

**AGENDA**  
**Meeting of the Board of Trustees**  
**University of Kentucky**  
**1:00 P.M.**  
**October 14, 2008**  
**18th Floor Patterson Office Tower**

**Roll Call**

**Approval of Minutes (Consent)**

Minutes – September 9, 2008

**President's Report and Action Items**

- PR 1      President's Report to the Trustees
- PR 2      Personnel Actions (Consent)
- PR 3      Proposed Amendment to Health Sciences Student Professional Behavior Code

**Audit Subcommittee Report**

**Finance Committee Report**

- FCR 1      W. Paul and Lucille Little Foundation Pledge (Consent)
- FCR 2      Felix E. Martin, Jr. Trust Gift (Consent)
- FCR 3      Merging of the Janet Galloway Carter Professorship in Physical Medicine and Rehabilitation with the Janet Galloway Carter Chair in Rehabilitation Medicine
- FCR 4      Acceptance of Audit Report and the Report on Internal Control for the University of Kentucky for 2007-08
- FCR 4      Acceptance of Audit Report and the Report on Internal Control for the University of Kentucky for 2007-08
- FCR 5      Expand Coldstream Research Campus – Redundant Feeds
- FCR 6      Repair, Upgrade, Improve Building Systems Hospital – Upgrade Elevators
- FCR 7      Renovation of the Thomas Hunt Morgan Biological Sciences Building
- FCR 8      Authorization for Disposal of Surplus Property
- FCR 9      Authorization to Acquire Utility Easement Associated with the UK Healthcare Patient Care Facility Project

**Human Resources Committee Report**

- HRCR 1    Proposed Amendment to Governing Regulations: Faculty Vacation Leave, Sabbatical Leave, and Delay of Probationary Period

**Investment Committee Report**

**Student Affairs Committee Report**

**University Health Care Committee Report**

**University Relations Committee Report**

**Other Business**

Alumni Association Report – Sandy Patterson

**Adjourn**

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, October 14, 2008.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, October 14, 2008, in the Board Room on the 18<sup>th</sup> Floor of Patterson Office Tower.

A. Meeting Opened

Ms. Mira Ball, chair, called the meeting to order at 1:00 p.m. and asked Ms. Pam May, 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: Mira Ball (chair), Stephen Branscum, E. Britt Brockman, Penelope Brown, Jo Hern Curris, Dermontti Dawson, Ann Haney, James Hardyman, Pamela May, Everett McCorvey, Billy Joe Miles, W. Tyler Montell, Sandy Bugie Patterson, Phillip Patton, Charles R. Sachatello, Frank Shoop, JoEtta Wickliffe, Russ Williams, and Ernest Yanarella. Absent from the meeting was Erwin Roberts. Ms. May reported that a quorum was present.

The university administration was represented by President Lee T. Todd, Jr., Provost Kumble Subbaswamy, Executive Vice President for Finance and Administration Frank Butler, Executive Vice President for Health Affairs Michael Karpf, and General Counsel Barbara W. Jones.

The university faculty was represented by Chair of the University Senate Council David Randall, and the university staff was represented by Chair of the Staff Senate Bart Miller.

Members of the various news media were also in attendance.

C. Consent Items

Ms. Ball called attention to the items on the consent agenda and asked if there were any corrections or questions. Ms. Haney moved that the consent items be approved. Dr. Yanarella seconded the motion, and it carried without dissent. (See consent items listed below at the end of the agenda.)

Minutes – September 9, 2008

PR 1 Personnel Actions

FCR 1 W. Paul and Lucille Little Foundation Pledge

FCR 2 Felix E. Martin, Jr. Trust Gift

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

President Todd began his report by thanking the Board members for attending the State of the University Address. He noted that this is the second year for the address, and the number

of attendees out on the plaza about doubled this year. He reflected on Mr. Montell's remarks regarding the Student Government Association's support for the Top 20 Business Plan. He said that he doubted there are many presidents in universities around the country who have a Student Government Association president talk about endorsing an administrative strategy. It certainly was not the case when he was a student at UK. Mr. Montell's remarks were very well received. UK alumni Tom Hammond was the emcee for the event again this year. President Todd said that it was a great occasion, and he expressed appreciation to the members that attended the event.

President Todd reported that the university had a record year for applications for admission. The target was 4,000 students for the freshmen class, and the final number of applications was 4,044. Don Witt and his team delivered once again. The preliminary undergraduate enrollment is 19,000, and the overall enrollment is 27,000.

Minority enrollment increased significantly with African-American enrollment reaching an all time high of 341 in the freshman class. This is a 32 percent increase over last year. The changes in the admission process for the last couple of years have begun to help this number, and that is due to a lot of efforts by a lot of people. Hispanic enrollment is at 61 this year, a 39 percent increase, but more work needs to be done in that area. The ACT score increased from 24.3 last year to 24.4 this year, and the average GPA increased from 3.48 to 3.52.

President Todd reported that the Governor's Scholars and Governor's Performing Arts Scholars had a record high of 389 in the freshman class this year. He said that there were 125 scholars when he took office, and he started putting some scholarship offerings out to these students. He will not hesitate to mention that it did cost the university some money. He noted that three freshmen were accepted in the jazz group. This is the first time for freshmen to be in the jazz group. There are also freshmen in the orchestra, and the orchestra had a tremendous performance with only four weeks into the semester. Miles Osland, Director UK Jazz Ensemble, and John Nardolillo, Director of UK Orchestras, give credit to the strong quality of students in the Governor's Scholars and Governor's Performing Arts Scholars.

UK continues to be a leading presenting sponsor of the international IdeaFestival, which was a vision of President Kris Kimel, Kentucky Science and Technology Corporation. The UK College of Design's \$100,000 Curry Stone Design Prize was awarded for the first time. Former Dean David Mohney was instrumental in bringing that gift forward, and there is a lot of recognition for that gift.

Dr. Pearce Lyons, the founder, president, and CEO of Alltech, asked for an idea to attract more students into PC programs in America, and Alltech put up an extraordinary deal called Margin of Excellence program. Anne Koontz, a graduate student at UK, has been named the first Alltech - University of Kentucky Margin of Excellence Fellow. In addition to the graduate fellowship and the tuition that UK provides, Alltech provides \$40,000 cash per year up to a maximum of five years, plus travel money and bonuses under certain conditions. Dr. Lyons wants to solicit funding from other businesses in Kentucky who want to create PhD growth in the state.

UK had a ribbon cutting ceremony to mark the official opening of Limestone Crossing. This community is possible because of a lot of good work by Alice Sparks, former trustee, and Jack Blanton, former vice president for finance and administration. They have a lot of people signed up for the initial fee, and they now have to convert those individuals to pay the money to get the community started. A guest house and a sample apartment are finished.

Former UK golfer J. B. Holmes was one of two Kentucky natives on this year's successful Ryder Cup team. As a member of the team, Mr. Holmes was able to designate \$200,000 to charities of his choice, and he is giving \$90,000 to the University of Kentucky. The players do not win money at the Ryder Cup, but they win a lifetime worth of experience.

UK's Cooperative Extension Service has been working with the private sector in Muhlenberg County. The private sector has an interest in building their economy with professionals. The local bankers and business people have committed to raising enough money over the next five years to pay for a fine arts agent in Muhlenberg County. That is UK's third fine arts agent. UK is still the only extension service in the state and the nation that has fine arts in their agricultural extension program.

Three College of Design graduates have received prizes at a prestigious furniture design competition. UK tied with Georgia Tech for the most students earning prize money across six different categories.

The U.S. Environmental Protection Agency has awarded the largest single EPA Science to Achieve Results (STAR) grant for the study of nanotechnology to UK. This \$2 million EPA study is a significant catch for the university. UK has engineering, chemistry, pharmacy, and the Center for Applied Energy, along with a co-investigator from the University of Louisville, involved in this grant. EPA gave out \$6 million worth of STAR grants to 11 universities. UK's \$2 million speaks extremely high of the significance of the research team working in this area. The collaboration that went into this grant was highly recognized. There are a lot of products coming out with nanoparticles, which are much smaller than coal particles. Nobody knows what influence they can have if they pass the brain barrier, and UK is researching that area.

UK Agriculture scientists also join colleagues from other institutions to explore the potential ecological hazards of nanoparticles. The National Science Foundation and the EPA awarded \$14.4 million to create a national center for environmental implications of nanotechnology. There are positive and potentially negative effects of nanoparticles, and UK is involved in all of that research.

Gregory Luhan, College of Design, is an extremely innovative member of the UK faculty. The Resonance House, built through a partnership that included the UK College of Design, was awarded certification by the U.S. Green Building Council (USGBC). The Resonance House is the first and only Kentucky home to be certified by the USGBC to date.

Thomas FitzGerald, one of UK's law graduates, was recognized recently with the Heinz Award for the Environment, one of the largest individual achievement prizes in the world.

Donnie Keathley, an electrical engineering student, received a \$10,000 Astronaut Scholarship. There are only 19 scholarships given each year from the foundation. This is the largest monetary award given in the United States to science and engineering undergraduate students based solely on merit. It is a credit to the engineering team to receive that award.

President Todd encouraged the Board to review the other good items in PR 1 that he did not mention.

E. Proposed Amendment to Health Sciences Student Professional Behavior Code (PR 3)

President Todd said that there was a professional student code in the Medical Center and a student code for the main campus until the one-university concept was put in place. PR 3 is recommending that the Board approve a revision of the *Health Sciences Student Professional Behavioral Code* which more clearly aligns it with the UK Student Code of Conduct and more precisely defines its jurisdiction. He recommended approval of the new *Health Care Colleges Code of Student Professional Conduct*. Dr. Sachatello moved approval. Dr. McCorvey seconded the motion, and it carried without dissent. (See PR 3 at the end of the Minutes.)

F. Audit Subcommittee Report

Mr. Branscum, chair of the Audit Subcommittee, reported that the subcommittee met that morning and had a very positive meeting. All subcommittee members were present, and Mr. Brockman also attended the meeting. Treasurer Marc Mathews introduced and complimented his staff for the work that was done throughout the audit in working with the external auditors.

The subcommittee heard from the university's external auditors BKD. Mary McKinley, the partner in charge of the UK audit for BKD, presented the 2008 audited financial statements. The financial statements were issued with a clean opinion. Ms. McKinley also presented the report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. She then presented the Statement on Auditing Standards (SAS) No. 112/114 Report and Management Letter. None of the required reports noted any material weakness in internal control. The committee accepted and approved the report that was presented by BKD.

The subcommittee also heard from Mr. Joseph Reed, UK's Senior Director of Internal Audit. Mr. Reed presented the 2008-2009 statistics from the UK Hotline.

Mr. Branscum announced that the next Audit Subcommittee meeting will be Tuesday, March 10, 2009. The purpose of that meeting will be to discuss the audit scope for the fiscal year ended June 30, 2009 and for approval of the audit engagement letter with BKD.

G. Finance Committee Report

Mr. Branscum, chair of the Finance Committee, reported that the committee met that morning. All members were present as well as the majority of the Board. The committee had

nine reports for consideration. The Minutes, FCR 1, and FCR 2 were consent items. FCR 1 and 2 included gifts and pledges totaling \$3.8 million. The gifts and pledges included \$1 million from the W. Paul and Lucille Caudill Little Foundation to create and endow the Lucille Caudill Little Performing Arts in Healthcare Program. These funds will be matched with \$2 million from other sources. The gifts and pledges also included a gift of \$2.8 million from the Felix E. Martin Trust to create and endow the Felix E. Martin Scholarships for students from Muhlenberg and Hopkins counties to attend the Gatton College of Business and Economics.

H. Merging of the Janet Galloway Carter Professorship in Physical Medicine and Rehabilitation with the Janet Galloway Carter Chair in Rehabilitation Medicine (FCR 3)

Mr. Branscum said that FCR 3 recommends approval to merge the Janet Galloway Carter Endowed Professorship in Physical Medicine and Rehabilitation with the Janet Galloway Carter Chair in Rehabilitation Medicine to create the Janet Galloway Carter Chair in Physical Medicine and Rehabilitation in the College of Medicine. The merger of the endowments will provide full funding for the endowment and will maintain the intent of the donors. On behalf of the Finance Committee, he recommended approval of FCR 3. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 3 at the end of the Minutes.)

I. Acceptance of Audit Report and the Report on Internal Control for the University of Kentucky for 2007-08 (FCR 4)

Mr. Branscum said that Treasurer Marc Mathews presented the audit report and the report on internal controls for the university for fiscal year 2007-08. He distributed a highlight sheet of the financials, and the committee had a good discussion about them.

BKD, the university's external auditors, have completed their audit and have issued their Independent Auditor's Report. The report expresses an unqualified or clean opinion on the university's financial statements. BKD also issued its Report on Internal Controls, which, as part of their audit, noted no material weaknesses in the university's system of internal controls.

The university ended the year in excellent financial condition. As of June 30, 2008, the university had assets of \$3.33 billion, liabilities of \$1.03 billion, and fund balances of \$2.3 billion. Net assets increased \$18.9 million. On behalf of the Finance Committee, Mr. Branscum moved acceptance of FCR 4. Ms. Curris seconded the motion, and it carried without dissent. (See FCR 4 at the end of the Minutes.)

J. Expand Coldstream Research Campus – Redundant Feeds (FCR 5)

Mr. Branscum said that FCR 5 requests approval to initiate the Expand Coldstream Research Campus – Redundant Feeds capital project. This project will install redundant electrical and fiber optic supply on the Coldstream Campus. Kentucky Technology, Inc. (KTI) will be the agent for the project which is estimated to cost \$6.5 million. The project will be financed with a \$5.5 million grant from the Kentucky Economic Development Finance Authority to KTI and \$1 million from unrestricted university fund balances that will be transferred to KTI to complete the project. On behalf of the Finance Committee, he recommended approval of

FCR 5. Mr. Williams seconded the motion, and it carried without dissent. (See FCR 5 at the end of the Minutes.)

K. Repair, Upgrade, Improve Building Systems Hospital – Upgrade Elevators (FCR 6)

Mr. Branscum said that FCR 6 requests approval to upgrade eight elevators in the Kentucky Clinic and Medical Plaza. This project is expected to cost \$1 million and will be funded by the UK HealthCare Enterprise. On behalf of the Finance Committee, he recommended approval of FCR 6. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 6 at the end of the Minutes.)

L. Renovation of the Thomas Hunt Morgan Biological Sciences Building (FCR 7)

Mr. Branscum said that FCR 7 involves a capital construction project which will convert space to teaching and research labs in the Thomas Hunt Morgan Biological Sciences Building. This project is part of the plan developed by the new Biology Department Chair, Dr. Vince Cassone, to improve and grow the department. Dr. Cassone is recruiting new faculty, and this project will consolidate the class labs to the ground floor and renovate space on the upper floors for use as research labs for two additional faculty members. The relocation of these labs will also make space available for a future project to construct labs for four other faculty lines. This project is estimated to cost approximately \$2.9 million and will be funded with university unrestricted fund balances. Provost Subbaswamy spoke at the Finance Committee meeting and expanded on the needs for that department. On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 7. Mr. Montell seconded the motion, and it carried without dissent. (See FCR 7 at the end of the Minutes.)

M. Authorization for Disposal of Surplus Property (FCR 8)

Mr. Branscum said that FCR 8 recommends that the Board of Trustees authorize the sale of equipment to Southern Illinois University at a price of \$41,025.50. Kentucky Revised Statute 164A.575 requires that the Board of Trustees approve the disposal of any surplus property owned by the University of Kentucky. General authorization from the Board of Trustees for the disposal of property with a value of less than \$25,000 is granted annually; however, disposal of surplus property having a value greater than \$25,000 per item must be approved by the Board. A departing faculty member has requested certain items pertaining to her research be transferred to Southern Illinois University, and one item has a value in excess of \$25,000.

This sale request has been approved by the department chair, the dean of the college, and the vice president for research. Consistent with university practice, the sales price of equipment to another educational institution is the university's net book value. On behalf of the Finance Committee, he recommended approval of FCR 8. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 8 at the end of the Minutes.)



N. Authorization to Acquire Utility Easement Associated with the UK Healthcare Patient Care Facility Project (FCR 9)

Mr. Branscum said that FCR 9 recommends that the Board authorize the executive vice president for finance and administration or his designee to negotiate the acquisition of utility easements on Woodland Avenue between Euclid and Columbia Avenues for a price not to exceed the fair market value as determined by a qualified appraiser or through condemnation proceedings. The easements are needed to relocate an electrical transmission line for the new Patient Care Facility. The university has been acting in good faith to acquire these easements through fee simple property acquisitions. If these negotiations are unsuccessful, this Board action will authorize the university to proceed with condemnation proceedings as these easements are crucial to the project and the associated construction schedule. On behalf of the Finance Committee, he recommended approval of FCR 9. Ms. Curris seconded the motion, and it carried without dissent. (See FCR 9 at the end of the Minutes.)

Ms. Ball expressed appreciation for the Board members attendance at the Finance Committee meeting. Their attendance at the committee meetings enables Mr. Branscum to get through his report in a timely manner.

O. Proposed Amendment to Governing Regulations: Faculty Vacation Leave, Sabbatical Leave, and Delay of Probationary Period (HRCR 1)

Judge Patton, chair of the Human Resources Committee, reported that the committee met that morning and had one action item, HRCR 1. This item was adopted initially on first reading in June, and then last month it was before the Board for a second reading. The purpose of this amendment is that historically faculty that accrued 22 days a year of vacation leave could carryover to the next year unused vacation leave. This has resulted in an unfunded liability for accounting purposes of about \$20 million. A change was recommended that would require faculty to use vacation in the year that it is earned, or it would be lost.

There were some concerns expressed, particularly from some representatives of the medical faculty, at the last meeting that caused the Board to table HRCR 1 for one month so the concerns could be addressed. It primarily dealt with the fact that even though the regulation provided that there could be exceptions the procedure for obtaining those exceptions was not outlined within the body of the regulations. In the last 30 days, the concerns have been resolved, and according to Dr. Yanarella, the College of Medicine Faculty Council is in agreement with the new language. HRCR 1 was considered in the Human Resources Committee meeting, and the committee recommends to the full Board the adoption of HRCR 1 on second reading. Mr. Williams seconded the motion, and it carried without dissent. (See HRCR 1 at the end of the Minutes.)

Dr. Yanarella thanked both the provost and the vice president for finance and administration for coming up with the language that now appears in the relevant Administrative Regulation (AR) and referenced in the amendment to the Governing Regulation (GR). He also thanked Dean Jay Perman and Executive Vice President Karpf for speaking to the College of

Medicine Faculty Council. He said that he had received e-mails, after having solicited some, from the chair of the College of Medicine Faculty Council that indicated their acceptance and understanding of the process that is available. Other faculty members, who had contacted him over the last couple of months regarding this issue, also indicated that they were willing to accept the changes.

He said that a number of faculty expressed their thanks to the Board for providing the opportunity for the process to complete itself and the assurances made with regard to the possibility of exceptions. He believes that this matter has been thoroughly and appropriately dealt with in the Human Resources Committee, and he fully endorsed the Board's action.

Judge Patton said the committee received a UK Work-life Initiative report. The Work-life Initiative was adopted by the Board in April 2007. It was adopted after a very exhaustive process that began when President Todd asked for it. There were surveys of faculty and staff and input from the University and Staff Senates and the Human Resources Committee. Kim Wilson, associate vice president for human resources, and Robin Pease, director of work-life, gave the committee a brief update. Judge Patton outlined the following highlights in the report:

- There is a GED rewards program in place. Many employees have taken advantage of that program, and as a result, they have received a \$1,500 stipend.
- 24 employees are participating in the computer on loan program.
- 373 employees are utilizing the tuition discount program.
- 59 employees have taken advantage of the domestic partner benefit program.
- The employee assistance program which provides for counseling and referral for job advancement is in place and active.
- There is a program in place that provides emergency backup child care for employees.
- There is a staff leave pool implemented that helps staff members or faculty who have exhausted accrued leave due to catastrophic illness or injury. There have been 758 days donated by other staff and 278 days have thus far been utilized for those emergency needs.
- There are programs in place that provide for flex-time operation with approval of supervisors.
- There is a voluntary program of reduced summer work hours without pay with supervisor support, and thus far, 56 employees have taken advantage of that program and have saved the university \$70,800 in what would otherwise be payroll.
- There is a ridesharing program in place where you can actually get on the computer and figure out who you can carpool with to work. That program saves everybody money.
- There is a pet spot to inform you about taking care of your pets.

P. Investment Committee Report

Ms. Wickliffe, chair of the Investment Committee, reported that the committee met on Monday in a special session to interview finalists in the absolute return manager search and authorized the staff to perform on-site visits of three managers and subsequently authorize the Purchasing Division to enter contract negotiations with the managers if the results of the on-site visits are satisfactory. Additionally, the committee authorized the Purchasing Division to enter into contract negotiations with two new opportunistic private equity managers. All new managers are hired as a result of an RFP (Request for Proposals) process under the supervision of the university's Purchasing Division.

Q. Student Affairs Committee Report

Ms. Haney, chair of the Student Affairs Committee, reported that the committee met that morning. October is domestic violence awareness and prevention month, and the committee had a presentation by Dr. Dorothy Edwards, who is the director of the Violence Intervention and Prevention (VIP) Center on campus. Dr. Edwards is a person whose passion for her work has absolutely no boundaries. The report was very informative.

One of the main reasons the university has the VIP Center is to reduce and eliminate power based personal violence. It is to reduce the number of victims that are on campus. This particular center has seen a growth in everything that it has done in the past four years. It currently has a diverse group of over a 1,000 volunteers, and this number is growing rapidly. It is probably one of the most diverse groups on campus. Every ethnic group of students is heavily represented. Every type of student organization or student interests group has students who are involved with this program. They are trying to find a way to connect and educate the campus. Student volunteers are absolutely the key for talking about prevention and trying to change the culture where unfortunately violence is still being a part of everyday life. They have developed the "Green Dot" Campaign. The small "Green Dot" pin worn by faculty, staff, and students means that person has committed to change the cultural set up and to express values of safety and promote a safe campus.

Approximately one in three female students on campus will become a victim of some type of violence whether it is physical abuse, sexual abuse, or stalking while they are on campus. That sounds horrible, and it is horrible. It is also the norm for campuses across the United States. It is not just indicative of something that goes on at UK.

There is a critical need to inform the students, the faculty, and the staff and to help them help others in this type of situation. As a result, they developed a program called Students Educating and Empowering to Develop Safety or a SEEDS program. This program is approximately a five-hour training session, and it encourages students. It teaches students to recognize situations and moments so they can either be protectors of themselves or they can help other people around them to avoid violent situations. There could be approximately 5,000 students trained by the end of this year.

The “Green Dot” program is a national model. Schools in Canada are looking to UKs program to see how they can incorporate philosophies, ideas, and practices in their schools. The program has been keynoted at various campus conferences as well as addressing groups as diverse as a CPA convention. It is a program to be very proud of, and eventually, most all of the Board members will get their “Green Dot.” It is a very valuable, useful program whether you are a parent, a grandparent, or a person interested in campus. Dr. Edwards gave a most informative presentation.

R. University Health Care Committee Report

Mr. Hardymon, chair of the University Health Care Committee, reported that the committee met on Monday. The meeting was attended by the full group of committee members as well as the community advisory members. The meeting began with the financial report, and the reports show that the hospital is running very well. In 2008, the revenue through the first two months was \$114 million. The budget for 2009 is \$129 million, and the hospital is currently at \$130 million, which means it is \$1 million over budget. In this day and age, the margin is extremely important at the operating profit line. The 2008 budget was 6.4 percent. The actual performance through the first two months was 7.2 percent. The hospital is above budget at the operating line in both revenue and margin.

The financials are broken down with some items below the line. Below the operating line are items that do not occur every year; therefore, it is very hard to compare one year to another with the gifts, interests, and investment income or loss. The hospital is having a little trouble in those areas, as is the rest of the world, and the committee is watching those areas closely. It is extremely important to the committee because the hospital is going to need quite a bit of cash in the next few years.

The hospital has nearly \$500 million in cash now, and that does not include October. This amount will, however, go up and down. Hopefully, it will continue up, but it probably will not recover from where it took the fall in the market. The fall has been in the endowment fund, which is sensitive to this investment income or loss.

Part of the \$500 million cash is in the bonds and the loans that were received through government support and in the cash which is needed to run the hospital. \$250 million of the total amount is in the bonds that will carry the hospital in the construction project late into 2009. The committee will continue watching the financial figures and will keep the Board informed.

The committee received a number of very important administrative items. It continuously looks at quality, including the different ways to look at it. The committee received and approved an update on behavior standards and patient care. The last time this item came before the committee was in 1997, and it did need some updating.

The committee also had an annual compliance report. This report includes things like fraud, abuse, security, and privacy. The compliance goals can be written pretty easily; however, following them is tough. It takes tone at the top to follow these goals. The chief compliance officer assured the committee that the hospital has the tone at the top with the executive vice

president, the chief financial officer, the chief operating officer, and others, but that tone also has to go to the committee. The University Health Care Committee has to expect that this operation is in compliance, and this Board has to expect that. The committee will continue watching the compliance goals.

The committee received the privileges and appointments for approval as well as the facilities project update. The administration reports that the project is on time. The committee has asked for a score card to keep track of the schedule.

For the huge hospital project, about 80 percent of the expenditure is either under contract or is in a bid situation. The committee feels pretty good about the bids. When it is said that the hospital is on budget, it includes continuing to hold on to contingency that has not been used.

The committee looked at fascinating mock ups of the patient rooms, the intensive care area, and the regular patient area. Mr. Hardymon encouraged the Board to look at the mock ups.

Ms. Ball told the Board that they would be impressed with the mock ups, and Dr. Karpf said he would be pleased to arrange a tour for anyone interested in seeing them.

#### S. University Relations Committee Report

Ms. May, chair of the University Relations Committee, reported that the committee had two presentations. The first speaker was Dr. Judy “JJ” Jackson, who is vice president for institutional diversity and an outstanding lady in every way. Dr. Jackson challenged the committee immediately to realize the role of diversity and how it leads to the Strategic Plan in supporting the Top 20 mission. She spoke at length with the committee, and there was a lot of interaction with the committee about where the university is going as well as the committee's perceptions. The greatest mandate she gave the committee is that as a university and a culture everyone must stop looking back and start looking at where the university is right now and where it is going. That is the true challenge for everyone because what is behind us is behind us. Dr. Jackson has met with most all of the deans. The committee expects to see a very vibrant, active, going forward with everybody across the university and the community being involved.

Kimberly Kluemper, director of corporate partnerships, gave the second presentation. Her position has been needed at the university. Her function is about the land-grant university charge. She is the front door of the university to companies and businesses in the Commonwealth that need access to the university. Rather than companies calling a switchboard for information about getting research done, Ms. Kluemper contacts companies and guides them to the appropriate office at the university. She asks businesses, whether it is a small business or a huge business, what can the university do for you? The university has tremendous minds and resources to help Kentucky grow. Her position is a great opportunity for the university to be felt throughout the state. The goal initially for her is to work with state businesses, then spread throughout the country, and then have international contact as well. This is a wonderful new program that has been needed for a long time, and the committee has high expectations and hopes for the program as well.

T. Alumni Association Report

Ms. Patterson reported that part of the Alumni Association's mission is to provide relevant opportunities to enrich the lives of alumni and facilitate a lifelong connection with the University of Kentucky. She gave a brief review about the association's contributions to the university during the last year.

1. Supported the academic colleges and administrative units by showcasing university and alumni achievements in the Kentucky Alumni magazine and sent broadcast e-mails to alumni, primarily through University of Kentucky Advocacy Network (UKAN) but others as well, asking for support on legislative issues that are important to the university.
2. Assisted the Office of Admissions in student recruitment by funding and coordinating a program in which alumni volunteers staffed various programs for student recruitment events such as send-off parties and book awards.
3. Served as the official record keeper of more than 450,000 records of graduates and friends of the university in cooperation with the Office of Development.
4. Embraced and nurtured diversity among faculty, staff, students, and alumni through numerous programs, events, and sponsorships.
5. Contributed to the growth of students through the knowledge of university traditions, scholarships, career services, legacy awareness, and an introduction to the importance of giving back to the university as alumni.
6. Connected alumni to the university through value-added benefits and services: 354 programs and events, more than 21,000,000 contacts through print and electronic communications, and 50 alumni clubs around the country.
7. Recognized six faculty members with Great Teacher Awards, one of whom is President Todd.
8. Supported UKAN by recommending 40 new members and sending broadcast e-mails asking alumni and friends to contact their local representatives to support the university.
9. Increased alumni club scholarship endowments to \$1,133,000 (almost 100 scholarships).

Ms. Patterson reported that the association's membership is at an all-time high of 37,002. She distributed a packet of materials about the association and invited the Board to stop by the King Alumni House. She concluded her remarks by encouraging the Board to become members of the Alumni Association.

U. Other Comments

Ms. Ball reminded the Board of the 2008 UK Stakes Reception hosted by the University and Staff Senates at 2:00 p.m. in the Main Building. She noted that this reception is formerly the Board's and Senates' holiday reception that took place in December.

Mr. Montell said he wanted to give credit where credit is due and that is to three guys on the football team. Jeremy Jarmon, Ross Bogue, and Dicky Lyons, Jr. took time out of their practice schedule to talk to freshmen about the importance of the VIP Center. The center addresses such things as alcohol education and how to be successful in and outside the classroom. These football players need to be recognized for their character and how great they are off the field. The university has a lot to be proud of in its student body.

V. Meeting Adjourned

With no further business, Ms. Ball asked for a motion of adjournment, and the meeting adjourned at 1:56 p.m.

Respectfully submitted,

Pamela T. May  
Secretary, Board of Trustees

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

Office of the President  
October 14, 2008

1. President Todd Praises UK Students, Faculty, Staff in 'State' Address

In his State of the University Address on September 18, University of Kentucky President Lee T. Todd, Jr. recounted the accomplishments the school has made despite deep budget cuts experienced over the last year. And he thanked members of the campus community for their hard work and encouraged them to keep pushing toward the goal of becoming a Top 20 public university. Noting UK's capacity as a Top 20 university to improve the state's economic success and improve the social and physical health of its citizens, Todd urged the campus community to not let recent financial setbacks distract them from the goal. Among the many accomplishments cited were:

- Record high freshman African-American enrollment this fall at 341;
- Record number of Governor's Scholars and Governor's School for the Arts Scholars at 389;
- Record high rate of freshman to sophomore retention this fall at 81 percent;
- Twenty research papers accepted to last year's National Conference on Undergraduate Research;
- Forty UK graduates working for Teach for America, which recruits college graduates to teach in urban and rural public schools to eliminate educational inequity;
- Total research expenditures for fiscal year 2007 increased to a record high \$332 million;
- Thirteen new Commonwealth Collaboratives, outreach projects that engage top faculty members in helping solve some of Kentucky's most intrinsic economic, health, and environmental problems; and
- Strong leadership in the health care arena as construction continues on its new \$700 million Chandler Hospital and for the new College of Pharmacy Building.

2. UK Enjoys Record Year for Applications for Admission

More students than ever applied for admission to UK this year. Meanwhile, the school is experiencing a record number of minority students in its 2008 freshman class. According to preliminary figures, UK's 2008-2009 freshman class is 4,044 students, up from 3,865 last year. This brings the preliminary undergraduate enrollment to 18,995 and overall enrollment to 26,901 this fall. Minority enrollment increased significantly with African-American enrollment reaching an all time high of 341 in the freshman class, a 32 percent increase over last year. Hispanic enrollment is at 61 this year, a 39 percent increase. Quality of the freshman class continued to improve with the average ACT score increasing from 24.3 last year to 24.4 this year and the average GPA jumping from 3.48 in 2007 to 3.52 this year. The number of Governor's Scholars and Governor's Performing Arts Scholars hit a record high of 389 in UK's freshman class compared to 348 last year.



National Merit Scholars are up by four to 32 this year and the number of National Achievement Scholars increased to two.

3. UK Maintains Leadership in International IdeaFestival

UK continues to be a leading presenting sponsor of the international IdeaFestival, held last month in Louisville. UK presented the lecture “Surviving Rwanda,” by Immaculee Ilibagiza, and also had two faculty presenters. Additionally, many UK students participated in a variety of ways. The festival, which began in 2000, is a unique event that has been described as a process, “space” and network for the exploration of ideas and innovation across and at the intersections of different fields that include design, science, business, arts, technology, industry, spirituality, medicine, media, literature, international affairs, and more. Ilibagiza, who was born in Rwanda and educated there in electronic and mechanical engineering, hid with seven other women in a small bathroom for 91 days during 1994's Rwandan genocide. She shared her story and thoughts on this unimaginable experience, including the important role that faith played in her survival. UK's two faculty presenters were Philipp Kraemer, professor of psychology and chair of the Chellgren Center for Undergraduate Excellence, and Everett McCorvey, director of UK Opera Theatre and Lexington Opera Society Endowed Chair in Opera Studies. The festival also was the venue for the announcement of the winner of the UK College of Design's inaugural \$100,000 Curry Stone Design Prize. MMA Architects of South Africa and its principals, Luyanda Mpahlwa and Mphethi Morojele, were honored for their ingenious, yet simple design re-envisions for low-income housing for a Cape Town shantytown. The Curry Stone Prize is given annually to breakthrough design solutions with the power and potential to improve our lives and the world we live in.

4. College of Pharmacy Holds 'Topping Out Ceremony' for New Building

The new UK College of Pharmacy Building, scheduled for completion in 2010, has reached its maximum height in construction. To commemorate this milestone, a ceremony was held on August 26 to place the final steel beam at the top of the building. The new College of Pharmacy building will be the first academic building constructed as part of UK's academic medical campus of the future, a 20-year, \$2.5 billion expansion project on the south side of campus that will further accelerate research and health education in Kentucky. The 280,000 square foot facility will be the largest academic building in Kentucky and among the largest in the nation. Standing five stories high, it will house state-of-the art academic and research facilities, two 235-seat auditoriums, a 110-seat classroom, a 54-seat classroom, a teaching laboratory, small group learning classrooms, and study areas. The innovative research laboratories will be created to foster collaboration and interaction.

5. Alltech Announces Major Fellowship Program for UK

Alltech initiated its Margin of Excellence program by naming Anne Koontz its first Alltech - University of Kentucky Margin of Excellence Fellow. The Margin of Excellence program was developed by Alltech to reward dedication of graduate students

in the study of science while promoting technology and development in Kentucky. The fellowship is a stipend of \$40,000 per year for a maximum of five years for each graduate fellow. This stipend is in addition to any awards given by the university. In addition to the yearly stipend of \$40,000, the fellowship provides funds for travel to conferences and other laboratories, bonuses for extraordinary performance, mentoring, and unique links to the industry.

6. UK Cuts Ribbon to Mark Official Opening of Limestone Crossing

President Todd, former UK trustee Alice Sparks, and more than 250 Limestone Crossing Priority Club members officially opened the Limestone Crossing Welcome Center and model during a ribbon cutting ceremony September 4. It is located near Brannon Crossing retail center in Jessamine County. Limestone Crossing, a Life Fulfilling Community® initiated by UK, will be geared to those 62 and older and will focus on lifelong learning, personal growth, and optimal health in life's later years. Limestone Crossing will be the only community of its kind in the area, offering members distinctive benefits that include state-of-the-art amenities and a Health Assurance Guarantee contract that will ensure access to unlimited private care accommodations in assisted living and skilled nursing. Members of the community will also have exclusive privileges at UK, which include being able to audit classes, use research facilities, and attend sporting and cultural events, among other things.

7. Former UK Golfer J.B. Holmes Helps Americans Take Ryder Cup

Former UK golfer J.B. Holmes was one of two Kentucky natives on this year's successful Ryder Cup team, which took the prized cup from the European team for the first time since 1999. Holmes and fellow Kentuckian Kenny Perry helped the American team maintain the crowd's enthusiasm during the biennial event, held at Louisville's Valhalla Golf Club in mid-September. As a member of the winning team, Holmes was able to designate \$200,000 to charities of his choice; part of his allocation, \$90,000, was directed to UK. Meanwhile, the UK Wildcat Marching Band performed during the Ryder Cup's opening ceremony.

8. UK Creates Third Fine Arts Extension Agent Post in Muhlenberg County

UK established the third Cooperative Extension Service agent focusing on the fine arts, assigning the agent to Muhlenberg County. Funding to establish a fine arts agent in Muhlenberg County is coming from the private sector. The Office of Development is coordinating the fundraising efforts for the position and currently the program is scheduled to be up and running by January 1, 2009. In April 2005, UK became the first and only land-grant university in the nation to create a Fine Arts Extension Program when Stephanie Richards was hired as the first agent charged with developing an innovative program to strengthen the arts in Pike County. The program is now known as Pike Arts. Two years later, another location in Greenup County became the second Extension office to hire a fine arts agent, Cora Hughes.

9. UK Researchers Explore Drug to Prevent Cocaine Overdose Effects

Devastating bodily harm caused by cocaine overdose may soon be avoided because of new drug discovery made by UK researchers. By tweaking a naturally occurring enzyme, Chang-Guo Zhan, professor in the UK College of Pharmacy, and his colleagues created a molecule that could flush a cocaine overdose out of the body before it can cause irreparable damage to the body. Currently, doctors can only try to relieve the symptoms of a cocaine overdose. If the enzyme undergoing research works in humans, it could remove the drug from a user's body. Enzymes in the body combine cocaine with water and then, over a sequence of reaction steps, break it down into two harmless products. However, this process takes up to 90 minutes to dispose half of even a tiny dose, and much longer for a large overdose. Zhan says the molecule his team created can break down cocaine much faster.

10. Sanders-Brown Dinner Features Columnist William Safire as Speaker

William Safire, renowned columnist, author, and speaker, will be the guest speaker for the UK Sanders-Brown Center on Aging Foundation's 22nd annual dinner on Thursday, October 16, at the Marriott Griffin Gate Resort in Lexington. Safire is a winner of the 1978 Pulitzer Prize for distinguished commentary and in 2006 was awarded the Presidential Medal of Freedom. He was also a senior White House speechwriter for President Nixon and the author of *Freedom*, a novel of Lincoln and the Civil War. In 1972, Safire became a political columnist for *The New York Times* and continues to write a Sunday column for *The New York Times Magazine*. Safire is chairman of the Dana Foundation and the Dana Alliance for Brain Initiatives. The Dana Alliance is comprised of more than 265 neuroscientists dedicated to raising awareness of the latest progress in brain research.

11. Three College of Design Grads Take Prizes at Furniture Design Contest

Three recent UK graduates took home honors at Design Emphasis 2008, a prestigious furniture design competition that annually features furniture pieces designed and built by students from colleges and universities throughout the U.S. presented in conjunction with the International Woodworking Fair (IWF). The winners were among seven College of Design finalists selected for the juried exhibition held Aug. 19-23, in Atlanta. UK's group was the third largest university delegation of finalists at Design Emphasis 2008. The three UK students taking honors in one of the six competition categories were Daniel Thornberry of Winchester, who took first place in the contract furniture category winning a \$1,200 cash prize; Joseph Bischoff of Louisville, who was presented with a merit award in the design creativity category and a \$500 cash prize; and Paul Masterson of Lexington, who received an honorable mention nod in the design creativity category and a \$300 cash prize. Overall, UK tied with Georgia Tech for the most students earning prize money across the six categories. The other four finalists from UK's Furniture Studio competing in the juried exhibition were Edward Roberts of Mt. Sterling; Lindsey Todderud of Fishers, Indiana; Seth Twardy of Lexington; and Kevin Zwick of Florissant, Missouri. The UK Furniture Studio is under the direction of

Professor Leonard Wujcik. All of UK's seven finalists graduated with bachelor's degrees in architecture in 2008.

12. UK Gets \$2 Million EPA Grant to Study Nanoparticles' Effect on Brain

The U.S. Environmental Protection Agency has awarded the largest single EPA Science to Achieve Results (STAR) grant for the study of nanotechnology to UK. The \$2 million grant will be used to investigate how the sizes and shapes of nanoparticles affect their ability to enter the brain. The research team is a multi-collaborative effort led by Robert Yokel, professor in the department of pharmaceutical sciences at UK's College of Pharmacy. The team includes expertise from UK's Center for Applied Energy Research, chemistry, engineering and the department of anatomical sciences at the University of Louisville's School of Medicine. The research team, led by Yokel, will study potential health impacts of nano-sized cerium oxide, as a model (or example) of nanoscale material. It is used as a diesel fuel additive. Used presently in Europe, it is claimed to improve fuel efficiency, suppress soot from exhaust and reduce the concentration of other ultra-fine particles in air that have known health effects. The research project will be funded for four years.

13. Oral History Collection Showcases Kentucky's Horse Industry

An oral history collection on the horse industry in Kentucky will showcase the bond forged between the horse and the Commonwealth. For the past two years the Louie B. Nunn Center for Oral History has been recording the stories of Kentuckians who work with horses. The resulting 110 hours of interviews with 37 individuals represents both racing and non-racing breeds. The Horse Industry in Kentucky Oral History Project is guided by an advisory committee comprised of industry representatives and chaired by bloodstock agent Dan Kenny and honorary chair First Lady Jane Beshear. Among the 37 individuals whose stories have been recorded are Alice Headley Chandler, William McGee, Mackenzie Miller, Ted Bassett, Henry White, Ted Bates, Harry Scott Jr., Tom Embry, Edward Teater, Redd Crabtree, Joan Hamilton, H.T. Derickson, and Bennie Sargent. Transcripts of interviews will be available to the public later this year. Brief excerpts from several of the interviews are on video and can be viewed online at [www.uky.edu/libraries/nunncenter](http://www.uky.edu/libraries/nunncenter). The project received initial funding from the Kentucky Equine Education Project. Additional funding has been provided by the Keeneland Association, Kentucky Thoroughbred Association, Kentucky Downs, Kentucky Oral History Commission, and individual contributors.

14. Appellate Judge Discusses Racial Fairness at UK Law Courtroom

UK Libraries and the UK College of Law presented a talk September 17 titled "Racial Fairness Commission: What is fair, what is just?" by Judge Denise Clayton, the first African-American woman appointed to the Kentucky Court of Appeals. Clayton detailed the work of the commission, created in 2001 by Chief Justice Joseph E. Lambert of the Kentucky Supreme Court to review racial fairness in the courts of Jefferson County. Prompted by complaints of unfairness from the African-American community,

the commission was asked to study sentencing, bail, jury selection, and courtroom environment. Clayton, who has chaired the commission since 2005, discussed three reports issued by the commission on sentencing, bail and jury selection. The commission's findings and recommendations have proven to be significant beyond the borders of Jefferson County, reflected in changes to administrative procedures and in proposed legislation for the entire state of Kentucky.

15. Students, Public Are Treated to Complete Reading of Homer's *Iliad*

The Gaines Center for the Humanities presented a free public performance by noted film and television actor Eldon Quick of book one of Homer's *The Iliad* on September 8 in the Worsham Theater in the UK Student Center. The following week, the center invited the public to a reading of the entire epic poem by several community leaders, local celebrities, and students on September 15 on the lawn of the Singletary Center for the Arts. The events were co-sponsored by the Honors Program and the Classics Division of the Department of Modern and Classical Languages.

16. UK Agriculture Team Joins National Center to Study Nanoparticles' Effects

A team of UK College of Agriculture scientists will join colleagues from other institutions to explore the potential ecological hazards of nanoparticles. The National Science Foundation and the U.S. Environmental Protection Agency have awarded \$14.4 million to create the national Center for Environmental Implications of NanoTechnology. Paul Bertsch, a UK soil scientist, will lead the Kentucky team collaborating with the Duke University-based center. Nanoparticles are as much as a million times smaller than the head of a pin, and have unusual properties compared with larger objects made from the same material. These unusual properties make nanomaterials attractive for use in everything from computer hard drives to sunscreens, cosmetics, and medical technologies. However, the environmental implications of these materials are virtually unknown. The research team plans to define the relationship between a vast array of nanomaterials - from natural to manmade to incidental byproduct nanoparticles - and their potential environmental exposure, biological effects, and ecological consequences. Nanomaterials that are already in commercial use as well as several present in nature will be among the first materials studied.

17. Resonance House Project Wins National Award for 'Green Homebuilding'

Resonance House, located in downtown Lexington and built through a partnership that included the UK College of Design, was awarded LEED® Silver certification by the U.S. Green Building Council (USGBC). The certification is for achievement in green homebuilding in the LEED for Homes program. LEED for Homes is a national third-party certification system for energy efficient, healthy, green homes. Resonance House is the first and only Kentucky home to be certified by the USGBC to date. Other partners included the private nonprofit Design Lab Inc. Gregory Luhan, the Kentucky Housing Corporation-John Russell Groves Professor in Affordable Housing Design and the associate dean for research at the College of Design, led the collaborative effort, which

included assistance from several local professionals, UK faculty members, and more than 40 students studying architecture, interior design and historic preservation at the college.

18. Author Joyce Carol Oates Headlines Kentucky Women Writers Conference

The Kentucky Women Writers Conference returned to the Bluegrass September 11 through 13. The longest running event of its kind, it is a premier destination for women writers at all stages of development — published and unpublished. This year's conference was headlined by author Joyce Carol Oates and poet Natasha Trethewey, and also featured such renowned writers as Samantha Thornhill, Laura Benedict, Malin Alegría, and Kim Osorio.

19. UK Law Grad Honored with \$250,000 Heinz Award for the Environment

Thomas J. FitzGerald, UK Law '80, founder and director of the Kentucky Resources Council, has been selected to receive the 14th annual Heinz Award for the Environment, among the largest individual achievement prizes in the world. FitzGerald has dedicated his career to helping citizens and organizations within Kentucky and across the country secure full and fair implementation of policies intended to safeguard their health, safety, and quality of life. He is an authority on the enforcement of the national Surface Mining Control and Reclamation Act of 1977, the federal law designed to protect against the adverse environmental and societal effects of surface coal mining operations, as well as other regulatory issues affecting the environment.

20. UK Art Museum Presents 'Master Works by Kentucky Painters'

The UK Art Museum opened a new show of more than a century of Kentucky's artistic heritage titled "Master Works by Kentucky Painters, 1819-1935" on September 14. The exhibition features portraits, landscapes, still lifes and historical subjects by artists who lived or worked in Kentucky. "Master Works," which runs through November 30, showcases paintings from private collections and public institutions as well as the museum's own holdings. The opening reception for the show, co-sponsored by the Gaines Center for the Humanities, included readings by Jane Gentry Vance, poet laureate of Kentucky and English professor, and writer Ed McClanahan and traditional music performed by the Wild Horse Trio.

21. Student Awards and Achievements

Kevin Fox, Education, recently was awarded a \$1,000 grant from the National Education Association as part of their CLASS (Community Learning through America's Schools) program.

Donnie Keathley, Electrical Engineering, received a \$10,000 Astronaut Scholarship from the Astronaut Scholarship Foundation. Apollo 14 astronaut Edgar Mitchell made the presentation to Keathley during a visit to campus September 18. The Astronaut Scholarship is the largest monetary award given in the United States to science and engineering undergraduate students based solely on merit. Nineteen scholarships are

dispersed each year through the Astronaut Scholarship Foundation to outstanding college students majoring in a science or engineering field.

Xuwei Liang, Computer Science doctoral student, and Jun Zhang, Computer Science professor, were recognized for a paper selected as one of the two at the 2008 International Conference on Bioinformatics and Biomedical Engineering, Shanghai, China, May 15-18, 2008. The paper, titled "White matter integrity analysis along the cingulum paths in mild cognitive impairment - a geodesic distance approach," was selected from approximately 2,200 submitted papers.

Natasha Mamaril, Educational Psychology graduate student, recently received a 2008-2009 International Fellowship from the American Association for University Women in the amount of \$18,000. Formerly a biochemical engineer for 3M, Mamaril will spend her fellowship year conducting a thesis project titled "Through the Pipeline: A Qualitative Investigation of Women's Success in Engineering."

Forty UK freshmen, 20 from the College of Engineering and 20 from the Gatton College of Business and Economics, were welcomed into the Scholars in Engineering and Management (SEAM) program August 22. The College of Engineering and the Gatton College partnered to develop SEAM, a unique program aimed at preparing students to enter the cross-disciplinary environment of leading technology companies. Michael Bowling, a UK graduate in electrical engineering and now vice president of entertainment strategy and portal services for AT&T Entertainment Services, encouraged the students to get involved in campus activities and take advantage of their time at UK.

## 22. Faculty and Staff Awards and Achievements

Aaron Beighle, Kinesiology and Health Promotion, co-authored a recently published book titled *Promoting Physical Activity & Health in the Classroom*.

Craig N. Carter, Livestock Disease Diagnostic Center, was inducted as a Distinguished Practitioner in the National Academies of Practice, Veterinary Medicine category. He also received a Bronze Star Medal for his U.S. Army Reserve deployment to Iraq, March through July, 2008.

Deborah Chung, Journalism and Telecommunications, presented several papers and posters at the Association for Education in Journalism and Mass Communication meeting in Chicago this summer.

Carol Cottrill, Pediatric Cardiology, has been named the 2008 recipient of the Catholic Church Extension Society's Lumen Christi Award for her lifesaving ministry in the mission areas of Appalachia and her generous presence in caring for poor families in desperate need of medical care. The national award, which means "Light of Christ" is presented annually by Catholic Extension to recognize outstanding missionary work in America. This year marks the 31st annual Lumen Christi Award given by Catholic Extension.

Judy Goldsmith, Computer Science, co-organized a doctoral consortium at the International Conference on Automated Planning and Scheduling in Sydney, Australia, in September.

Paul Goodrum, Civil Engineering, received the 2008 Outstanding Researcher Award from the Construction Industry Institute.

Don Gross, Political Science, was quoted by McClatchy News Service in a story on presidential elections and Kentucky politics. Gross has also appeared on National Public Radio and FOX News as a political analyst.

Jane Hayes, Computer Science, is the principal investigator on a \$750,000 collaborative grant from the National Science Foundation. The three-year grant, titled “Traceability+: a Service Oriented Framework to Support Value-Added Software Traceability,” also involves researchers at DePaul and Kent State Universities.

Phillip Hutchison, Journalism and Telecommunications, presented “Greater Satisfaction through Consumption: Exploring Alternative Textual Strategies Implicit in eBay.com.” at the Association for Education in Journalism and Mass Communication meeting.

Wayne Karem, Michael Kalinski and Donn Hancher, Civil Engineering, have written a paper selected to receive the Outstanding Paper Award from the American Society of Civil Engineers *Journal of Performance of Constructed Facilities*. The paper, “Settlement of Mine Spoil Fill from Water Infiltration: Case Study in Eastern Kentucky,” was part of Karem's Ph.D. work under the direction of Kalinski and Hancher.

Debby Keen, Paul Piwowarski, and Jerzy Jaromczyk, Computer Science conducted several outreach events for high school and middle school students, including a programming event for the Student Technology Leadership Program Conference at Heritage Hall in early May.

Tom Lindlof, Journalism and Telecommunications, has been invited to join in the editorial board of *Southern Communication Journal* for two special issues on the topic of qualitative communication studies.

Tom Lindlof, Journalism and Telecommunications, has published the book *Hollywood Under Siege: Martin Scorsese, the Religious Right, and the Culture Wars* through University Press of Kentucky this summer. The book, which examines the controversy surrounding the making and the release of the 1988 film “The Last Temptation of Christ,” has earned critical acclaim from book critics across the country including the *Los Angeles Times*.

Stephen McMurry, Regulatory Services, received the Distinguished Service Award from the Association of American Feed Control Officials. The award was given for outstanding service performed in developing and implementing a two-phase inspector training program now used by all 50 states.

Pater D. Nagy, Plant Pathology, received a 4-year, \$600,000 grant from the National Science Foundation to study the role of a hot ion pump in RNA virus recombination.

Fred Payne, Biosystems and Agricultural Engineering, is principal investigator, and Christopher Thompson, Regulatory Services, and Brian Luck, Biosystems and Agricultural Engineering, are co-principal investigators on an 18-month \$1,175,480 grant from the U.S. Department of Homeland Security. Their research project focuses on the development of an economically viable milk transport security system for securing milk during transport from the farm to the dairy processor.

David Puleo, Center for Biomedical Engineering, was elected to the College of Fellows of the American Institute for Medical and Biological Engineering. He was recognized for contributions to understanding bone cell-biomaterial interactions and developing methods for manipulating events at the tissue-implant interface.



Daniel Blake Smith, History, received a favorable review in the *Christian Science Monitor* for his book, *The Shipwreck that Saved Jamestown*, published by Henry Holt and Company.

William E. Stilwell, Education emeritus faculty member, is the first recipient and namesake of an award that recognizes technology partnerships. The 2008 Stilwell K-12 Education Technology Partnership Award recognizes outstanding efforts to improve the educational experiences and opportunities for public school students and teachers in Kentucky. The Kentucky Department of Education (KDE) plans to present the award on an annual basis. Stilwell retired from UK in 2006, but continues to work on the College of Education Web site and manage listservs, including more than 140 that are specifically geared toward K-12 teachers and administrators. These K-12 listservs provide ways for educators to communicate regularly on topics of importance and share information, ideas and resources among the groups. Currently, the listservs have more than 30,000 subscribers.

Mark Stuhlfaut, Journalism and Telecommunications, presented “Measuring the Immeasurable: Testing the 4-D Model of Advertising Creativity at the Association for Education in Journalism and Mass Communication annual meeting. The paper was co-authored by Chan Yun Yoo, Journalism and Telecommunications.

Zixue Tai, Journalism and Telecommunications, presented “Other People's Watchdog: Chinese Media Freedom in a Fragmented Authoritarian Framework” at the Association for Education in Journalism and Mass Communication annual meeting.

Ann Vail, Human Environmental Sciences, received a grant of \$343,470 (U.S. Department of Agriculture monies) through the Kentucky Health Services Cabinet for the Food Stamp Nutrition Education Program, a program carried out by UK Cooperative Extension agents and paraprofessionals to teach food stamp recipients and/or eligible clients and schools about proper nutrition.

Ann Vail, Human Environmental Sciences, received a grant of \$602,473 for HEEL, Health Education through Extension Leadership, from the Cooperative State Research, Extension and Education Service, part of the U.S. Department of Agriculture. Projects funded with this 2008-09 grant include a women's mental health pilot program in western Kentucky with the UK College of Medicine; a smoking cessation pilot study with the UK College of Nursing; a men's health educational program in collaboration with the UK College of Public Health; as well as ongoing support of Get Moving Kentucky physical activity programming, diabetes education, cancer education, and parent education focused on improving health outcomes of Kentucky's children.

Gary Van Zant, Internal Medicine, has received a Senior Scholar Award from the Ellison Medical Foundation. Van Zant received this award to continue his research on the role of the microRNA 290 gene cluster in stem cell and organismal aging. The honor will award Van Zant \$879,000 over four years for his continued research efforts.

Chan Yun Yoo, Journalism and Telecommunications, presented a paper, “Audience Interactivity as Gratification in the Online Newspaper,” that was chosen as one of the Top Three papers for the Association for Education in Journalism and Mass Communication's Newspaper Division at the association's annual meeting.

Three members of the University of Kentucky faculty have been awarded prestigious Fulbright grants for the 2008-2009 academic year. They are Bernhard Hennig, Agriculture; Lars Björk, Education; and Sharon Sheahan, Nursing.

# PR 2

Office of the President  
October 14, 2008

Members, Board of Trustees:

## PERSONNEL ACTIONS

Recommendation: that approval be given to the attached appointments, actions, and/or other staff changes which require Board action; and that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: The attached recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-B of the Governing Regulations of the university. These recommendations are transmitted to the Board by the appropriate provost/executive vice president through the president and have the president's concurrence.

Under the Governing Regulations, the authority to make certain appointments and/or other staff changes is delegated to the president or other administrators who are required to report their actions to the Board. These items of report follow the recommendations requiring Board approval.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# PR 3

Office of the President  
October 14, 2008

Members, Board of Trustees:

## PROPOSED AMENDMENT TO HEALTH SCIENCES STUDENT PROFESSIONAL BEHAVIOR CODE

Recommendation: that the Board of Trustees approve the attached revision of the *Health Sciences Student Professional Behavioral Code, Administrative Regulation (AR II-7.0-6)*. The revisions to the *Health Sciences Student Professional Behavioral Code* more clearly align it with the UK Student Code of Conduct and more precisely define its jurisdiction. The *Health Sciences Student Professional Behavioral Code* is renamed the “*Health Care Colleges Code of Student Professional Conduct (HCC Code)*”.

Background: The Board is granted authority by K.R.S. 164.200 to establish a disciplinary system to govern the campus. The UK Student Code of Conduct is the document in which the Board states the rules, procedures, rights, and responsibilities governing non-academic relationships between the University and students. However, the Code of Student Conduct does not cover decisions of the faculty of a health care college as to professional conduct required of a student for purposes of awarding a degree or certificate, or for continuation as a candidate for such degree or certificate.

The HCC Code was initially adopted by the Board on June 19, 1984, as *Administrative Regulation II-7.0-6*. The Board last revised the Code on December 8, 1987. Much has changed in the practice of health care over the past twenty years, and it was therefore necessary for the University to re-examine its expectations for the professional behavior of students enrolled in the health care colleges.

The revised HCC Code:

- a) more clearly articulates standards of professional conduct expected by the University, which are consistent with the expectations of the accreditation and licensing boards across the health care professions;
- b) more clearly delineates the jurisdictional boundaries of the HCC Code and the UK Code of Student Conduct;
- c) explicitly states that the policies and procedures on academic offenses delineated in the Selected Rules of the University Senate (SR 6.0, Section VI, Student Academic Affairs) shall be followed when a health care college student is charged with an academic offense.
- d) creates an appeals process for sanctions imposed under the HCC Code that is consistent with the UK Student Code of Conduct;

- e) adopts a process for amendment of the HCC code that is consistent with the UK Student Code of Conduct, including the creation of a HCC Code Committee, and final approval of revisions only by the Board of Trustees; and
- f) renames the *Health Sciences Student Professional Behavioral Code* (AR II-7.0-6), as the “*Health Care Colleges Code of Student Professional Conduct*”; and, consistent with the UK Student Code of Conduct, the HCC Code is no longer categorized as an Administrative Regulation.

The revisions have been reviewed and endorsed by the University Senate, the health care college deans, health care college faculties, the Office of the Dean of Students, and approved by the Provost.

As a result of the substantial revisions, reorganization, and reformatting of this document, a redlined copy is not possible. A copy of the proposed HCC Code is attached.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 1

Office of the President  
October 14, 2008

Members, Board of Trustees:

## W. PAUL AND LUCILLE CAUDILL LITTLE FOUNDATION PLEDGE

Recommendation: that the Board of Trustees accept a pledge of \$1 million from the W. Paul and Lucille Caudill Little Foundation of Lexington, Kentucky to create and endow the Lucille Caudill Little Performing Arts in Healthcare Program in the College of Fine Arts' School of Music in partnership with UK HealthCare's Arts in HealthCare program.

Background: The Lucille Caudill Little Performing Arts in Healthcare Program will be an interdisciplinary partnership that will help both the College of Fine Arts and UK HealthCare achieve their strategic goals. Combined with \$2 million in matching funds from other sources, this endowment will provide support for a graduate degree program in music therapy in the School of Music and a performing arts program in the UK Albert B. Chandler Hospital, St. Claire Regional Medical Center in Morehead, and other partnering medical facilities throughout the state.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 2

Office of the President  
October 14, 2008

Members, Board of Trustees:

## FELIX E. MARTIN JR. TRUST GIFT

Recommendation: that the Board of Trustees accept a gift of \$2.8 million from the Felix E. Martin Trust of Greenville, Kentucky to create and endow the Felix E. Martin Scholarship in the Gatton College of Business and Economics.

Background: Felix E. Martin Jr., a native of Greenville, earned a bachelor of science degree from UK in 1954. Mr. Martin, who died in November 2007, worked in the engineering department of Southern Bell until 1966 when he became a full-time investor. Each year, the Felix E. Martin Scholarship will provide an opportunity for Muhlenberg County North and South High School graduates to earn full or partial four-year scholarships to attend the Gatton College of Business and Economics. During years when available scholarships are not filled by students from Muhlenberg County, scholarships will be offered to qualifying students from Hopkins County.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 3

Office of the President  
October 14, 2008

Members, Board of Trustees:

MERGING OF THE JANET GALLOWAY CARTER PROFESSORSHIP IN PHYSICAL  
MEDICINE AND REHABILITATION WITH THE JANET GALLOWAY CARTER CHAIR  
IN REHABILITATION MEDICINE

Recommendation: that the Board of Trustees approve merging the Janet Galloway Carter Endowed Professorship in Physical Medicine and Rehabilitation with the Janet Galloway Carter Chair in Rehabilitation Medicine to create the Janet Galloway Carter Chair in Physical Medicine and Rehabilitation in the College of Medicine.

Background: At its May 4, 1999 meeting, the Board of Trustees accepted a gift of \$150,000 from Kentucky Medical Services Foundation (KMSF) to create the Janet Galloway Carter Endowed Professorship in Physical Medicine and Rehabilitation and approved submission to the Research Challenge Trust Fund for matching funds. The KMSF gift was given to honor the memory of Janet Galloway Carter, wife of David I. Carter. Mr. Carter, who is retired, is a former associate vice-president for facilities planning and management at the University. Mr. Carter has made provisions for a planned gift to the chair. The Janet Galloway Carter Chair in Rehabilitation Medicine was created in January 1995 with a gift of \$313,925 from the Estate of Ruth M. Galloway, mother of Janet Galloway Carter. The merger of the professorship with the chair will provide full funding for the endowment and will maintain the intent of the donors

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 4

Office of the President  
October 14, 2008

Members, Board of Trustees:

ACCEPTANCE OF AUDIT REPORT  
AND THE REPORT ON INTERNAL CONTROL  
FOR THE UNIVERSITY OF KENTUCKY FOR 2007-08

Recommendation: that the Board of Trustees accept (1) the University of Kentucky Audited Financial Statements for the year ended June 30, 2008, consisting of the Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets, Statements of Cash Flows, Notes to Financial Statements, and Management's Discussion and Analysis, and (2) the Independent Auditor's Report on the Internal Control Based on the Audit of Financial Statements.

Background: The Audit Subcommittee of the Finance Committee of the University of Kentucky has reviewed the University's Financial Statements for the year ended June 30, 2008, that have been audited by BKD LLP, Certified Public Accountants. These Financial Statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, which focuses on the financial condition, results of operations and cash flows of the University as a whole, with resources classified for accounting and reporting purposes into four net asset categories: invested in capital assets (net of related debt), restricted-nonexpendable, restricted-expendable, and unrestricted.

The financial statements of the University include the operations of the University, its for-profit subsidiary (Kentucky Healthcare Enterprise, Inc.) and its affiliated non-profit corporations (entities for which the University is financially accountable as defined by Statement No. 14 and amended by Statement No. 39 of the Governmental Accounting Standards Board (GASB), and which meet the definition of an affiliated corporation under Kentucky Revised Statute (KRS) section 164A.550) as follows: the University of Kentucky Research Foundation and its for-profit subsidiaries (Kentucky Technology, Inc. and Coldstream Laboratories, Inc.); The Fund for Advancement of Education and Research in the University of Kentucky Medical Center; University of Kentucky Athletic Association; Central Kentucky Management Services, Inc.; University of Kentucky Mining Engineering Foundation, Inc.; University of Kentucky Business Partnership Foundation, Inc.; University of Kentucky Gluck Equine Research Foundation, Inc.; University of Kentucky Humanities Foundation, Inc.; and University of Kentucky Center



on Aging Foundation, Inc. The financial statements also include the operations of Kentucky Medical Services Foundation, Inc. (KMSF) and the University of Kentucky Faculty Club, Inc, non-profit entities for which the University is financially accountable as defined by GASB, but which are not affiliated corporations under KRS. The financial statements also include the operations of the UK HealthCare Hospital System, an organizational unit of the University.

NOTE: Reports will be mailed from Marc Mathews, Treasurer.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_

# FCR 5

Office of the President  
October 14, 2008

Members, Board of Trustees:

EXPAND COLDSTREAM RESEARCH  
CAMPUS - REDUNDANT FEEDS

Recommendation: that the Board of Trustees approve initiation of the Expand Coldstream Research Campus – Redundant Feeds capital project.

Background: Authorized by the 2008 Kentucky General Assembly, this project will install redundant electrical and fiber optic supply on the Coldstream Research Campus. Several of the existing companies located on the Coldstream Research Campus have an immediate need for the redundant electrical and fiber optic supply and this will provide an additional asset to the Coldstream Research Campus for recruiting companies, specifically high-tech companies, to locate on the campus.

This project is estimated to cost \$6.5 million, within the authorized scope of \$10 million. Kentucky Technology, Inc. (KTI) will be the agent for the project which will be financed primarily with a \$5.5 million grant from the Kentucky Economic Development Finance Authority to KTI. The remaining \$1 million, funded from unrestricted University fund balances, will be transferred to KTI for the sole purpose of completing the project. In consideration of receipt of this grant, the University designates KTI as the University's agent for purposes of collecting rents at its Coldstream Research Campus and directs KTI to set aside 10 percent of all rents in a separate account for use in connection with future developments and enhancements and economic development initiatives at Coldstream.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 6

Office of the President  
October 14, 2008

Members, Board of Trustees:

REPAIR, UPGRADE, IMPROVE BUILDING SYSTEMS  
HOSPITAL – UPGRADE ELEVATORS

Recommendation: that the Board of Trustees approve initiation of the “Repair, Upgrade, Improve Building Systems Hospital – Upgrade Elevators” capital project.

Background: Authorized by the 2008 Kentucky General Assembly, this project will upgrade the cabs, controls, and pumps for eight elevators located in the Kentucky Clinic and Medical Plaza. This project will provide needed maintenance and upgrades to the elevator system necessary for the efficient transfer of patients, visitors, staff, supplies, and equipment. Preventative maintenance and upgrade to these systems will limit breakdowns that create patient care and customer service problems.

This project is expected to cost \$1 million, well within the \$10 million authorized for the Hospital Building Systems pool, and will be funded by the UK HealthCare Enterprise.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_



# FCR 7

Office of the President  
October 14, 2008

Members, Board of Trustees:

RENOVATION OF THE THOMAS HUNT  
MORGAN BIOLOGICAL SCIENCES BUILDING

Recommendation: that the Board of Trustees approve the renovation of the Thomas Hunt Morgan Biological Sciences Building to convert space to teaching and research labs.

Background: At the September 11, 2007 meeting, the Board of Trustees approved the initiation of the capital project to upgrade the fume hood exhaust and air supply systems within the Thomas Hunt Morgan Biological Sciences Building. The university also began renovation and upgrades of teaching and research labs to accommodate two new biology faculty members. This project will continue the needed building renovations by consolidating the class labs to the ground floor and continue renovation of space on the upper floors for use as research labs for two additional faculty members. Relocating the teaching labs will also make space available for a future project to construct labs for four other faculty lines. These renovations are needed to meet the needs of contemporary research and biology instruction. This renovation project is estimated to cost approximately \$2.9 million and will be funded with university unrestricted fund balances. The 2008 Kentucky General Assembly authorized the renovation of class labs in the Thomas Hunt Morgan Biological Science Building for \$2.5 million and provided authorization of a \$33.5 million pool for renovation of campus research labs. Contingent upon approval by the Board of Trustees, the university will request the Capital Projects and Bond Oversight Committee to allow the university to consolidate the \$2.5 million Thomas Hunt Morgan teaching lab project and \$700,000 from the research lab pool bringing the aggregate authorized scope to \$3.2 million.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 8

Office of the President  
October 14, 2008

Members, Board of Trustees:

## AUTHORIZATION FOR DISPOSAL OF SURPLUS PROPERTY

Recommendation: that the Board of Trustees authorize the sale of equipment to Southern Illinois University at a price of \$41,025.50.

Background: Kentucky Revised Statute 164A.575 requires that the Board of Trustees approve the disposal of any surplus property owned by the University of Kentucky. At its August 16, 1994 meeting, the Board of Trustees adopted Administrative Regulation II-1.3-3 which establishes policies and procedures for the disposal of personal property. General authorization from the Board of Trustees for the disposal of property with a value of less than \$25,000 is granted annually. Disposal of surplus property having a value greater than \$25,000 per item must be approved by the Board of Trustees.

Dr. Susan Rimmer, a departing faculty member, has requested certain items pertaining to her research be transferred to Southern Illinois University. One item, a Beckman Coulter J-26XPI centrifuge (UK Property # A663653), has a net book value of \$41,025.50.

This sale request has been approved by the department chair, dean of the college, and the vice president for research. In accordance with UK policy, the subject equipment has been advertised for two weeks on the University's Surplus Property web site to determine if it was needed by any other unit within the university. Having received no request, this equipment is deemed to be surplus to the needs of the university, and it is recommended that it be sold to Southern Illinois University as "Property More Suitable for Some Other Use Consistent with the Public Interest." Consistent with university practice, the sales price of the equipment to another educational institution is the university's net book value.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# FCR 9

Office of the President:  
October 14, 2008

Members, Board of Trustees:

AUTHORIZATION TO ACQUIRE UTILITY EASEMENT ASSOCIATED WITH THE  
UK HEALTHCARE PATIENT CARE FACILITY PROJECT

Recommendation: that the Board of Trustees, acting pursuant to its statutory authority as stated in Kentucky Revised Statutes (KRS) 164.260 and the Eminent Domain Act of Kentucky, authorize the Executive Vice President for Finance and Administration or his designee to negotiate the acquisition of certain utility easements located on the west side of Woodland Avenue between Euclid and Columbia avenues for a price not to exceed the fair market value as determined by a qualified appraiser or through condemnation proceedings. The impacted properties include: 415, 417, 419, 421, and 455 Woodland Avenue and 470 Rose Lane (corner lot on Rose Lane and Woodland Avenue).

Background: Electrical work associated with the UK HealthCare Patient Care Facility project requires the relocation of an electrical transmission line from Rose Street to Woodland Avenue. The new electrical service route requires easements from the owners of each individual property along the route. University officials, on behalf of Kentucky Utilities, are acting in good faith to acquire these easements from the owners. These easements are crucial to the project and the associated construction schedule. Should University officials be unable to negotiate the utility easements on the affected properties, it is in the University's best interest to proceed with condemnation of the easements.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

# HRCR 1

Office of the President  
October 14, 2008

Members, Board of Trustees:

PROPOSED AMENDMENT TO GOVERNING REGULATIONS:  
FACULTY VACATION LEAVE, SABBATICAL LEAVE, AND DELAY OF  
PROBATIONARY PERIOD

Recommendation: that the Board of Trustees receive the attached revision of Governing Regulation, Part X, which was received for preliminary consideration as PR 4 by the Board of Trustees on June 17, 2008 and was submitted for a second reading as HRCR 1, on September 9, 2008. As a result of the discussion on September 9, 2008, the Board agreed to delay the final reading until the October 14, 2008 meeting in order to respond to concerns raised by the faculty.

The proposed revision relates to the university's policy on vacation leave for faculty. The revision will change the current policy that allows 12-month faculty to automatically carry forward unused vacation leave. The revision will change the process whereby individual 10-month and 11-month faculty can request approval to carry forward unused vacation leave. The criteria and the process for exceptions, applicable to 10-month, 11-month, and 12-month faculty, are provided in *Administrative Regulation II-1.1-7, Faculty Assignment and Vacation Leave Policy*. The policy change is effective for fiscal year 2008-2009.

The proposed revision to GR X will also clarify the eligibility requirements for sabbatical leave and the processes by which various categories of events are reviewed and approved for a delay of the probationary period.

Background: The current university policy for faculty with 12-month appointments is that they accrue 22 days of vacation each fiscal year, which they can carry forward automatically to the next fiscal year. The current policy for faculty with 10-month or 11-month appointments is that they accrue 22 days of vacation each fiscal year, which cannot automatically be carried forward, but an individual can request approval to carry it forward. In principle, such individuals could be eligible for 44 vacation days of leave in a fiscal year. Further, at the time of retirement or departure from the university, the accrued vacation leave translates into a cash benefit. The faculty vacation accrual is considered a recordable fiscal liability according to the Government Accounting Standard Board (GASB) and must be funded by the university (as it does staff vacation accrual) with a cash reserve. In order to reduce future fiscal liability for accrued faculty vacation leave, the attached revision to GR X.B.2(b) requires 12-month faculty to use vacation



leave within the fiscal year in which it is earned or the leave will be forfeited, and changes the process by which individual 10-month and 11-month faculty can request approval to carry forward unused vacation days. The criteria and process for exceptions is provided in *Administrative Regulation II-1.1-7, Faculty Assignment and Vacation Leave Policy*, for circumstances when work demands placed on the faculty member by his or her chair, the dean, or the institution prevent the faculty member from using his or her vacation leave. The exception criteria and process is applicable to 10-month, 11-month, and 12-month faculty.

In September, 2007, the Board of Trustees approved an automatic delay of probationary period for a faculty member who becomes the parent of a child or children by birth, adoption, or guardianship, or who assumes significant responsibilities for the care of a relative or domestic partner. The proposed revision to GR X.B.1(c) clarifies that extension years are not counted toward eligibility for sabbatical leave and identifies the processes by which various categories of events are reviewed and approved. Additionally, the proposed revision to GR X.B.2(d)(i) clarifies that non-tenured faculty members are not eligible for sabbatical leave.

A revised copy of the relevant sections of GR X is attached. Proposed additions are underlined; proposed deletions are lined through.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_