

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, January 23, 1990.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. Lexington time on Tuesday, January 23, 1990 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Oath of Office Administered

Mr. Foster Ockerman, Chairman, called the meeting to order at 1:02 p.m., and the invocation was pronounced by Mr. Ted Bates. Mr. Ockerman welcomed Dr. Robert P. Meriwether to the Board and asked Mr. John C. Darsie, General Counsel, to administer the oath of office to him. Dr. Meriwether was appointed by Governor Wallace G. Wilkinson to replace Mr. Lawrence E. Forgy for a term expiring December 31, 1993.

B. Presidential Search Committee Announced

Mr. Ockerman informed the Board that the presidential search would be conducted as it had been in past years. He read the following section in the Governing Regulations that relates to the appointment of a President for the University:

"The President of the University is appointed by the Board of Trustees with the advice of a joint committee of the Board, faculty and student body. The committee shall consist of five members of the Board appointed by its chairman; three members of the full-time teaching and/or research faculty of the University System, selected by a procedure determined by the University Senate; one member of the full-time teaching faculty of the Community College System, selected by a procedure determined by the Community College Council; and one full-time student appointed by the chairman of the Board. The committee shall provide opportunity for discussion between representative administrative, faculty, and student groups and prospective presidential candidates."

He reminded the Board that it would be a nationwide search and that the responsibility for selecting a president rests with the Board.

Before announcing his appointments to the Presidential Search Committee, Mr. Ockerman explained that it is not possible to appoint every Board member to the Committee because it would be contrary to the Governing Regulations. He emphasized that every Board member would have the right to cast one vote for whomever is put before the Board in due course of time. He announced the membership of the Presidential Search Committee.

Appointed by the Chairman of the Board:

Mr. Foster Ockerman, Chairman
Mrs. Edythe Hayes
Dr. Nicholas J. Pisacano
Mr. Billy B. Wilcoxson
Judge Henry R. Wilhoit
Mr. Teel Bruner (Student Member)

Mr. Ockerman reported that Mr. Bruner is a native of London and asked Mr. Bruner to stand and be recognized. He explained that he had appointed Mr. Bruner because it was obvious to him that there was not going to be a representative from one major portion of the University, the University's Medical Center. With the help of others, he selected Mr. Bruner.

Mr. Ockerman pointed out that the student body will now have two representatives in the presidential search process. He noted that there would be Mr. Bruner as a member of the Presidential Search Committee and Mr. Lohman, President of the Student Government Association, who serves as a Trustee.

Elected in accordance with the Governing Regulations and the Rules of the University Senate (University System):

Professor Carolyn S. Bratt, College of Law
Professor William Lyons, College of Arts and Sciences
Professor Loys L. Mather, College of Agriculture

Elected in accordance with the Governing Regulations and the Senate of the Community College System:

Professor Judith L. Rhoads, Madisonville Community College

Mr. Ockerman stated that the Committee would need a secretary or staff member and Dr. Paul Sears' name had been suggested by numerous people. He reported that Dr. Paul Sears is the one person on the University faculty who was on the Presidential Search Committee when Dr. Otis A. Singletary was appointed president. Dr. Sears also served as secretary to the Presidential Search Committee during the last search, approximately three years ago. He informed the Board that he had talked with Dr. Sears as to his availability to assist the committee in the same manner as last time, and Dr. Sears is available in that regard. He noted that he would make the recommendation that Dr. Sears be selected as the secretary to the Committee at its first meeting.

Mr. Ockerman stated that he would also recommend to the Committee that it adopt the same qualifications for the selection process as was utilized in the last search and expressed hopes that the committee would accept that recommendation.

C. Mr. Lohman's Remarks

Mr. Lohman stated that according to the constitution of the Student Government Association and the State statutes, he, as President of the Association, must represent the students to the Board of Trustees and, therefore, felt that he must entertain a motion.

Mr. Lohman stated that he has no doubt that Mr. Bruner is a good student and an honest, trustworthy person. However, he did not agree with his appointment to the Presidential Search Committee.

Mr. Lohman stated that the Chairman of the Board appoints five members from the Board to the committee and a student representative. While the Governing Regulations of the University do not regulate that the student member of the Board of Trustees must be a member of the Committee, he believes it is the spirit of the Governing Regulations that the student representative come from the Board of Trustees. He did not believe that when the Board approved the Regulations they expected a chairman to go out among 22,000 plus students at the University of Kentucky campus and among the 30,000 plus in the Community College System to select a student without even consulting student groups or especially the Student Government Association. The Student Government Association, which in Part XI of the UK Governing Regulations is dictated as the official student body authority in University matters, is to represent student opinions to the faculty, administration and the Board of Trustees. The Student Government Association by their vote should choose the student to represent the student body on the Presidential Search Committee.

Mr. Lohman introduced a Resolution passed unanimously by the UK Student Government Association Senate which states that "the student body asked for the Student Government Association President, Sean Lohman, to be the student representative on the Search Committee." He added that the community college students are represented on the Student Government Association Senate.

In Mr. Lohman's opinion, the students should be allowed the same courtesy that is given to the faculty and the Community College System: faculty get to elect their three representatives and the Community College System gets to elect its representative. The students should have the opportunity to elect their representative.

Mr. Lohman pointed out that he is the only student elected by the student body of the University of Kentucky and the Lexington Community College. He said that he is the only student who has been entrusted to represent over 55,000 students to the Board. He noted that he is entrusted with the responsibility of appointing students to every search committee on campus.

Mr. Lohman stated that he did not think that he should be excluded from the Committee because he disagreed with Mr. Ockerman and the selection committee as to an interim president. He said that he voted

then as he would vote now. He stated that Mr. Ockerman had excluded the only student member of the Board. In his opinion, Mr. Ockerman's decision to appoint a student outside the Board is not in the spirit of the UK Governing Regulations. Therefore, he made a motion to put the decision before the entire Board and let the Board vote on the student member to the Presidential Search Committee.

Mr. Ockerman stated that the roll had not been called. He asked Mrs. Hayes to call the roll to assure that a quorum was present and stated that he would get back to Mr. Lohman following the roll call.

D. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mr. Foster Ockerman, (Chairman), Mr. Ted B. Bates, Professor Raymond F. Betts, Mr. William E. Burnett, Jr., Governor Albert B. Chandler, Professor Mary Sue Coleman, Mr. Tracy Farmer, Mrs. Edythe Jones Hayes, Mr. Sean Lohman, Dr. Robert P. Meriwether, Dr. Nicholas J. Pisacano, Professor Judith Rhoads, Mr. James L. Rose, Judge Robert F. Stephens, Mr. Jerome A. Stricker, Judge Julia K. Tackett, and Mr. Billy B. Wilcoxson. Absent from the meeting were Senator Walter D. Huddleston, Mr. William B. Sturgill and Judge Henry R. Wilhoit, Jr. The University administration was represented by Interim President Charles T. Wethington, Jr.; Chancellors Peter P. Bosomworth and Robert E. Hemenway; Acting Chancellor Ben W. Carr, Jr.; Vice Presidents Edward A. Carter, Wimberly C. Royster and Eugene R. Williams; and Mr. John C. Darsie, General Counsel.

Members of the news media were also in attendance. Mrs. Hayes reported a quorum present, and Mr. Ockerman declared the meeting officially open for the conduct of business.

E. Mr. Lohman's Motion

Mr. Lohman made a motion to put the decision of the student appointee to the Presidential Search Committee before the entire Board of Trustees and let the Board vote on the student member to the Presidential Search Committee.

Mr. Ockerman stated that he had already appointed the Committee and Mr. Lohman's motion would be contrary to the Governing Regulations. If Mr. Lohman wanted to propose that the Regulations be amended for future appointments, he would accept the motion. He explained that the motion would lay on the table for one month as required by the Regulations and be considered at the next Board meeting.

Mr. Lohman pleaded that he was merely asking the Chair to allow the Board to vote on the student member of the Committee. It is an extremely important position and the entire student body is being represented by this one person. In his opinion, the person who is representing the student body should be the person elected by that student body. This should be the person who knows what the student body wants and someone who deals with the students on a daily basis. He

expressed the opinion that it is extremely important that the students have input and stated that he felt the students were being shut out. He stressed that the student representative needs to be someone who is accountable to the students and someone who can truly say that they represent the students. He reiterated that the student representative should go through the Student Government Association.

Judge Tackett seconded Mr. Lohman's motion. She stated that the President of the Student Government Association served on the last search committee.

Mr. Ockerman ruled the motion out of order for the following reasons:

1. He had already appointed the Presidential Search Committee in accordance to the Governing Regulations.
2. The whole matter to elect the student representative to the Committee should have been put before the Board.

Mr. Ockerman stated that he had complied with the Regulations in exercising his responsibility and would assume the responsibility for the appointments.

Mr. Lohman appealed the ruling of the Chair, and Professor Coleman seconded the motion.

Professor Betts stated that while he thinks Mr. Ockerman has put together a far ranging and representative Committee, and while he shares many of Mr. Lohman's concerns, he is greatly disturbed that the Committee does not have any representation from the undergraduate body of the University, the largest body served by faculty and the most significant element in the University's life. He asked, "Can we not appoint someone who would represent the vast majority of undergraduates, the chief purpose of which is the University's responsibility to educate these young people?"

Professor Coleman agreed that Mr. Ockerman had done a good job of appointing people from the Board to the Committee, but she stated that she had been very impressed with her association with Mr. Lohman. In her opinion, Mr. Lohman is one of the best. She noted that one of the things that his organization has thought to do which has really been great for the campus is to represent all students, graduate and professional students as well as undergraduate students and community college students. She expressed concern about breaking the precedent of what had been done in the past. In her opinion, Mr. Lohman can represent students from all parts of the University extremely well and is best qualified for this role.

Mr. Lohman stated that he believed that he had represented the 55,000 plus students of the University system to the best of his ability on the Board. Yet, he had been passed over to serve on the Presidential Search Committee. He pleaded that the Board listen to the Student Government Association's Resolution, and in a matter of all fairness, override the decision and put the Resolution to a vote by the Board.

Mr. Ockerman stated that the appeal had been requested as to the decision of the Chair. Those who concur in the ruling of the Chair vote yes and those who were in favor of the motion made by Mr. Lohman vote no.

Upon a vote being taken on Mr. Lohman's motion, the result was as follows:

	<u>Yeas</u>	<u>Nays</u>
Ted B. Bates		N
Raymond F. Betts		N
William E. Burnett, Jr.	Y	
Albert B. Chandler		N
Mary Sue Coleman		N
Tracy Farmer	Y	
Edythe Jones Hayes	Y	
Sean Lohman		N
Robert P. Meriwether	Y	
Foster Ockerman	Y	
Nicholas J. Pisacano	Y	
Judith Rhoads	Y	
James L. Rose		N
Robert F. Stephens	Y	
Jerome A. Stricker	Y	
Julia K. Tackett		N
Billy B. Wilcoxson	Y	

Mrs. Hayes reported that the ruling of the chair carried 10 to 7. Mr. Ockerman stated that the ruling of the Chair was sustained.

F. Minutes Approved

On motion made by Mr. Stricker, seconded by Mr. Burnett and passed, the Minutes of the December 12, 1989 and December 28, 1989 meetings of the Board of Trustees were approved as written.

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

In reviewing his "Report to the Trustees", Interim President Wethington called attention to (1) the largest grant (\$750,000) in the history of the UK Library had been received from the National Endowment for the Humanities and (2) IBM had donated to the Lexington Community College and the Robotics Center \$750,000 worth of computer hardware, software and technical support. He asked that the members read the other items in the report at their leisure.

H. Personnel Actions (PR 2)

Interim President Wethington called attention to the appointment of Professor Dibakar Bhattacharyya, Professor of Chemical Engineering, who had been named Alumni Professor. He asked Dr. Bhattacharyya to stand and be recognized, following which he was given a round of applause.

Professor Betts asked that the Board recognize the remarkable service of Paul C. VanBooven who had left his position as Associate Dean for Academic Affairs in the College of Law to become an Associate General Counsel. Mr. VanBooven has done a remarkable service in approving students and providing them advice as they prepare to go to law school. Professor Betts stated that he felt Mr. VanBooven's exemplary administrative service should be duly recognized and asked the Board to do so. Mr. VanBooven's change in appointment was reported in PR 2 at the December 12, 1989 meeting.

With Interim President Wethington so recommending, on motion made by Professor Betts, seconded by Professor Coleman and passed, the routine personnel actions in PR 2 were approved. (See PR 2 at the end of the Minutes.)

I. Appointment to University of Kentucky Humanities Foundation (PR 5A)

Interim President Wethington moved the approval of PR 5A and indicated his pleasure in recommending the appointment of Edward T. Breathitt to membership on the Board of Directors of the University of Kentucky Humanities Foundation for a four-year term, beginning with the spring 1990 meeting. On motion made by Chief Justice Stephens, seconded by Professor Betts and passed, the appointment was approved. (See PR 5A at the end of the Minutes.)

J. Appointments to University Hospital of the Albert B. Chandler Medical Center, Inc. Board of Directors (PR 6A)

Interim President Wethington recommended that approval be given to the appointment of Dr. Robert P. Meriwether as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on December 31, 1993, and the reappointment of Mr. Billy B. Wilcoxson as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on June 30, 1993. He noted that Dr. Meriwether was replacing Mr. Lawrence E. Forgy whose term as a member of the Board of Trustees had expired. The motion, which was made by Mr. Rose and seconded by Dr. Pisacano, carried. (See PR 6A at the end of the Minutes.)

K. Acceptance of Interim Financial Report for the University of Kentucky for the Six Months Ended December 31, 1989 (FCR 1)

Mr. Ockerman, in his capacity as Chairman of the Finance Committee, reported that the Finance Committee had met on the morning of January 23 and considered four agenda items to be presented for action. He recommended that the Board accept the University of Kentucky Consolidated Financial Report for the the six months ended December 31, 1989. On motion made by Mr. Burnett, seconded by Professor Rhoads and carried, FCR 1 was approved. (See FCR 1 at the end of the Minutes.)

L. Disposal of Personal Property (FCR 2)

Upon the recommendation of the administration, Mr. Ockerman entertained a motion that the Board of Trustees approve the disposition of surplus and obsolete equipment as described in Exhibit I of PR 2. Mr. Rose so moved. The motion was seconded by Mrs. Hayes and carried without dissent. (See FCR 2 at the end of the Minutes.)

M. External Auditor for Fiscal Year 1989-90 (FCR 3)

Mr. Ockerman reported that the Finance Committee considered the approval of the external auditor for the fiscal year 1989-90. He said that Coopers & Lybrand had served as the independent auditor for the last two years, and the recommendation of the Finance Committee is for approval of Coopers & Lybrand as the external auditor for 1989-90. Chief Justice Stephens so moved. The motion was seconded by Dr. Pisacano and passed. (See FCR 3 at the end of the Minutes.)

N. Expiration of Contract with Hutchens Company, Inc. - South Farm (FCR 4)

Mr. Ockerman reminded the Board of its December 28, 1989 action to extend the contract with Hutchens Company, Inc. to the end of January, 1990. Consequently, the expiration of the option contract held by the Hutchens Company on the 105 acres of South Farm is up for consideration again.

Mr. Ockerman reported that the Finance Committee heard from Mr. Brett Hutchens, Mr. Terry McBrayer and Mr. Phil Greer, the people who hold the option and their counsel. Following a discussion with the administration, the Committee went into a closed session for a lengthy discussion. When the Committee returned to public session, the Chair asked if there were a motion and the only motion was to adjourn the meeting. The Committee meeting adjourned.

Mr. Ockerman stated that in his judgment the Committee's motion to adjourn the meeting constitutes a motion to recommend to the Board that the contract not be extended. He indicated that if the Board concurs with the recommendation of the Finance Committee, no action is necessary. Mr. Ockerman asked if anyone desired to make a motion and stated that the Chair was open for the motion and discussion.

Chief Justice Stephens asked for an explanation and Mr. Ockerman provided background information from late 1987 to the present. He stated that if the option is not extended, it is the intention of the Chair and the administration to put the matter before a Committee. The Committee would be asked to make a recommendation to the Board regarding South Farm.

Following a discussion regarding zoning and the value of the property, Mr. Ockerman informed the Board that the Finance Committee had discussed previous Committee meetings in which the Committee had indicated that proceeds from the property were to be applied to an

Agricultural Science building. He cited the estimated cost of the building at that time and compared it to the current estimate, indicating that the cost had gone up approximately \$11,000,000 during the interim. He indicated that it would be best to reassess the alternatives for South Farm. (See FCR 4 at the end of the Minutes.)

O. Report of Investments (ICR 1)

Mr. Stricker, Chairman of the Investment Committee, reported that the Investment Committee had met earlier in the morning and reviewed the activity for the last six months. Mr. Irvin Quesenberry, First Kentucky Trust Company, had met with the Committee and was present if any of the Board had questions. Mr. Stricker moved the adoption of ICR 1. His motion was seconded by Mr. Bates and carried without dissent. (See ICR 1 at the end of the Minutes.)

P. Faculty Appointees to Presidential Search Committee Recognized

Mr. Ockerman recognized the faculty members who had been appointed to the Presidential Search Committee, following which they were given a round of applause.

Q. Resolution for Funding Proposals for Higher Education

Mr. Ockerman asked Judge Tackett to address a Resolution that had been distributed to the Board. Following Judge Tackett's presentation, the following Resolution was approved:

WHEREAS, Governor Wallace Wilkinson has proposed to the 1990 Kentucky General Assembly the largest increase for funding higher education in the Commonwealth in recent years, and

WHEREAS, the funding proposed would provide significant relief and support for the critical area of faculty and staff salaries for the University of Kentucky and other state universities to help them be competitive with similar institutions in other states, and

WHEREAS, the Governor's proposals would provide funding for much-needed facilities on the University of Kentucky's Lexington Campus and on the campuses of the Community College System, including funding for maintenance which has been too-long deferred, and

WHEREAS, the Governor has proposed a new A+ Program to reward academic achievers in every Kentucky high school and a new College Access Program to ensure that every high school graduate can attend at least two years of college, and

WHEREAS, the high expectations Kentuckians have of the University of Kentucky for providing educational and economic development opportunities to the citizens must be supported at a level that is competitive in the marketplace,

NOW BE IT THEREFORE RESOLVED, that the Board of Trustees of the University of Kentucky this 23rd day of January 1990 goes on record as supporting the funding proposals for higher education by Governor Wilkinson and further urges the Kentucky General Assembly and all the people of the Commonwealth to give their wholehearted support to these proposals.

R. Mr. Ockerman's Comments

Mr. Ockerman stated that he proposed to call a meeting of the Presidential Search Committee in the very near future and asked the members of the Committee to inform Peggy Way of their calendars in order to try to accommodate their desires.

S. Meeting Adjourned

There being no further business to come before the Board, the Chairman adjourned the meeting at 1:41 p.m.

Respectfully submitted,

Edythe Jones Hayes
Secretary
Board of Trustees

(PR's 2, 5A, and 6A, FCR's 1, 2, 3, and 4, and ICR 1 which follow are official parts of the Minutes of the meeting.)

Office of the President
January 23, 1990

PR 2

Members, Board of Trustees:

PERSONNEL ACTIONS

Recommendation: (1) that approval be given to the attached appointments, actions and/or other staff changes which require Board action; and (2) 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 chancellor through the President and have his 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. This report follows the recommendations requiring Board approval.

Action taken: Approved Disapproved Other

Date: January 23, 1990

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CENTRAL ADMINISTRATION

I. BOARD ACTION

RETIREMENT

Alumni Affairs

Johnson, Ennis S., Custodial Worker III, Alumni Affairs, after 29.5 consecutive years of service, under AR II-1.6-1 Section III.A.1(b), effective 2/28/90

II. ADMINISTRATIVE ACTION

ADMINISTRATIVE APPOINTMENTS

Development

Feamster, Susan B., Director of Major Gifts, effective July 1, 1989

Townsend, Sharron F., Development Assistant II, effective January 2, 1990

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. RETIREMENTS

Lexington Community College

Isert, Joseph W., Associate Professor in the Community College System (with tenure), effective 5/31/90, following 13.5 consecutive years of service.

B. EARLY RETIREMENTS

Jefferson Community College

Hayes, Alice C., Office Assistant I in the Community College System, effective 3/30/90 [under AR II-1.6-1 Section III.A.2(b)], following 21.5 consecutive years of service.

Maresz, Emil N., Student Services Officer II in the Community College System, effective 12/31/89 [under AR II-1.6-1 Section III.A.1(a)], following 19 consecutive years of service.

Maysville Community College

Crockett, John, Professor in the Community College System (with tenure) and Dean, Academic Affairs, effective 6/30/90 [under AR II-1.6-1 Section III.A.1(a)], following 22 consecutive years of service.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Henderson Community College

Wallace, Noelle R., Instructor in the Community College System, 1/1/90 through 6/30/90.

Jefferson Community College

Cummins, Julie J., Instructor in the Community College System, 1/1/90 through 6/30/90.

Darnell, Teena L., Instructor in the Community College System, 1/1/90 through 6/30/90.

Jacobs, Elizabeth, Instructor in the Community College System, 1/1/90 through 6/30/90.

Koester, Joan, Instructor in the Community College System, 1/1/90 through 6/30/90.

Pitt, Phillip R., Instructor in the Community College System, 1/1/90 through 6/30/90.

Wyatt, Mary, Instructor in the Community College System, 1/1/90 through 6/30/90.

Prestonsburg Community College

Gibson, Paula J., Assistant Professor in the Community College System, 1/1/90 through 6/30/90.

Southeast Community College

Cornett, William T., Assistant Professor in the Community College System, 1/1/90 through 6/30/90.
Thacker, Berry, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.

B. ADMINISTRATIVE APPOINTMENTS

Office of the Chancellor

Carr, Ben W., Associate Professor in the Community College System (with tenure), Acting Chancellor for the Community College System, effective 12/28/89 through 6/30/90.

Hazard Community College

Monson, Arvid, Assistant Professor in the Community College System, Acting Chairman, Division of Sciences and Related Technologies, 1/1/90 through 6/30/90.

C. REAPPOINTMENTS

Elizabethtown Community College

Holt, Margaret Ann, Instructor in the Community College System, 1/1/90 through 6/30/90.

Jefferson Community College

Asamoah, Samuel, Instructor in the Community College System, 1/1/90 through 6/30/90.
Drake, Paul, Instructor in the Community College System, 1/1/90 through 5/31/90.
Steedly, Judith, Instructor in the Community College System, 1/1/90 through 5/31/90.
Truitt, Judi, Instructor in the Community College System, 1/1/90 through 6/30/90.

Lexington Community College

Knapp, Karen, Instructor in the Community College System, 1/1/90 through 6/30/90.

Southeast Community College

Bargo, Bonnie, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.
Croushorn, Susan, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.
Gaddie, Gerald L., Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.
Garrison, Neville, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.
Hickey, Elaine, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.
Hubbard, Richard, Instructor in the Community College System (voluntary), 1/10/90 through 5/5/90.

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Henning, Jimmy C., Assistant Extension Professor, Agronomy,
12/18/89 through 6/30/90.

Lacki, Michael J., Assistant Professor, Forestry, 12/1/89 through
6/30/90.

College of Arts and Sciences

Scott, Shaunna L., Assistant Professor, Sociology, 1/1/90 through
12/31/91.

College of Business and Economics

Scofield, Barbara W., Assistant Professor, Accountancy, 1/1/90
through 6/30/90.

College of Communications

Murray, Patricia G., Assistant Professor*, Journalism, 1/1/90
through 6/30/90.

College of Engineering

Hartman, Donald G., Adjunct Assistant Professor, Civil Engineering,
1/1/90 through 5/15/90.

B. ADMINISTRATIVE APPOINTMENTS

College of Agriculture

Bokemeier, Janet L., Associate Professor (with tenure), Sociology,
appointed Chairman, Sociology, College of Agriculture, and
College of Arts and Sciences, 11/16/89 through 6/30/95.

College of Business and Economics

Stober, William J., Professor (with tenure), Economics, appointed
Chairman, Economics, 7/1/90 through 6/30/94.

C. JOINT APPOINTMENTS

College of Arts and Sciences

Stempel, John D., Professor (with tenure), Patterson School of
Diplomacy, Research and Graduate Studies, joint appointment as
Professor (without tenure), Political Science, 8/16/89 through
6/30/92.

*Special Title Series

College of Education

Auvenshine, C. Dwight, Associate Professor (with tenure),
Educational and Counseling Psychology, joint appointment as
Associate Professor (without tenure), Rehabilitation Medicine,
College of Medicine, 1/1/90 through 6/30/90.

D. CHANGES

College of Engineering

Bhattacharyya, Dibakar, Professor (with tenure), Chemical
Engineering, named Alumni Professor, effective 7/1/89.

E. LEAVES OF ABSENCE

College of Engineering

Roco, Mihail C., Professor (with tenure), Mechanical Engineering,
Leave with partial pay, 2/1/90 through 1/31/91.

F. RETIREMENTS

College of Agriculture

Martin, Frances M., Senior Storekeeper, Agricultural
Communications, after 24.5 consecutive years of service, under
Section III.B of AR II-1.6-1, effective 2/16/90.

Vice Chancellor for Administration

Frederick, Betsy L., Disabled Staff, Employee Benefits and Risk
Management, after 15 consecutive years of service, under
Section III.B of AR II-1.6-1, effective 1/31/90.

G. EARLY RETIREMENTS

Vice Chancellor for Administration

Jordan, Rollie A., Custodial Worker IV, Services, Physical Plant
Division, after 20 consecutive years of service, under Section
III.A.1(b) of AR II-1.6-1, effective 2/16/90.

Smithers, John T., Utility Worker, Services, Physical Plant
Division, after 24 consecutive years of service, under Section
III.A.2(b) of AR II-1.6-1, effective 4/6/90.

H. POST-RETIREMENT APPOINTMENTS

College of Agriculture

Deaton, Logan, Equipment Maintenance Worker (part-time), Plant
Pathology, 1/23/90 through 6/30/90.

College of Education

Gruber, Joseph L., Professor Emeritus (part-time), Health,
Physical Education and Recreation, 7/1/90 through 6/30/91.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Anosike, Nnamdi V, Instructor (part-time), Sociology, 8/16/89 through 12/31/89.
Curry, Brian Timothy, Instructor (part-time), English, 9/18/89 through 12/31/89.
McHenry-Hepner, Virginia, Instructor (part-time), English, 8/16/89 through 12/31/89.
Richeson, William M., Instructor (part-time), English, 8/16/89 through 12/31/89.
Ziegler, Charles E., Visiting Associate Professor (part-time), Political Science, 1/1/90 through 5/15/90.

College of Business and Economics

Erfani, G. Rod, Assistant Professor (part time), Economics, 1/1/90 through 5/15/90.

College of Education

Batsel, William M., Instructor (part-time), Educational and Counseling Psychology, 1/1/90 through 5/15/90.

College of Law

Connelly, Allison I., Assistant Professor (temporary), 1/1/90 through 5/15/90.
Moore, Escum L. Jr., Professor (part-time), 1/9/90 through 5/5/90.
Noble, Mary C., Instructor (part-time), 1/9/90 through 5/5/90.
Perlman, Peter, Professor (part-time) 1/9/90 through 5/5/90.

B. ADMINISTRATIVE APPOINTMENTS

College of Arts and Sciences

Canon, Bradley C., Professor (with tenure), Political Science, appointed Acting Chairman, Political Science, 1/1/90 through 6/30/90.

College of Business and Economics

Jacoby, Harlan S., appointed Associate Director, Small Business Development Center, effective 10/1/89.

Office of the Chancellor

Hogan, Roseann R., appointed Institutional Staff Officer III, Office of the Assistant Chancellor, effective 11/13/89.

Vice Chancellor for Administration

Fister, Ann C., appointed Personnel Manager II, Human Resource Services, Human Resource Development, effective 11/18/89.

C. REAPPOINTMENTS

College of Education

Ellis, Jane S., Instructor (part-time), Special Education,
1/1/90 through 5/15/90.
Fox, Joseph P., Instructor (part-time), Special Education,
1/1/90 through 5/15/90.
Hundley, Claire L., Instructor (part-time), Special Education,
1/1/90 through 5/15/90.
Sloan, Karla A., Instructor (part-time), Special Education, 1/1/90
through 5/15/90.

D. TERMINAL REAPPOINTMENTS

College of Arts and Sciences

Hunter, Thomas John, Assistant Professor (without tenure),
Mathematics, 7/1/90 through 6/30/91.

E. LEAVES OF ABSENCE

College of Agriculture

Bailey, Ernest F., Associate Professor (with tenure), Veterinary
Science, Sabbatical leave with full salary, 8/1/90 through
1/31/91.
Maruyama, Fudeko T., Extension Food and Nutrition Specialist,
Cooperative Extension Service, to change from Study leave with
full salary, 10/1/89 through 3/31/90, to Study leave with full
salary, 1/1/90 through 6/30/90.

College of Architecture

Rocanova, Anthony, Associate Professor (with tenure), Leave
without pay, Spring Semester 1990.

College of Arts and Sciences

Kiser, Robert W., Professor (with tenure), Chemistry, Sick leave
with full salary, 11/20/89 through 2/1/90.
Quandt, Sara A., Associate Professor (with tenure), Anthropology,
Sabbatical leave with half salary, Fall Semester 1990 and
Spring Semester 1991.
Sih, Andrew, Associate Professor (with tenure), Biological
Sciences, Sabbatical leave with full salary, Fall Semester 1990.
Simpson, James E., Associate Professor (with tenure), Mathematics,
Leave without pay, Spring Semester 1990.
Uglen, Gary L., Associate Professor (with tenure), Biological
Sciences, Sabbatical leave with full salary, Fall Semester 1990.

College of Education

Martinson, Melton C., Professor (with tenure), Special Education,
Sabbatical leave with full salary, Spring Semester 1990.

College of Engineering

Funk, James E., Professor (with tenure), Mechanical Engineering,
Sabbatical leave with half salary, Fall Semester 1990.

Wood, Don J., Professor (with tenure), Civil Engineering,
Sabbatical leave with half salary, Fall Semester 1990 and
Spring Semester 1991.

College of Fine Arts

Tuska, John R., Professor (with tenure), Art, Sick leave with
full salary, 1/1/90 through 6/30/90.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Dentistry

Richards, Nichola D., Assistant Professor, Oral Health Science, 1/1/90 through 6/30/90.

College of Medicine

Kaufer, Herbert, Professor (with tenure), Surgery, effective 1/15/90.

Porter, John D., Associate Professor (without tenure), Anatomy and Neurobiology, joint appointment as Associate Professor (without tenure), Ophthalmology, 10/1/90 through 6/30/90.

B. CHANGE OF APPOINTMENT

College of Medicine

Runge, Val M., from Professor (with tenure), and Director, Magnetic Resonance Imaging and Spectroscopy Center, to Professor (with tenure), and Director, Magnetic Resonance Imaging and Spectroscopy Center, and holder of Rosenbaum Chair in Radiology, effective 2/1/90.

C. REAPPOINTMENTS

College of Nursing

Dozier, Suzanne, Clinical Associate Professor (voluntary), 7/1/89 through 6/30/91.

D. TENURE

College of Medicine

Glenney, John R., Associate Professor (without tenure), Biochemistry, to Associate Professor (with tenure), Biochemistry, effective 1/1/90.

E. PROMOTIONS

College of Medicine

Kasdan, Morton L., Assistant Professor (voluntary), Preventive Medicine and Environmental Health, to Associate Professor (voluntary), Preventive Medicine and Environmental Health, 11/1/89 through 6/30/91.

Woodward, Jerold G., Assistant Professor, Microbiology and Immunology, to Associate Professor (with tenure), Microbiology and Immunology, effective 6/1/90.

F. LEAVES OF ABSENCE

College of Medicine

Baker, Karen S., Assistant Professor, Diagnostic Radiology, special leave of absence from 5/5/90 through 6/30/90, with pay.

G. RETIREMENTS

College of Medicine

Boyarsky, Louis L., Professor (with tenure), Physiology and Biophysics, after 40.5 consecutive years of service, under AR II-1.6-1 Section III.C., effective 6/30/90.

Griffin, Teresa C., Staff Nurse, Medicine, after 21 consecutive years of service, under AR II-1.6-1 Section III.A.1(b), effective 12/1/89.

Support Units

Walling, Sam, Plumber First Class, Physical Plant Division, after 33 consecutive years of service, under AR II-1.6-1 Section III.A.1(b), effective 1/26/89.

University Hospital

Bush, Ann P., Staff Assistant V, Pathology, after 19 consecutive years of service, under AR II-1.6-1 Section III.A.1(b), effective 12/29/89.

Jordan, Nellie, Central Service Technician, Pharmacy Central Supply, after 27.5 consecutive years of service, under AR II-1.6-1 Section III.B, effective 2/2/90.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Barlow-Rademeyer, Irene, Clinical Instructor (voluntary), Clinical Sciences, 8/1/89 through 6/30/91.

Coates, Paula, Clinical Instructor (voluntary), Clinical Sciences, 11/1/89 through 6/30/91.
Goldberg, Marci, Clinical Instructor (voluntary), Clinical Sciences, 8/1/89 through 6/30/91.
Karolich, Daun, Clinical Instructor (voluntary), Clinical Sciences, 8/1/89 through 6/30/91.
Lucas, Valerie M., Clinical Instructor (voluntary), Clinical Sciences, 8/1/89 through 6/30/91.
Meyer, Diane O., Clinical Instructor (voluntary), Clinical Sciences, 10/15/89 through 6/30/91.
Pilakel, Pradeep Diwaker, Clinical Instructor (voluntary), Clinical Sciences, 10/16/89 through 6/30/91.
Rougeux, Rhonda, Clinical Instructor (voluntary), Clinical Sciences, 9/20/89 through 6/30/91

College of Medicine

Chen, Kuey C., Assistant Research Professor, Microbiology and Immunology, 12/1/89 through 6/30/90.
Demos, Jon S., Instructor (voluntary), Surgery, 11/1/89 through 6/30/91.
Spurlin, Mark A., Assistant Professor (voluntary), Medicine, 12/1/89 through 6/30/91.
Wallingford, Mark A., Assistant Professor (voluntary), Pediatrics, joint appointment as Assistant Professor (voluntary), Medicine, 12/1/89 through 6/30/91.

College of Nursing

Sexton, Karen H., Clinical Instructor (voluntary), 7/1/89 through 6/30/91.

B. ADMINISTRATIVE APPOINTMENTS

College of Nursing

Sisler, Nancy, Associate Professor* (with tenure), named Director of Continuing Education, 1/2/90 through 6/30/93.

College of Pharmacy

Hunt, Max L., Jr., Assistant Professor, and Director, University Hospital Pharmacy, named Assistant Dean for Hospital Affairs, 8/14/89 through 6/30/90.

C. ADMINISTRATIVE REAPPOINTMENT

College of Nursing

Robinson, Mary Kay, Associate Professor (with tenure), Assistant Dean for Undergraduate Studies, 1/1/90 through 6/30/93.

D. JOINT APPOINTMENTS

College of Medicine

Knox, Craig A., Assistant Professor, Neurology, joint appointment as Assistant Professor, Anatomy and Neurobiology, 11/1/89 through 6/30/90.

E. REAPPOINTMENTS

College of Medicine

Tiballi-Thompson, Elizabeth, Clinical Instructor, Obstetrics and Gynecology, 12/1/89 through 12/8/89.

F. CHANGES

College of Allied Health Professions

Lewis, Sandra K., from Assistant Professor*, Clinical Sciences, to Assistant Professor, Clinical Sciences, 10/1/89 through 6/30/90.

College of Medicine

Davis, Brian M., from Assistant Professor, Anatomy and Neurobiology, 11/1/89 through 6/30/90 to Assistant Professor, Anatomy and Neurobiology, 12/1/89 through 6/30/90.

G. LEAVES OF ABSENCE

College of Dentistry

Lyon, Horace E., Associate Professor (with tenure), Oral Health Practice, sabbatical leave at full salary, 2/15/90 through 5/31/90, and 9/16/90 through 11/30/90.

College of Medicine

Holbrook, Marc, Associate Professor (with tenure), Emergency Medicine, sabbatical leave at half-salary, 7/1/90 through 6/30/91.

*Special Title Series

INFORMATION SYSTEMS

I. BOARD ACTION

A. Post-Retirement Appointment

University Libraries

McDowell, Agnes S., Library Assistant, Agriculture
Library, effective 1/16/90 through 6/30/90.

II. ADMINISTRATIVE ACTION

A. Leaves of Absence

University Libraries

Cooper, William, Librarian II, (with tenure) Sabbatical
leave with full salary, effective 7/1/90 through
12/31/90.

RESEARCH AND GRADUATE STUDIES

II. ADMINISTRATIVE ACTION

A. ADMINISTRATIVE APPOINTMENTS

Office of the Vice President (jointly with the Office of the
Chancellor of the Medical Center)

Kostenbauder, Harry B., Professor (with tenure), College of
Pharmacy, appointed Acting Vice Chancellor for Research and
Graduate Studies, 1/1/90 through 6/30/90.

Interdisciplinary Human Development Institute

Howe, Rebecca F., Disability Program Administrator I, effective
December 12, 1989.

Office of the President
January 23, 1990

PR5A

Members, Board of Trustees:

APPOINTMENT TO UNIVERSITY OF KENTUCKY
HUMANITIES FOUNDATION

Recommendation: that approval be given to the appointment of Edward T. Breathitt to membership on the Board of Directors of the University of Kentucky Humanities Foundation for a four-year term, beginning with the spring 1990 meeting.

Background: Mr. Breathitt was nominated for membership on the Board of Directors of the University of Kentucky Humanities Foundation at their October 19, 1989, meeting. This appointment requires approval of the Board of Trustees in accordance with the Articles of Incorporation for the University of Kentucky Humanities Foundation approved by the Board of Trustees at its meeting on September 18, 1984.

Action taken: Approved Disapproved Other

Date: January 23, 1990

Office of the President
January 23, 1990

PR 6A

Members, Board of Trustees:

APPOINTMENTS TO UNIVERSITY HOSPITAL OF THE
ALBERT B. CHANDLER MEDICAL CENTER, INC.
BOARD OF DIRECTORS

Recommendation: that approval be given to (1) the appointment of Dr. Robert P. Meriwether as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on December 31, 1993. Dr. Meriwether will replace Lawrence E. Forgy, Jr.; and (2) the reappointment of Mr. Billy B. Wilcoxson as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on June 30, 1993.

Background: According to the Bylaws of the University Hospital of the Albert B. Chandler Medical Center, Inc., the Board of Directors shall consist of five (5) members appointed by the Board of Trustees from among their number.

Action taken: Approved Disapproved Other

Date: January 23, 1990

Office of the President
January 23, 1990

FCR 1

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE SIX MONTHS ENDED
DECEMBER 31, 1989

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 1989.

Background: The consolidated financial report includes the financial activities of the University of Kentucky and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky Athletic Association, University of Kentucky Mining Engineering Foundation, University of Kentucky Business Partnership Foundation, University of Kentucky Humanities Foundation, University of Kentucky Equine Research Foundation, University of Kentucky Center on Aging Foundation, and Health Care Collection Service.

As of December 31, 1989, the University had realized income of \$369,432,000 representing 54% of the 1989-90 estimate of \$684,885,000. Expenditures and commitments total \$322,975,000 or 47% of the approved budget of \$684,885,000.

Action taken: Approved Disapproved Other

Date: January 23, 1990

CONSOLIDATED BALANCE SHEET
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 DECEMBER 31, 1989

with comparative totals at December 31, 1988
 (in thousands)

	1989					1988	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 40,817	\$ 20,978	\$ 1,577	\$ 218	\$ 120,144	\$ 183,734	\$ 150,593
Notes, loans, and A/R (less bad debt allowances of \$6,248)	37,460	12,022	15,717		864	66,063	67,119
Investments	7,615	36,990		69,548	67,434	181,587	191,808
Property, plant, and equipment					789,503	789,503	706,519
Inventories and other	10,517	98				10,615	11,869
Total Assets	\$ 96,439	\$ 70,088	\$ 17,294	\$ 69,766	\$ 977,045	\$ 1,231,532	\$ 1,127,906
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 11,434	\$ 403	\$ 191			\$ 12,028	\$ 10,503
Employer withholdings and deposits		6,654				6,654	6,815
Other liabilities	2,219				\$ 3,792	6,011	5,759
Liability for self insurance	14,430					14,430	10,993
Deferred income	6,410	6,924				13,404	16,644
Bonds payable					279,518	279,518	253,154
Capitalized lease obligation					27,167	27,167	32,381
Net deferred revenues and appropriated fund balances:	55,523	(2,202)				53,321	65,581
Total Liabilities	90,016	11,849	191		310,477	412,533	401,830
Interfund Balances	(26,641)	31,653			(5,012)		
Fund Balances							
Current Unrestricted							
Working capital	24,296					24,296	26,706
Future operating purposes	7,293					7,293	2,231
Funded Hospital depreciation							13,000
Other	1,475					1,475	6,992
Current Restricted		26,586				26,586	24,227
Loan			17,103			17,103	16,367
True Endowments				\$ 39,556		39,556	33,364
Term Endowments				999		999	826
Quasi Endowments				29,211		29,211	26,501
Plant							
Retirement of indebtedness					36,805	36,805	37,096
Renewal and Replacement					24,253	24,253	3,085
Allocated for designated projects					56,140	56,140	38,086
Net investment in plant					555,282	555,282	496,177
Total Fund Balances	33,064	26,586	17,103	69,766	672,480	818,999	726,078
Total Liabilities and Fund Balances	\$ 96,439	\$ 70,088	\$ 17,294	\$ 69,766	\$ 977,045	\$ 1,231,532	\$ 1,127,906

CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 1989
with comparative totals for December 31, 1988
(in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1989-1990			1988-1989		
	ORIGINAL BUDGET	REVISED BUDGET	REALIZED TO DATE	PERCENT REALIZED	REALIZED TO DATE	PERCENT REALIZED
General Fund						
(1) State appropriations	\$ 254,091	\$ 254,091	\$ 125,703	49	\$ 118,801	50
(2) Student fees	62,712	63,134	35,854	55	32,324	53
(3) Federal appropriations	14,368	14,367	7,788	54	5,712	48
(4) County appropriations	3,828	4,064	1,284	32	1,354	35
(5) Endowment income	751	861	274	32	293	41
(6) Investment income	9,202	11,202	4,439	40	5,211	61
Gifts and grants						
(7) Affiliated corporations	5,149	5,149	83	2	650	13
(8) Other	3,238	3,716	1,680	45	1,319	38
(9) Sales and services	13,438	14,551	6,928	48	6,219	46
(10) Fund balance	7,437	7,437	7,437	100	10,914	100
(11) Total General Fund	374,224	380,572	191,470	50	183,907	51
(12) Auxiliary Enterprises	22,970	32,048	16,424	51	14,540	50
(13) Restricted Funds	41,145	42,741	24,040	56	23,420	57
(14) Affiliated Corporations	71,602	75,120	39,750	53	37,031	58
Hospital						
(15) Revenues	118,904	118,904	62,246	52	60,078	60
(16) Fund balance	35,500	35,500	35,500	100	35,300	100
Total Revenues and						
(17) Appropriated Fund Balances	\$ 671,345	\$ 684,885	\$ 369,432	54	\$ 354,365	57

CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 1989
with comparative totals for December 31, 1988
(in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1989-1990				1988-89	
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB
(1) Instruction	\$ 166,122	\$ 166,166	\$ 76,109	46	\$ 71,853	47
(2) Research	84,434	84,433	36,130	42	32,374	40
(3) Public Service	56,615	56,630	29,061	51	25,416	52
(4) Academic Support	42,328	45,631	21,734	48	18,496	46
(5) Student Services	15,470	16,861	8,544	51	7,414	50
(6) Institutional Support	24,927	28,305	14,145	50	14,310	48
(7) Student Financial Aid	24,852	25,401	21,234	84	20,968	96
(8) Operation and Maintenance	32,814	33,781	15,330	45	14,778	44
(9) Mandatory Transfers (Debt Service)	24,745	24,845	14,715	59	14,993	72
(10) Hospital	155,696	155,636	62,387	40	53,638	39
(11) Auxiliary Enterprises	43,342	47,136	24,586	52	21,263	55
(12) Total Expenditure by Program	<u>\$ 671,345</u>	<u>\$ 684,885</u>	<u>\$ 322,975</u>	47	<u>\$ 295,493</u>	48

EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 1989
with comparative totals for December 31, 1988
(in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1989-1990				1988-89	
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB
(13) Personnel Costs	\$ 357,543	\$ 376,652	\$ 176,573	47	\$ 160,034	47
(14) Operating Expenses	228,172	224,325	109,623	49	99,857	48
(15) Mandatory Transfers (Debt Service)	29,174	29,174	16,916	58	16,713	81
(16) Capital Outlay	46,456	54,734	17,863	33	17,939	36
(17) Total Expenditure by Category	<u>\$ 671,345</u>	<u>\$ 684,885</u>	<u>\$ 322,975</u>	47	<u>\$ 295,493</u>	48

CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 1989
 with comparative totals at December 31, 1988
 (in thousands)

	(A)	(B)	(C)
	<u>1989-1990</u>		<u>1988-1989</u>
(1) Realized Revenues		\$ 325,495	\$ 308,152
Appropriated Fund Balances			
(2) Current unrestricted fund	\$ 7,437		10,914
(3) University Hospital	<u>35,500</u>		<u>35,300</u>
(4) Total Appropriated Fund Balances		<u>42,937</u>	<u>46,214</u>
(5) Total Revenues and Appropriated Fund Balances		369,432	354,366
(6) Expenditures/Encumbrances	322,975		295,493
(7) Less: Reserve for Encumbrances	<u>(6,864)</u>		<u>(6,708)</u>
(8) Total Expenditures		<u>316,111</u>	<u>288,785</u>
(9) Net Deferred Revenues and Appropriated Fund Balances		<u>\$ 53,321</u>	<u>\$ 65,581</u>

Office of the President
January 23, 1990

FCR 2

Members, Board of Trustees:

Disposal of Personal Property

Recommendation: that the Board of Trustees approve the disposition of surplus and obsolete equipment as described in Exhibit I.

Background: KRS 164A.575 requires that the governing board sell or otherwise dispose of all personal property which is not needed by the institution. The Board will be provided with a description of the property, the reason why the disposal should be effected, and the method of disposition.

Action taken: Approved Disapproved Other

Date: January 23, 1990

UNIVERSITY OF KENTUCKYSALE OF SURPLUS GENERATOR

TYPE OF DISPOSAL: Sealed bid.

REASON: Surplus to the needs of the University of Kentucky.

ITEM: 1 - Reconditioned Caterpillar D397 Series D Generator
S/N 350RH22

TRANSFER OF SURPLUS OSCILLOSCOPES AND OSCILLATORS

INSTITUTION: Fayette County Public Schools

TYPE OF DISPOSAL: Transfer at no cost.

REASON: Osbolete, outdated and damaged.

ITEMS:

<u>DESCRIPTION</u>	<u>PROPERTY #</u>	<u>SERIAL #</u>	<u>MODEL #</u>
Tektronix Oscilloscope	A333648	026150	502A
Tektronix Oscilloscope	A333628	026136	502A
Tektronix Oscilloscope	A391108	026137	502A
Tektronix Oscilloscope	No Tag	020781	502A
Tektronix Oscilloscope	No Tag	028603	502A
Hewlett-Packard Oscillator	34881	781	200CD
Hewlett-Packard Oscillator	14273	129-02985	200CD
Hewlett-Packard Oscillator	A391118	605-58144	200CD
Hewlett-Packard Oscillator	A391105	605-64838	200CD
Hewlett-Packard Oscillator	A348813	1826	200CD

Office of the President
January 23, 1990

FCR 3

Members, Board of Trustees:

EXTERNAL AUDITOR FOR FISCAL YEAR 1989-90

Recommendation: that the Board of Trustees engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an independent audit of the University of Kentucky and Affiliated Corporations for the fiscal year ending June 30, 1990, for a fee, including expenses, of not more than \$98,000. Exhibit I lists the entities and programs to be audited and other reports required.

Background: Coopers & Lybrand previously served as independent auditors for the University of Kentucky for the year ended June 30, 1989. Their performance was highly satisfactory, and their knowledge of the University's financial accounting and management systems will insure a thorough and adequate examination.

KRS 164A.570 and 164A.610 (enacted under House Bill 622) requires an external audit for the purposes of rendering an independent opinion of the financial statements, preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with provisions of KRS 164A.555 to 164A.630 (House Bill 622).

Action taken: Approved Disapproved Other

Date: January 23, 1990

SUMMARY OF WORK

The Certified Public Accountants will make an examination of the financial statements of the following entities and programs for the year ending June 30, 1990:

University of Kentucky (consolidated and
unconsolidated)
University of Kentucky Research Foundation
University of Kentucky Athletic Association
University of Kentucky Intercollegiate Athletics
(NCAA Financial Audit Guide)
The Fund for Advancement of Education and
Research in the University of Kentucky
Medical Center
University of Kentucky Hospital
Health Care Collection Service, Inc.
University of Kentucky Mining Engineering
Foundation, Inc.
University of Kentucky Business Partnership
Foundation, Inc.
University of Kentucky Equine Research
Foundation, Inc.
University of Kentucky Humanities
Foundation, Inc.
University of Kentucky Center on Aging
Foundation, Inc.
University of Kentucky Housing and Dining
System
University of Kentucky Tobacco and Health
Research Institute
University of Kentucky Alumni Association
University of Kentucky Hospital Auxiliary
University of Kentucky Credit Union (year
ended December 31, 1990)
Federally sponsored programs (A-110 Audit)
including Basic Education Opportunity
Grant Program (Pell Grants), National
Direct Student Loan, College Work Study,
Supplemental Educational Opportunity
Grant Programs, and Health Profession
Student Loan Programs
WUKY-FM Radio

Examination of the entities and programs financial statements will be made in accordance with generally accepted auditing standards and will include such tests of the accounting records and such other auditing procedures as are considered necessary in the circumstances. The objective of such an examination is to enable the Certified Public Accountants to express an independent opinion on whether the statements present fairly the financial position, changes in fund balances and the current funds revenues, expenditures and transfers in conformity with generally accepted accounting principles applied on a consistent basis.

As a part of the examination, the Certified Public Accountants will make a study and evaluation of the University's system of internal accounting control to the extent they consider necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing the examination of the financial statements.

In addition to the examination of the basic financial statements as listed on the preceding page, the following reports will be provided by the Certified Public Accountants:

1. Letter report to the Secretary of Finance and Administration Cabinet of the Commonwealth of Kentucky as to the Reconcilement of Appropriations and Trust and Agency Balances, as reported on the University's financial statements, with balances reported by the Commonwealth of Kentucky.
2. Letter report expressing an opinion as to the University's compliance with KRS 164A.555 to 164A.630 based upon the minimum audit scope as established by the Finance and Administration Cabinet Secretary of the Commonwealth of Kentucky.
3. Letter report to the Secretary of Finance and Administration Cabinet regarding the financial data and information provided by the University on Forms AFR 80 to 126.
4. Letter report on the compliance of the University to the contract agreement between the University of Kentucky and Kentucky Medical Services Foundation.

The following details the nature and scope of the examination in regard to federally sponsored programs (A-110 Audit):

1. The Auditor shall, in a professional manner, perform the following services:

The Auditor shall in accordance with Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the U. S. General Accounting Office (the 1981 revision is to be updated in the near future and will be the basis for the 1989 audit); the 1984 provisions of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations; the U. S. Department of Education Audit Guide for Student Financial Assistance Programs (May, 1988) and the U. S. Department of Health and Human Services Guidelines for Audits of Federal Awards to Educational Institutions (September, 1983). The purpose for this expanded scope of auditing standards is to form an opinion of the University's significant internal accounting and administrative controls used in administering federal financial assistance programs to student assistance programs and other federal grants and contracts.

FCR 4

Members, Board of Trustees:

EXPIRATION OF CONTRACT WITH HUTCHENS COMPANY, INC. - SOUTH FARM

Recommendation: that the Board of Trustees deny the Hutchens Company, Inc. request for an extension of the contract for Tract B of the South Farm beyond the current expiration date of January 31, 1990.

Background: On May 5, 1987, the Board of Trustees at the request of the College of Agriculture determined that the South Farm, comprised of approximately 192 acres on Nicholasville Road, was no longer suited for the teaching, research or service needs of the University and declared it surplus. Track B of the South Farm (approximately 105.33 acres south of Man O' War Boulevard) was offered for sale by sealed bid on November 30, 1987. The University accepted the high bid of \$5,663,775, submitted by the Hutchens Company, Inc. of Aiken, South Carolina. The sale was contingent on Hutchens Company, Inc. showing within 180 days that commercial zoning had been obtained. The processing and cost of seeking the zone change was the responsibility of Hutchens Company, Inc. The University agreed in the bid document that it "may grant additional time upon showing of a good faith effort to obtain the desired zoning."

On June 6, 1988, Vice Chancellor for Administration Jack Blanton agreed to a 90-day extension of the contract. On August 18, 1988, the Urban County Planning Commission rejected the Hutchens Company, Inc.'s zoning petition by a vote of 6-1.

On January 24, 1989, the Finance Committee of the Board heard Mr. Hutchens and his attorney about the difficulties the company had encountered in obtaining appropriate zoning. The Finance Committee then authorized a further extension of the contract through December 1989.

On December 12, 1989, the Finance Committee of the Board heard representatives of Hutchens Company, Inc. request a further extension beyond December 31, 1989. No action was taken by the Finance Committee on December 12, 1989.

On December 28, 1989, the Board granted an extension to January 31, 1990.

Action taken: Approved _____ Disapproved _____ Other

Date: January 23, 1990

/0285C

NOTE: In the absence of action to extend the option, it expired.

Office of the President
January 23, 1990

ICR1

Members, Board of Trustees:

REPORT OF INVESTMENTS

Recommendation: that the report of changes in investments for the University of Kentucky and its Affiliated Corporations for the six months ended December 31, 1989 be accepted.

Background: University policy requires that a report of changes in investments be submitted to the Board of Trustees by the Investment Committee. The attached report reflects investment transactions for the period July 1 - December 31, 1989, for the University of Kentucky and Affiliated Corporations which include UK Athletics Association, The Medical Center Fund, UK Research Foundation, UK Business Partnership Foundation, UK Mining Engineering Foundation; UK Equine Research Foundation, and UK Humanities Foundation.

Action taken: Approved Disapproved Other

Date: January 23, 1990

University of Kentucky
 Report of Changes in Investments - Regular Endowment Pool
 For the Period July 1 - December 31, 1989

PURCHASES:

<u>Shares/Par Value</u>	<u>Security</u>	<u>Cost</u>
3,410 shs	Adams Express Company	\$ 55,843
890 shs	Aluminum Company of America	66,154
5,530 shs	Ambase Corporation	88,359
\$ 72,000	Amoco CDA Pete Company, 7.375%, 9/1/13	85,320
3,750 shs	Automated Data Processing	178,814
760 shs	Becton Dickinson	44,521
890 shs	British Steel	93,670
3,580 shs	Brunswick Corporation	49,601
1,850 shs	Cypress Minerals	52,616
2,350 shs	Dun & Bradstreet	99,673
2,510 shs	Eastman Kodak	102,360
2,550 shs	Emerson Electric Company	87,141
3,090 shs	Empresa Nacional	62,341
1,650 shs	Equitable Bancorp, Inc.	55,069
5,410 shs	General American Investment, Inc.	101,236
1,720 shs	Henley Group	95,851
1,220 shs	Home Depot, Inc.	41,812
\$ 58,000	Home Depot, Inc., 6.75%, 5/15/14	71,928
790 shs	K-Mart Corporation	27,031
420 shs	Knight Ridder	21,296
9,040 shs	Lehman Corporation	124,005
3,940 shs	Marion Laboratories	136,205
3,640 shs	MCI Communications Corporation	140,790
\$ 99,000	MCI Communications Corporation Note, 10.74%, 12/1/4	37,926
150 shs	MNC Financial, Inc.	8,131
2,000 shs	Millipore Corporation	66,708
10,300 shs	Nova Corporation	87,725
1,020 shs	Nynex Corporation	81,299
900 shs	Ohio Gas Corporation	45,859
1,450 shs	Panhandle Eastern Corporation	33,256

University of Kentucky
 Report of Changes in Investments - Regular Endowment Pool
 For the Period July 1 - December 31, 1989

PURCHASES:
 (Continued)

<u>Shares/Par Value</u>	<u>Security</u>	<u>Cost</u>
1,170 shs	Penn Central Corporation	\$ 29,917
10,400 shs	Regional Financial	96,032
6,170 shs	Repsol SA	128,336
1,760 shs	Royal Dutch Pete Company	120,823
2,690 shs	Schaefer Value Trust, Inc.	29,751
2,330 shs	Textron, Inc.	55,389
5,320 shs	Tri Continental Corporation	124,750
1,110 shs	USF & G Corporation	32,616
\$ 225,000	U.S. Treasury Notes, 9.25%, 7/15/93	219,274
\$ 410,000	U.S. Treasury Notes, 7.375%, 5/15/96	391,934
\$ 390,000	U.S. Treasury Notes, 7.25%, 5/15/16	360,384
\$ 475,000	U.S. Treasury Notes, 8.125%, 2/15/98	480,121
1,030 shs	United Telecommunications	78,362
1,010 shs	Yellow Freight Systems	27,102
	Total Purchases	<u>\$4,417,331</u>

University of Kentucky
 Report of Changes in Investments - Regular Endowment Pool
 For the Period July 1 - December 31, 1989

SALES/MATURITIES:

<u>Shares/Par Value</u>	<u>Security</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
5,530 shs	Ambase Corporation	\$ 59,171	\$- 29,187
1,310 shs	American General Corporation	45,607	+ 3,192
1,120 shs	American International Group	106,114	+ 33,508
8,500 shs	American Medical International, Inc.	200,410	+ 44,171
1,590 shs	Amoco Corporation	85,332	+ 31,173
5,170 shs	Baxter International	118,360	+ 27,399
320 shs	Bell Atlantic	31,171	+ 4,922
1,800 shs	Biomet	48,150	+ 42,950
6,170 shs	Empresa National	125,401	+ 45,653
1,650 shs	Equitable Bancorp	50,738	- 4,331
910 shs	Ford Motor Corporation	40,225	- 4,046
3,840 shs	Fur Vault, Inc.	17,087	- 26,158
13,120 shs	Hanson, PLC	225,513	+ 26,242
1,000 shs	Jerrico, Inc.	24,250	+ 4,500
420 shs	Knight Ridder	21,592	- 2,655
\$ 69,000	Liebert Corporation, 8%, 11/15/10	88,615	- 1,205
300 shs	MNC Financial	6,801	- 1,330
2,220 shs	Marsh & McLennan	172,649	+ 47,185
6,730 shs	Maytag, Inc.	142,783	+ 1,778
3,330 shs	Millipore Corporation	91,209	- 18,450
4,500 shs	PNC Financial	209,841	+131,371
3,680 shs	Pahhandle Eastern Corporation	95,322	+ 12,418
8,190 shs	Repsol SA	185,487	+ 55,162
2,700 shs	Southern Company	73,424	+ 9,784
4,620 shs	Syntex	220,782	+136,582
1,960 shs	Texas Instruments	75,515	+ 4,503
2,700 shs	Union Pacific	194,596	+ 52,151
1,620 shs	Unisys Corporation	39,528	- 12,863
4,780 shs	United Telecommunications	371,726	+176,635
\$ 76,000	Union Tank, 15.375%, 7/15/01	5,000	- 781
\$ 225,000	U.S. Treasury Notes, 7.125%, 10/15/93	217,969	+ 14,555
\$ 390,000	U.S. Treasury Notes, 7.125%, 11/15/96	369,281	+ 19,743
	Total Sales/Maturities	<u>\$3,759,649</u>	<u>\$+824,571</u>

University of Kentucky
 Report of Changes in Investments - Fixed Income Pool
 For the Period July 1 - December 31, 1989

PURCHASES:

<u>Par Value</u>	<u>Security</u>	<u>Cost</u>
\$1,050,000	U.S. Treasury Notes, 7.375%, 5/15/96	\$1,003,734
1,000,000	U.S. Treasury Notes, 8.125%, 2/15/98	999,375
410,000	U.S. Treasury Notes, 7.375%, 5/15/96	398,597
1,105,000	U.S. Treasury Notes, 8.00%, 8/15/99	<u>1,116,891</u>
	Total Purchases	<u>\$3,518,597</u>

SALES/MATURITIES:

<u>Par Value</u>	<u>Security</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
\$1,000,000	U.S. Treasury Notes, 7.25%, 11/15/96	\$ 946,875	\$+ 53,437
300,000	U.S. Treasury Notes, 12.375%, 4/15/91	<u>317,625</u>	<u>+ 16,218</u>
	Total Sales/Maturities	<u>\$1,264,500</u>	<u>\$+ 69,655</u>

University of Kentucky
Report of Changes in Investments - Money Market Pool
For the Period July 1 - December 31, 1989

PURCHASES:

<u>Par Value</u>	<u>Security</u>	<u>Cost</u>
\$ 958,280	Thoroughbred Group Prime Obligation - D	\$ 958,280

University of Kentucky
 Report of Changes in Investments - Intercollegiate Athletics Fund
 For the Period July 1 - December 31, 1989

PURCHASES:

<u>Par Value</u>	<u>Security</u>	<u>Cost</u>
\$ 40,000	U.S. Treasury Notes, 7.25%, 7/15/93	\$ 38,982
400,000	U.S. Treasury Notes, 7.375%, 5/15/96	382,375
350,000	U.S. Treasury Notes, 7.25%, 5/15/16	323,422
210,000	U.S. Treasury Notes, 8.00%, 8/15/99	211,673
	Total Purchases	<u>\$ 956,452</u>

SALES/MATURITIES:

<u>Par Value</u>	<u>Security</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
\$ 40,000	U.S. Treasury Notes, 7.125%, 10/15/93	\$ 38,750	\$+ 2,587
380,000	U.S. Treasury Notes, 7.25%, 11/15/96	359,813	+19,238
200,000	U.S. Treasury Notes, 12.375%, 4/15/91	211,750	+10,813
300,000	U.S. Treasury Notes, 12.25%, 10/15/91	323,016	+24,254
	Total Sales/Maturities	<u>\$ 933,329</u>	<u>\$+56,892</u>

University of Kentucky
 Report of Changes in Short Term Investments
 For the Period July 1 - December 31, 1989

PURCHASES:

<u>Par Value</u>	<u>Security</u>	<u>Purchase Date</u>	<u>Cost</u>
\$ 5,000,000	Repurchase Agreement, 8.89%, 11/13/89	10/12/89	\$ 5,000,000
10,000,000	Repurchase Agreement, 8.77%, 11/30/89	10/31/89	10,000,000
5,000,000	Repurchase Agreement, 8.80%, 12/29/89	10/31/89	5,000,000
10,000,000	Repurchase Agreement, 8.66%, 01/16/90	10/18/89	5,000,000
5,000,000	Repurchase Agreement, 8.58%, 01/03/90	11/30/89	10,000,000
5,000,000	Repurchase Agreement, 8.58%, 01/03/90	11/30/89	5,000,000
5,000,000	U. S. Treasury Notes, 7.84%, 10/31/91	12/01/89	4,984,375
	Total Purchases		<u>\$44,984,375</u>

SALES/MATURITIES:

<u>Par Value</u>	<u>Security</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
\$ 4,300,000	Federal Home Loan Bank, 8.64%, 09/22/89	\$ 4,300,000	\$ 0
1,775,000	Federal Home Loan Bank, 8.64%, 09/22/89	1,775,000	0
9,000,000	Federal Home Loan Bank, 8.64%, 09/26/89	9,000,000	0
10,000,000	Federal Home Loan Bank, 8.64%, 10/25/89	10,000,000	0
5,000,000	Repurchase Agreement, 8.89%, 11/13/89	5,000,000	0
10,000,000	Repurchase Agreement, 8.77%, 11/30/89	10,000,000	0
5,000,000	Repurchase Agreement, 8.80%, 12/29/89	5,000,000	0
	Total Sales/Maturities	<u>\$45,075,000</u>	