the growth and well-being of other women at UK and across the Commonwealth. Named for a distinguished former Dean of Women at the University of Kentucky, the award was conceived by the UK Women's Forum in 1994.

President Capilouto introduced Ms. Sarah Nikirk, chair of the Women's Forum, to come forward to introduce this year's award winners.

Ms. Nikirk thanked President Capilouto, Chair Brockman and the Board of Trustees, for the opportunity to speak about the UK Women's Forum. She conveyed that the Women's Forum celebrates its 20th anniversary this year and was proud to say that the Sarah Bennett Holmes

award was one of the many programs administered by the UK Women's Forum. The Forum is also responsible for an annual conference, a monthly professional development lecture series, and an educational assistance award. This year more than 60 individuals were nominated for the prestigious Sarah Bennett Holmes Award.

The staff member selected to receive the award this year was Ms. Ann Bassoni of UK Human Resources Work+Life. Ms. Nikirk invited Ms. Bassoni to tell the Board more about herself.

Ms. Bassoni thanked everyone for the honor of the award and explained that as the Coordinator for the Work +Life Connections program, the program is a free mental health and referral service for all UK employees and their sponsored dependents. The program offers up to five free mental health visits. As a Licensed Clinical Social Worker, she has had the opportunity to meet employees from all over the world. From these immigrants, she has learned what struggling really is. This interaction has helped not only her, but others she has counseled. A number of the women she counsels are single, going to school, working full-time, taking care of kids, managing their stress level, but sometimes they just need a little extra support. She hears over and over again how these employees appreciate the opportunity to pursue an education while they work, and how grateful they are to have flexible supervisors that are willing to work around their schedules. She thanked Robynn Pease and Kim Wilson for their support of the program and her work. The Board gave Ms. Bassoni a round of applause.

Ms. Nikirk introduced the faculty award recipient, Dr. Gail Kennedy, a Librarian in Special Collections.

Dr. Kennedy thanked President Capilouto and the Board of Trustees. She explained that as she looked back at her 40+ years at the University, as an undergraduate, a staff member, a graduate student, and finally a faculty member at the University, she realized she had spent virtually her entire adult life learning at UK. She has learned not only in the classroom, but in her job and off campus in professional activities. Dr. Kennedy noted that as she moves into late career, she is very cognizant of the importance of giving back. This was indeed yet another life lesson learned at UK from many colleagues over the years. Her method of giving back is to mentor the next generation of librarians and also to support arts outreach within the University's rare books and manuscripts collection. In engaging undergraduates in the use of primary source materials, she hopes it will help balance the scale between what "I have learned and what I have gained and what I hope to give back." The Board gave Dr. Kennedy a round of applause.

President Capilouto's student spotlight was Mr. Ben Smith. Mr. Smith received a dual degree in Philosophy and Political Science from UK in 2011, and is now completing graduate studies in Philosophy. As an undergraduate, he served as president, both of the UK College Democrats as well as the UK Philosophy Club, along with membership in other student organizations. Mr. Smith joined the meeting today to educate the Board about a student organization he led in a humanitarian effort called Homegrown Kentucky.

Homegrown Kentucky operates in conjunction with UK's Appalachian Center and UK's Robinson Center for Appalachian Resource Sustainability. The group works with community organizations in impoverished areas of the state, seeking to use existing resources to secure land

and materials for school and community farms. The organization also works with initiatives such as farmers' markets, experimental classroom lessons and college credit for rising high school students. The group had recently secured its first internship stipend for UK Students wanting to participate in the project. Their efforts were recently honored by former President Bill Clinton at the Clinton Global Initiative's annual conference in March.

President Capilouto was delighted to introduce “yet another example -- among so many -- of how our students lead ...and learn to lead while they are here. How they seek opportunities and experiences outside the classroom, how they learn to give back, how they take what they learn here and create knowledge and opportunity for others in need.”

Mr. Ben Smith began by focusing on Owsley County, Kentucky, where the inaugural project took place. Owsley County has consistently ranked for the last approximately 25 years as one of the five poorest counties in the nation. He explained that the county is like a third world country within a few short hours from Lexington. In determining the focus of the project, three indicators were chosen that speak to the quality of life of a community. These were education levels, income levels per household, and health and nutritional levels. The project, Homegrown Kentucky, was an opportunity for students and community members to take ownership of something in their own right. The organization did not want to create a handout nor create a dependency. It involved the requisition of 10 acres of land in Owsley County adjacent to a school. The organization had a donation of all the necessary agricultural implements, from tractors to seeders to irrigation. Work schedules were created and community applications were accepted for groups wishing to participate. Currently, a student built greenhouse has been completed that will provide produce for the school in the winter. Not only has the school been able to reallocate the majority of their food budget to education needs, but students and community members stay active and are provided with better nutritional choices.

Mr. Smith was proud of the program as an extension of what UK does and “seeing blue” as a state. He spoke of the necessary ethical obligation or duty to the people that support the state and this institution. He encouraged the Board to view the video on YouTube and thanked them for the opportunity to tell them about Homegrown Kentucky. There was a round of applause.

F. Proposed Revisions to the Governing Regulations (PR 3)

President Capilouto explained that PR 3 is a proposed revision to the Governing Regulations required by SACS that requires the University make clear the process of the removal of a member of the University of Kentucky Board Of Trustees. This is the first reading of this proposed revision.

Chair Brockman asked for a motion for acceptance of the first reading of PR 3. Dr. Akins moved acceptance and Mr. Shoop seconded.

Dr. Voro asked for clarification in the background portion of the proposal. She offered that perhaps it would be more appropriate to say only the Governor can remove an “appointed” board member, as the Governor does not take part in the elected trustee members.

General Counsel Barbara Jones explained that per the statute, the Governor can remove any Board member.

The question was moved and the motion passed without dissent. (See PR 3 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

G. Academic Affairs Committee Report

Dr. Gannon, chair of the Academic Affairs Committee, thanked Trustee John Wilson for the presentation relating to a survey he had done over the past few weeks, gathering information from faculty members about the upcoming presidential evaluation. Within one week he received over 650 responses with a sampling of both quantitative and open-ended questions. His presentation was excellent and it was very informative.

H. Candidates for Degrees University System (AACR 1)

Dr. Gannon said that AACR 1 regards candidates for degree. The recommendation is 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. The degrees have been properly approved by the University Senate and Academic Affairs Committee. Dr. Gannon, on behalf of the Academic Affairs Committee, recommended approval AACR 1.

Trustee Micah Fielden, the student representative to the Board of Trustees, added that he would appreciate the Board's consideration to be allowed to graduate. Laughter followed.

As there was no further discussion, AACR 1 passed without dissent. (See AACR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

I. Academic Degrees Recommendation (AACR 2)

AACR 2 is a recommendation that the Board of Trustees approve the establishment of a Doctor of Philosophy with a major in Gender and Women's Studies degree and a Master of Arts with a major in Gender and Women's Studies in the College of Arts and Sciences, effective Fall of 2012.

Dr. Mark Kornbluh, Dean of the College of Arts and Sciences attended the committee meeting and provided a detailed description of the project. The program has been approved by the appropriate councils and the University Senate. The proposal has completed the 45 day review by the Council on Postsecondary Education and has the support and recommendation of the Provost.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended approval of AACR2 and it passed without dissent. (See AACR 2 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

J. Academic Degree Recommendation (AACR 3)

Dr. Gannon said that AACR 3 recommends the Board of Trustees approve the establishment of a Bachelor of Science with a major in STEM (science, technology, engineering and math education) and an approved content area (e.g. Mathematics, Physics) in the College of Education effective Fall 2012. As a new degree, it is designed to put science, technology, engineering, and math educators into the workforce. These individuals, who have a background in education, will also have a degree within their technical field, (science, technology, engineering, and math.) This need is based on the lack of highly qualified mathematics and science teachers in middle and high school classrooms in the United States. This program has been approved by the appropriate councils and the Provost supports this recommendation.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended approval of AACR 3 and it passed without dissent. (See AACR 3 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

K. Academic Degree Recommendation (AACR 4)

Dr. Gannon said that AACR 4 recommends the Board of Trustees approve the establishment of a Bachelor of Science with a major in Human Health Sciences in the College of Health Sciences effective Fall 2012. This is an alternate program that will prepare graduates to pursue healthcare careers available to students with a BS degree or enter advanced degree programs in the disciplines of dentistry, pharmacy, physician's assistants, and physical therapy. This program does not replace other traditional pathways to healthcare careers, instead it offers a unique alternative for those who seek careers in healthcare and the health professions.

This program has the approval of the appropriate councils, the University Senate, and has completed the 45 day review by the Council on Postsecondary Education. The Provost also supports this recommendation.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended approval of AACR 4 and it passed without dissent. (See AACR 4 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

L. Change in Degree – College of Education (AACR 5)

Dr. Gannon said the recommendation of AACR 5 is the Board of Trustees approve a change in the name of the Doctor of Education with a major in Educational Policy Studies and Evaluation to a Doctor of Education with a major in Educational Policy Studies, Measurement, and Evaluation. The measurement of student and institutional improvement and change has always been implicit in the doctoral degree. Recently, however, "measurement" as an identifiable component of a doctoral degree in education has become a strong draw for aspiring education researchers, as school and university accountability pressures have grown. The faculty believes that this will better market the degree. This proposal has been approved by the

Graduate Council, Senate Council, and University Senate. The Provost supports this recommendation.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended the approval of AACR 5 and it passed without dissent. (See AACR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

M. Change in Degree – Graduate School (AACR 6)

Dr. Gannon said that AACR 6 was a recommendation that the Board of Trustees approve a change in the name of the Doctor of Philosophy with a major in Public Administration to Doctor of Philosophy with a major in Public Policy and Administration effective Fall 2012.

The proposed degree change more accurately captures the essence of the research and service activities of this faculty and students in the program (James W. Martin School of Public Policy and Administration) and is consistent with the title of the school. This proposal has been approved by the Graduate Council, Senate Council and University Senate. The Provost supports this recommendation.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended the approval of AACR 6 and it passed without dissent. (See AACR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

N. Change in Name of An Education Unit (AACR 7)

Dr. Gannon said that AACR 7 recommends the Board of Trustees approve the change in the name of the College of Communications and Information Studies to the College of Communication and Information effective July 1, 2012. The Faculty Council recommended to the College Assembly on January 25, 2012 that the name be changed. Dr. Dan O'Hair, Dean of the College briefed the committee on this proposal. The proposal was unanimously approved by the faculty in the College, 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 Affairs Committee, Dr. Gannon recommended the approval of AACR 7 and it passed without dissent. (See AACR 7 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

O. Change in Name for the Center for the Study of Violence Against Children (AACR 8)

Dr. Gannon said that AACR 8 is a recommendation that the Board of Trustees approve the change in the name of the Center for the Study of Violence Against Children to the Center on Trauma and Children in the College of Social Work, effective immediately. The proposed name more accurately describes the activities of the center that address multiple forms of trauma exposure and including, but not limited to violence.

As an administrative unit, the Center does not involve educational policy and the University Senate Council has determined it has no jurisdiction. The proposal has been approved by the faculty in the unit and the leadership of the College. The Provost supports this recommendation.

On behalf of the Academic Affairs Committee, Dr. Gannon recommended the approval of AACR 8 and it passed without dissent. (See AACR 8 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

P. Change of Organizational Structure of the Appalachian Center (AACR 9)

Dr. Gannon said that AACR 9 recommends that the Board of Trustees approve the transfer of administrative oversight for the Appalachian Center from the Vice President for Research to the College of Art and Sciences effective July 1, 2012. The Appalachian Center was established by the Board of Trustees at its meeting on September 20, 1977. Its mission is to emphasize community-university partnerships in shaping research that is useful in and beyond the region in keeping with the land-grant mission of the University. Relocation of the Appalachian Center has been under discussion since the receipt of the Report of the Periodic Review Committee for the Appalachian Center in October 2009 and in response to a survey of the UK Appalachian Studies faculty in 2010. The top goal listed by the faculty in moving forward was to reunite the Appalachian Studies Program and the Appalachian Center so that the academic mission of both could be strengthened.

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

On behalf of the Academic Affairs Committee, Dr. Gannon recommended the approval of AACR 9 and it passed without dissent. (See AACR 9 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Q. Finance Committee Report

Mr. Stuckert recounted that the first three items, FCR 1, 2, and 3 were consent items and moved on to FCR 4.

R. 2011-2012 Budget Revisions (FCR 4)

Mr. Stuckert moved the approval of FCR 4, which asked the Trustees to authorize and approve a 2011-12 budget revision in the amount of \$2.389 million. It involves revised income estimate and subsequent expenditures. The motion passed without dissent. (See FCR 4 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

S. Capital Construction Report (FCR 5)

Mr. Stuckert said that FCR 5, the Capital Construction Report was presented by Bob Wiseman and reviewed by the Committee at this morning's meeting. He moved for the adoption of FCR 5 and it passed without dissent. (See FCR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

T. Proposed 2012-13 Tuition and Mandatory Fees Schedule (FCR 6)

Mr. Stuckert thanked Angie Martin, Vice President of Financial Operations and Treasurer for the complete report as to the background of the recommended tuition increase and mandatory fees. After extensive discussion in the morning meeting, it was approved by the Committee. On behalf of the Finance committee, Mr. Stuckert moved for the adoption of FCR 6. Chair Brockman opened the floor for discussion.

Dr. Voro wanted to add a cautionary note, echoing what Trustee May had offered earlier in the Finance Committee meeting. Dr. Voro said that "we are putting the cart before the horse." She suggested it would be better to look inside the University to see how much, and what kind of money we spend and address administrative bloat. Only then should we "ask Kentucky families to pay."

Trustee Curris complimented President Capilouto and Angie Martin for the great work done in terms of research and the effort to be all encompassing. However, she voiced concern about the long term effect on continued tuition increases. She wanted it made clear that the reason she for vote in favor of a 6% increase was due to the fact that the University planned only a 3% raise in tuition for the next academic year.

Trustee Shoop wanted to reiterate from the committee's discussion that morning the information Angie Martin presented that 91% of our students were receiving scholarships, grants or some form of aid, totaling about \$3500 per semester. As tuition and fees were approximately \$4500, a student's total outlay (tuition and fees only) was a little less than \$1100. He was happy to hear this information and he thought that it helped to soften the blow of some of these tuition increases.

Dr. Akins voiced his concerns about the continued tuition increase as well. He had asked for and received information concerning Pell Grants and was very pleased to see that both the number of Pell Grants and the award amount had increased over the past 6 to 10 years. He wanted to make sure that the University was not only bringing in the best and the brightest, but also helping the least of those among us; making sure that they not only have opportunity, but also access.

Mr. Stuckert agreed that the information Mr. Shoop referenced was relevant. He also mentioned that 91% of our students paid \$1100 in 2011 as compared to 2006, when 80% received aid and paid \$854. Another issue that he found fascinating and knows Angie Martin and her staff will monitor, is the issue of student debt. He believes if we see these dollars becoming too great a burden for our students, it will be important that we adopt other methods to

compensate. He is encouraged that President Eli Capilouto, along with Interim Provost, Tim Tracy, are looking at a different methodology of budgeting which in turn means better accountability, which hopefully can help us perhaps go a little slower on tuition increases.

Trustee Brothers offered that though she can appreciate the fact that the out-of-pocket amount is still for many of our students only \$1100, given the presentation earlier about Homegrown Kentucky, she thinks the folks in Owsley County might have a different perspective about that \$1100. Though she will be voting in favor of this tuition increase, she too is concerned about continued tuition increases, though she is not sure where else we are going to get our money in the short term as we try to struggle with the decrease in state appropriations.

Trustee and Student Government President Fielden felt that though this was a difficult time as a student representative, because he sits in a position where he is also as a trustee, he has come to better learn the administrative needs and economic needs of the University. He supports the President fully in this proposal, because in the long run he felt the University is creating an environment that is more important for students. Students might have to stay longer to take the classes that they need. He felt that a 6% increase in tuition is manageable, when one looks at what could be the cost of an extra year, or an extra semester. In addition, what he thought also important was the President's approach regarding scholarships for students. He stated that he believed that as we continue to increase the amount of scholarships we are giving to our students, we will again further shift the burden of tuition off the student, back to the University and to the state, over time. He believes that a tuition increase is just part of the process for the University to survive the current economic times, but in the long run, it will be much better for our University and students will end up paying less.

Trustee Gatton asked about certain outside scholarships, the Rowdy Young Scholarship in particular, and were those types of dollars taken into account. Treasurer Angie Martin said they were counted in the UK Gifts and Endowments.

Dr. Wilson commented that the sticker shock from professional tuition, like medical, is not alleviated by the types of tuition in grants and aid. That's just a comment about the long-term problems and the increases in professional tuition.

Dr. Brockman asked for the vote and it passed with two abstentions. (See FCR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

U. Proposed 2012-13 Room and Board Rates (FCR 7)

Mr. Stuckert said that FCR 7 involves the proposed 2012-13 room and board rates. It was discussed extensively and simultaneously with the tuition and fee schedule. The recommended rates are necessary to generate sufficient revenue to cover anticipated increases in operating costs. Mr. Stuckert moved adoption of FCR 7 and it passed without dissent. (See FCR 7 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

V. Resolution for the Designation of an Agent for the Application of FEMA Assistance (FCR 8)

Mr. Stuckert said that FCR 8 involves a resolution for the designation of an agent for the application of FEMA assistance. On behalf of the Finance Committee, Mr. Stuckert moved for the adoption of FCR 8 and it passed without dissent. (See FCR 8 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

W. Human Resources Committee Report

Mr. Roberts, chair of the Human Resources Committee, reported that the Committee had one informational item on their agenda this morning. Mr. Mike Adams, who is the Staff Senate Chair and Mr. Terry Olson, Chair of the Staff Senate Issues Committee made a presentation. It was the first time that the Staff Senate had come to the HR committee to present. It was very informative presentation and he wanted to thank Trustee Brothers for her efforts in making it happen.

Mr. Adams, gave an overview of the Staff Senate. Created in 2002, the primary purpose of the Staff Senate was to facilitate communication between the UK administration and staff. The Staff Senate is broken down into precincts, representing about 13,000 staff members. Some of the accomplishments of the Staff Senate include their work on University wide committees, Work+Life issues, and particularly with the Work+Life Faculty and Staff Survey. The Staff Senate has helped in creating programs to assist staff, the shared leave program, crisis issues programs, UK Fun Day, and the Outstanding Staff Awards.

Mr. Olson, the Chair of the Staff Issues Committee, gave a presentation that covered areas of opportunity for improvement.

Mr. Roberts also agreed with the suggestion that the Staff Senate Chair come to present to Human Resources Committee at least on an annual basis, and more if necessary.

X. Student Affairs Committee

Ms. Patterson, chair of the Student Affairs Committee, reported on the wonderful presentation from Director Michelle Ashcraft and four students about the Common Reading Experience. The Common Reading Experience is part of the New Student and Parent Program Office. The committee is made up of 24 people, one third faculty, one third staff, and one third students. All new students are assigned the book to read and 70% of the students attend the book discussion during K week. It is also used in UK 101, a freshman experience course designed to improve retention. The book for Fall 2012 is *The Unforgiving Minute: A Soldiers Education* by Craig Mullaney. Mr. Mullaney will be here on campus on October 2.

Graduate assistant Sarah Jones, president of the Student Activities Board, told the committee about the University Honors and Recognition Awards Program, held a few weeks ago. The program is designed to recognize the students, staff, and faculty at the University and to honor them.

SGA President Fielden gave a student government update. WIG, The Wildcat Interest Group, presented at a previous committee meeting, boasts of six United States Congressional offices that have accepted UK students as interns. He also shared his experience regarding K Week as a K Crew leader. He was very complimentary of the New Student and Parent Program, K Week and the Common Reading Experience. He feels it contributes greatly to getting students connected with campus, connected with each other, and thus, creates a sense of home and community.

Y. University Athletics Committee Report

Dr. Akins reported the Athletics Committee held its first meeting this morning. The committee is composed of five trustee members, three community members and one faculty representative. Prior to the official opening of the meeting, President Capilouto expressed his appreciation to all of the committee members for their time and commitment to serve.

Dr. Akins said that Athletics Director Mitch Barnhart and Assistant Director Sandy Bell presented reports at the meeting. A.D. Barnhart mentioned the fact that UK has four national champion sports teams and also has more sports than any other SEC community, 22 sports in all. UK has the lowest student fees in the SEC as well. He updated the committee on the reorganization of Athletics Department staff, taking the opportunity of some recent resignations to eliminate and consolidate some positions. This reorganization produced savings of \$350,000 - \$400,000 without negatively impacting the student athletes.

Other news from Athletics include new video screens for the visually impaired have been completed in Commonwealth Stadium, the new track with a field house that will seat nearly 3000 is nearing completion, and the improvements to softball complex should be finished in July. The softball complex will host the SEC Tournament next May. Equally important is that the Athletic Program is debt free.

Ms. Sandy Bell is Executive Associate Athletics Director for Student Athlete Services. She has a staff of four and one of those staff persons, eight hours a day, does nothing but monitor the social media to see what our athletes are doing on Twitter, Facebook, Ebay, etc. We have an excellent graduation rate, both in currently enrolled students and also with a new program, the "bring back program". This program is for those athletes committed to return to finish their degree.

During the summer, Ms. Bell's office is extraordinarily busy with NCAA eligibility requirements for both new and continuing student athletes. These requirements include both GPA and progress toward degree. Dr. Joe Fink, faculty representative on the Committee, reviews all of the players and teams paperwork. His signature is the final signature on whether or not an athlete is eligible. The Athletics Department also has an excellent APR, academic performance rate, that is based on retention and eligibility. There are only two schools in the SEC that have never had APR infraction, Vanderbilt and Kentucky.

Ms. Bell also mentioned the important role of advisors, tutors, counselors and mentors. In addition to the coaches, this group makes sure the students complete their classwork and attend class. Part of that commitment is the CATS center, the first academic center in the nation. It is now known as the best in the nation. At UK, 15 of the 20 varsity teams had a 3.0 GPA cumulative.

Z. University HealthCare Committee

Ms. Young, chair of the University HealthCare Committee, reported that the committee met yesterday afternoon. Mr. Sergio Melgar presented the March financial report. Discharges for the month of March were 3112 or 100.4 per day which is 1.2 discharges per day greater than the budget of 99.2. Operating revenue for the month totaled \$80.8 million, which is \$2.7 million greater than the budget for the month, and the year to date is \$56.1 million higher than last year. Overall operating expenses for the month are \$2.2 million above the budget. Year to date expenses were \$10 million above budget, and \$73 million above year to date for March fiscal year 2011. These expenses reflect higher surgical volumes, growing pains related to the opening of Pavilion A, and the growth in volume in both the inpatient and outpatient setting. Bad debt continues to increase in both rate and volume. The operating margin is \$16.9 million below last year but \$7.2 million above budget. UK HealthCare posted operating income of \$5.6 million for the month of March, with a year-to-date operating income from operations of \$6.4 million. Comparing the balance sheet at March fiscal year 2012 and fiscal year 2011, cash has decreased \$30 million and continues to be used to fund the remainder of phase 1A of the patient care facility. As projected cash and cash equivalents are at a negative balance (due to the build out of Pavilion A and amounts due from the government players) and are balanced by a loan from the University of Kentucky and the endowment of \$212.7 million. I also want to point out that discharges have been up for three months. This is a result of more capacity because of the opening of Pavilion A, the opening of the new ORs, and bringing online the newly renovated rooms in the old Chandler Hospital in October of 2011. As a result UK Healthcare is turning away fewer patients. ER activity, which is up 17%, has also added to the increase.

Dr. Paul Depriest presented an update of the Enterprise Quality Safety and Efficiency goals scorecard from UHC. Indicating that UK HealthCare continues to make good progress in the areas of PSI's (patient safety indicators) and HACs, (hospital acquired conditions.). With a few exceptions, these complications have improved dramatically. Particularly noteworthy is the decline in the number of central line infections which merited an achievement award.

Colleen Swartz, Chief Nurse Executive, presented the UK HealthCare service update. Starting in October 2012, 1% of CMS payments, that is Medicare/Medicaid services, will be tied to patient satisfaction data. For UK HealthCare 1% is estimated to be \$810,000 per year and this percentage will rise to 2% over subsequent years. While patient satisfaction in the UK system has improved markedly, particularly Chandler Hospital, the enterprise still has some hard work ahead to meet its goals in terms of patient satisfaction.

Brett Short presented the UK HealthCare compliance update. He reviewed the 2012 work plan and reviewed the division of reporting activity among the various working areas of the enterprise. He noted that there is a new tighter regulatory environment that will result in

increased enforcement and higher levels of scrutiny. The compliance office has been working on a UK HealthCare code of conduct, which will include policies governing enterprise relationships with industry, non-monetary compensation, and conflict resolution. In the coming year the compliance office will focus on issues related to healthcare reform, privacy, recovery audit, Medicaid contractors, partners and vendors, board communication, oversight and program effectiveness. In conclusion, he reviewed areas of progress in 2012.

Dr. Kevin Nelson presented for approval the current list of privileges and credentials for Chandler and Good Samaritan Hospital. The committee made a motion and all privileges and credentials were approved.

AA. Other Business

Robynn Pease, Director of Work+Life, reported to the Board of Trustees, the results of 2010 UK Work+Life Survey. Work+Life is part of the University of Kentucky strategy to develop human capital. It can be useful in attracting and retaining top talent, achieving diversity goals, increasing women's presence, including in success and tenure track positions, building morale and job satisfaction, increasing commitment, engagement and productivity and reducing health costs. This is the second work+life survey that has been conducted at the University of Kentucky. The first one was administered in 2005-2006 used three scales that looked at commitment, work+life support, and burnout. Two new scales were included in the 2010 survey to look at campus inclusivity and perception of disparate treatment. All regular full time faculty and staff were surveyed and the results were analyzed by the Office of Institutional Research headed by Roger Sugarman and the UK Institute of Workplace Innovation, headed by Meredith Lubky.

Ms. Pease reported the survey had an excellent response rate. 55% of faculty responded in comparison to 45% in 2005-2006. 58% of staff responded this year compared to 56% in 2005-2006, making the sample representative of the population. For detailed results of the survey and the Work+Life Advisory Council observations, please see http://www.uky.edu/HR/WorkLife/2012_observations_report.html.

Trustee Brothers praised and thanked Ms. Pease for her efforts. She also thanked Associate Vice President for Human Resources Kim Wilson and her support of the Work+Life Initiative. She said that it is very important that HR continue to support Work+Life initiatives. She pointed to the report and mentioned that she served on one of these committees, the trust value communication committee. Each committee produced individual reports with a summary at the beginning of each report. What Ms. Brothers found compelling was how often the same five issues arose in all the committee reports. The issues regarding trust, communication, feeling valued respected, and the use of shared governance. She feels that a lot of what President Capilouto is doing in terms of openness, with how budgets are prepared, different ways to evaluate faculty and staff, are going to be a great improvement.

Dr. Wilson commented that the Office of Work+Life, has made an impact on this campus and that is clearly the result of the talented employees, as represented by Sarah Bennett Holmes award winner Ann Bassoni and Director of Work+Life Robynn Pease.

Trustee Curris, in a brief report regarding the UK Alumni Association, reiterated the opening of the New Wildcat Plaza, and that it was well attended during graduation by the students and their families.

Trustee and SGA President Micah Fielden introduced the new SGA president, Stephen Bilas.

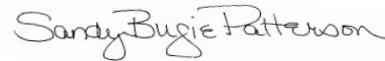
Trustee Brothers shared with the Board her attendance at a breakfast in the Student Affairs office, to simply acknowledge all of the fine efforts done by staff and students in his office. Dr. Robert Mock recognized the individuals who attend conferences, who had written documents that were cited, and who had earned their degrees while they were employed in his area. She reported that she there was a clear sense of family within his unit.

Dr. Akins acknowledged the great work that Micah Fielden had done in the last year and noted that if “he is representative of the kind of students that this University is producing, then were going to be in good shape

BB. Meeting Adjourned

Hearing no suggestions for additional matters, Dr. Brockman asked for a motion to adjourn and the meeting ended at 2:40 p.m.

Respectfully submitted,



Sandy Bugie Patterson
Secretary, Board of Trustees

(PR 2 and 3; AACR 1, 2, 3, 4, 5, 6, 7, 8 and 9; FCR 1, 2, 3, 4, 5, 6, 7, and 8 are official parts of the Minutes of the meeting.)