

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, April 5, 1988.

The Board of Trustees of the University of Kentucky met at 1 p.m. Lexington time on Tuesday, April 5, 1988 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened

Mr. Robert T. McCowan, Chairman, called the meeting to order at 1 p.m., and the invocation was pronounced by Mr. Ted B. Bates.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mr. Robert T. McCowan (Chairman), Mr. Ted B. Bates, Professor Raymond F. Betts, Governor Albert B. Chandler, Mr. Albert G. Clay, Professor Mary Sue Coleman, Professor David R. Driscoll, Jr., Mr. Lawrence E. Forgy, Jr., Mrs. Edythe Jones Hayes, Mr. Henry E. Hershey, Dr. Nicholas J. Pisacano, Mr. Frank Ramsey, Jr., Mr. James L. Rose, Judge Robert F. Stephens, Mr. Jerome A. Stricker, Judge Julia K. Tackett, Ms. Cyndi Weaver, and Mr. Billy B. Wilcoxson. Absent from the meeting were Mr. Tracy Farmer, Mr. George W. Griffin, Jr., Senator Walter D. Huddleston, Mr. T. A. Lassetter, and Mr. Bobby Watson. The University administration was represented by President David P. Roselle; Mr. Edward A. Carter, Vice President for Administration; Chancellors Peter P. Bosomworth, Art Gallaher and Charles T. Wethington; Mr. Eugene R. Williams, Acting Vice President for Information Systems; and Mr. John C. Darsie, Legal Counsel.

Members of the news media were also in attendance. Mrs. Hayes reported a quorum present, and Mr. McCowan declared the meeting officially open for the conduct of business at 1:04 p.m.

C. Minutes Approved

On motion made by Judge Stephens, seconded by Mr. Hershey and passed, the Minutes of the March 1, 1988 meeting of the Board of Trustees were approved as written.

D. Commencement Announcement

Mr. McCowan announced that Commencement exercises are scheduled for May 8 at 1:30 p.m. and requested that the Board members note this important date on their calendars.

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

President Roselle called attention to the eight visiting vice rectors from Indonesia who were seated in the audience. He stated that the University has done several projects in Indonesia, mostly by the College of Agriculture and funded by the Agency for International

Development. He added that many of the University's faculty have had very enriching experiences because of their involvements with Indonesia and the very fine people of that country. After President Roselle expressed his thanks and appreciation to the vice rectors for being on campus, Mr. McCowan asked them to stand and be recognized, following which they were given a round of applause. President Roselle pointed out that Mr. Mohammad Toha is an alumnus of the University of Kentucky.

President Roselle then called attention to the upcoming University Honors Day program and asked Dr. Joseph Fink to inform the Board about the new event.

Dr. Fink indicated his pleasure in informing the members of the Board of the plans for University Honors Day which will be held on Thursday, April 14, at 3:00 p.m. in the Concert Hall of the Singletary Center for the Arts. He stated that the program will recognize the achievement of faculty, staff and students at the University of Kentucky. It will also provide a forum for the conferral of a number of university-wide awards and a special feature being a brief investiture ceremony recognizing President Roselle's assumption of the office as the ninth president of the University of Kentucky. University Honors Day will serve to focus the attention of the University and the community at large on the good things that are happening at the University -- the very creative achievement of the faculty and the tremendous innovations that are occurring on the campus. He urged the members of the Board to attend and extended an invitation to others in the community.

President Roselle continued reviewing his report by calling attention to the following items:

The Medical Center has formed a heart institute under the leadership of Dr. Anthony N. DeMaria, Dr. Jacqueline A. Noonan, Dr. W. Randolph Chitwood and Dr. John N. Diana. President Roselle stated that this is a very important issue and will be a significant event in the life of the University of Kentucky.

The University debaters won the National Novice Honors which continues the University's tradition of successful competition and debate.

Merit weekends attracted 400 outstanding students and parents. President Roselle indicated that the University should have the most qualified group of entering freshmen in the University's history selected from the largest pool of applicants entering school this fall. He added that this was the experience last year and he believes a new record will be set by both criteria, number of applicants and quality of entering applicants again in the coming academic year.

The Department of History has established a fellowship endowment honoring retiring professor Charles Roland; the fundraising activity is being presided over by Dr. Otis Singletary.

James M. Buchanan, Nobel Laureate, will be on campus April 25 talking about economics and his theory of economics.

The dedication of the Mining and Minerals Resources Building will be held on Friday, April 8, and Senator Wendell Ford will be in attendance to preside over the building dedication. President Roselle noted that Mr. George Evans, Secretary of the Energy Cabinet, will also be a participant.

William G. Moody, Professor, Department of Animal Sciences, has been appointed Academic Ombudsman for 1988-89 and succeeds Professor William H. Fortune, College of Law. President Roselle explained that Professor Moody will continue an 18-year tradition by faculty members of handling issues of an academic nature involving students, faculty and administrative staff when problems arise. Professor Moody was asked to stand and be recognized, following which he was given a round of applause.

F. Budget Update

In opening his presentation, President Roselle reminded the Board of the bleak budget update given to them at the previous Board meeting. He stated that he wished to familiarize the members with some of the planned initiatives by the administration in dealing with the difficult budget and the flexibility to undertake these initiatives. He pointed out that the number one priority for the budget is salary increases for faculty and staff.

President Roselle explained that the last legislative session was difficult in the sense that there was not enough revenue available to adequately fund the programs of the Commonwealth. In particular, faculty and staff salaries were funded at an annual rate to reflect a 2% increase the first year and a 5% increase the second year of the biennium. He added that despite the disappointment of a less than adequate response to the administration's request, the legislature was very helpful to the University. He noted that in addition to recognition of faculty and staff salary increases, the legislature did the following: (1) provided support for opening new buildings, (2) provided support for special initiatives in the College of Engineering, (3) supported the Japanese Saturday School, (4) authorized debt financing for a business and economics building, (5) authorized a renovation project associated with an older building, (6) authorized debt financing for several community college projects, and (7) provided nearly \$1 million for support of Agriculture Extension activities. He pointed out that all of these initiatives are important and needed.

President Roselle stated that the budgetary situation is better than previously indicated to the Board and expressed appreciation to Governor Wilkinson, members of his staff, and members of the legislature. He also expressed appreciation to the members of the Board, the alumni, faculty, staff, and students for their involvement in helping bring about a better budget for the University.

President Roselle concluded his remarks by saying that the 1988-89 budget is very tight; however, it is important that the University continue to make progress by having more support for good scholarship and a high quality of student life. He explained that achieving these goals will require improving personal conditions of employment, building an environment in which faculty and students are more easily able to conduct their studies, and making provisions to attract and retain the best faculty, staff, and students. He then asked Mr. Carter to address the Board on some of the planned initiatives.

Using a series of charts, Vice President Carter provided detailed information on the impact on the University of Kentucky budget of the appropriation bill before Governor Wallace Wilkinson. In summary, he indicated it would take \$21.7 million to deal with the programs proposed by President Roselle. He reminded the members of the list of options presented at the last meeting and stated that two broad categories were being considered in order to deal with the deficit budget: exploring additional revenue sources and reviewing reallocation possibilities. He explained that the additional revenue sources involved looking at significant revenue sources to come into the institution to support the plan and reallocation possibilities would be the elimination of positions throughout the institution. He indicated that the final budget document would be presented at the June meeting and that the purpose of the presentation today is to keep the members of the Board apprised of the activities to date.

In conclusion, President Roselle emphasized the importance of retaining the best people, attracting the best students to the institution, and providing adequate working conditions for the employees of the institution. He stated that priorities must be shifted in order to afford these initiatives but expressed his intent to protect the academic programs fully.

Professor Coleman stated that she was pleased with the initiatives and felt it to be a very forward moving approach to the budget situation.

G. Personnel Actions (PR 2)

With President Roselle so recommending, on motion made by Professor Driscoll, seconded by Mr. Stricker and carried, the routine personnel actions in PR 2 were approved. (See PR 2 at the end of the Minutes.)

H. Amendment to the Governing Regulations (PR 3B)

Following a brief explanation of the amendment by Dr. Paul Sears and Professor Coleman, Professor Coleman moved, and Mr. Wilcoxson seconded, that the proposed amendment to the Governing Regulations in PR 3B, which was received by the Board of Trustees at its March 1988 meeting, be approved. The motion carried unanimously. (See PR 3B at the end of the Minutes.)

I. Revision of University of Kentucky Retirement Plan (PR 3C)

President Roselle stated that PR 3C is a recommendation that the Board of Trustees approve revisions in the University of Kentucky Retirement Plan; the effective date will be July 1, 1988. He then asked Dr. Sears to summarize the revisions.

Dr. Sears provided a brief summarization of the revisions and Mr. McCowan stated that most universities and corporations are making the same kind of modifications. On motion made by Mr. Stricker, seconded by Dr. Pisacano and carried, the Board approved the Retirement Plan revisions in PR 3C. (See PR 3C at the end of the Minutes.)

J. University Research Professorships (PR 3D)

President Roselle reviewed the background of Research Professorships. He pointed out that the list of Research Professorships for the last ten years reads as the Who's Who of the University of Kentucky faculty and stated that this has become a very prestigious award over the years. He indicated his pleasure in recommending that the Board approve the naming of Professor Daniel Nelson, Department of Political Science; Professor Robert Dickson, Department of Biochemistry; Professor Jesse Siken, Department of Microbiology and Immunology; and Professor Mina Miller, Department of Music, as University Research Professors for 1988-89. Mrs. Hayes so moved. The motion was seconded by Professor Coleman and unanimously carried. Professors Nelson, Dickson, and Miller were in attendance, and they were asked to stand and be recognized, following which they were given a round of applause. (See PR 3D at the end of the Minutes.)

K. Honorary Degree Recipients (PR 3E)

President Roselle stated that three of the five nominees for honorary degrees could attend Commencement exercises on May 8 and there was a move to invite the two who could not attend this year because of scheduling problems to the 1989 Commencement. He then asked that approval be granted to awarding the honorary degree of Doctor of Letters to Mary Marvin Breckinridge Patterson, the Doctor of Science to Joseph A. Boyd, and the Doctor of Laws to Robert D. Bell. The motion, which was made by Professor Betts and seconded by Mr. Bates, was voted on and carried. Governor Chandler asked that his vote be recorded as having opposed the awarding of an honorary degree to Mr. Robert Bell for a Doctor of Laws degree and stated his reasons for opposition. Mr. Forgy, Ms. Weaver and Professor Coleman made favorable comments in support of Mr. Bell's nomination for an honorary degree. (See PR 3E at the end of the Minutes.)

L. Associate Degree Program in the Community College System - Southeast Community College (PR 4A)

On recommendation of President Roselle, Mrs. Hayes so moved that the Board approve for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science, Engineering Technology, Computer Repair Option, for the Southeast Community College. Her motion was seconded by Mr. Wilcoxson and passed without dissent. (See PR 4A at the end of the Minutes.)

M. Acceptance of Interim Financial Report for the University of Kentucky for the Eight Months Ended February 29, 1988 (FCR 1)

Mr. Forgy, Chairman of the Finance Committee, reported that there were four items to recommend to the board. He stated that FCR 1 is the acceptance of the Interim Financial Report for the University of Kentucky for the eight months ended February 29. He noted that the budget is on target and recommended that FCR 1 be adopted. The motion was seconded by Judge Tackett, and carried. (See FCR 1 at the end of the Minutes.)

N. Disposal of Personal Property (FCR 2)

On motion made by Mr. Forgy, seconded by Mr. Stricker and carried, the routine disposition of surplus and obsolete equipment as described in Exhibits I and II was approved. (See FCR 2 at the end of the Minutes.)

O. Report of Leases (FCR 3)

Mr. Forgy moved that the routine report of lease agreements in FCR 3 be adopted. The motion was seconded by Mr. Clay and passed. (See FCR 3 at the end of the Minutes.)

P. Acquisition of Property (FCR 4)

Mr. Forgy stated that FCR 4 relates to the acquisition of real properties and would empower the Legal Counsel and the Vice Chancellor for Administration of the Lexington Campus to enter into certain negotiations with regard to the property indicated. He reported that it also empowers the Legal Counsel and Vice Chancellor for Administration to file suit in accord with the Eminent Domain Act if negotiations are not successful. He then moved that FCR 4 be adopted. Mr. Forgy's motion was seconded by Mr. Clay and unanimously carried. (See FCR 4 at the end of the Minutes.)

Q. University Debaters Recognized

Mr. McCowan commented on the University debaters winning national novice honors which President Roselle mentioned in his report. He congratulated T. A. McKinney and Calvin Rockefeller on their defeat of a duo at Harvard University to win the National Novice Championship Debate Tournament at Northwestern University in Evanston, Illinois. He pointed out that this gave the first national championship since 1980 to the University's novice team. He also noted that Mr. McKinney was named top novice debater in the nation. The debaters were given a round of applause.

R. Meeting Adjourned

There being no further business to come before the Board, the Chairman adjourned the meeting at 2:07 p.m.

Respectfully submitted,

Edythe Jones Hayes
Secretary
Board of Trustees

(PR's 2, 3B, 3C, 3D, 3E, and 4A; FCR's 1, 2, 3, and 4 which follow are official parts of the Minutes of the meeting.)

Office of the President
April 5, 1988

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-R 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: April 5, 1988

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CENTRAL ADMINISTRATION

I. BOARD ACTION

A. RETIREMENT

Public Relations

Eckdahl, Betty T., Senior Information Specialist, after 15 consecutive years of service, under II.B of AR II-1.6.1 effective April 2, 1988.

II. ADMINISTRATIVE ACTION

A. ADMINISTRATIVE APPOINTMENT

Information Systems

Collins, Herman E., from Senior Systems Programmer to Lead Data Communications Analyst/Programmer, effective March 1, 1988.

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

Transfer from Madisonville Community College to
Lexington Community College

Cantrell, Timothy A., Professor in the Community
College System (with tenure), 7/1/88.

B. ADMINISTRATIVE APPOINTMENTS

Hopkinsville Community College

Hoover, Donald, Associate Professor in the Community
College System (with tenure), Chairman, Division
of Social Sciences and Related Technologies,
7/1/88 through 6/30/91.

Jefferson Community College

Hoover, Nancy L., Dean of Academic Affairs, Downtown
Campus, effective 6/1/88.

C. RETIREMENTS

Jefferson Community College

Kinsella, Paul L., Professor in the Community College
System (with tenure), after 20.5 consecutive
years of service, effective 6/30/88.

Tribble, Joan F., Associate Professor in the Community
College System (with tenure), after 16.5
consecutive years of service, effective 6/30/88.

Prestonsburg Community College

Frasure, Walter, Professor in the Community College
System (with tenure), after 24 consecutive years
of service, 6/30/88.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Hopkinsville Community College

Waller, Auna Gae, Instructor in the Community College
System, 2/1/88 through 6/30/88.

Jefferson Community College

Burch, Charlotte, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Burke, Gail, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Delor, Deborah, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Hagan, Marlene, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Kahler, Bonnie, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Large, Diane, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
McDonald, Dee, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Parsons, Constance, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Pfeiffer, Madeline, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Pope, Debbie, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Sammons, Teresa, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Silver, Barbara, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Sivori, Susan, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Thomas, Mary Ann, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Turner, Kathy, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Watkins, Teresa, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.

Lexington Community College

Allen, William C., Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.
Bingcang, Ben P., Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.
DuBick, Marc, Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.
Haigler, Sandra, Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.
Hall, Philip, Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.
Hanley, Michael, Instructor in the Community College System (voluntary), 3/1/88 through 6/30/88.

B. REAPPOINTMENTS

Jefferson Community College

Anderson, Gladys, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Billings, Thomas, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Brown, Delores J., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Brownfield, Wilma, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Cardenas, Jaime, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Cooper, David L., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Davis, Diane C., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Denton, Deborah, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Dingess, Randall B., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Hall, Mary Louise, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Hall, Michelle S., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Hand, Michael D., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Henley, Connie W., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Johnson, Maritza B., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Lawrence, Elizabeth L., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
McCain, Denise, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
McClure, Vannah, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Montoya, Ophelia, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Necessary, Lillian W., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Obetz, Mary, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Olivencia, Jose R., Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Payne, Mary Ann, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Pressley, Brenda, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.

Quinn, Wanda Sue, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Schroerlucke, Sandra, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88
Scrivner, Mabel I., Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Senn, Sheila, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Smith, Coleen, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Stewart, David, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Wabner, Nancy, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.
Watkins, Sally, Instructor in the Community College System (voluntary), 1/1/88 through 6/30/88.
Wertheim, Phyllis, Instructor in the Community College System (voluntary), 1/1/88 through 12/31/90.

C. LEAVES OF ABSENCE

Henderson Community College

Walker, Marianne, Associate Professor in the Community College System (with tenure), sabbatical leave at one-half salary, 1988-89 Academic Year.

Jefferson Community College

Steinberg, Allan M., Associate Professor in the Community College System (with tenure), sabbatical leave at one-half salary, 1988-89 Academic Year.

LFXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Lowry, Stephen R., Associate Professor (without tenure), Animal Sciences, 2/10/88 through 6/30/88.

B. JOINT APPOINTMENTS

College of Education

Parclay, Lisa, Professor (with tenure), Family Studies, College of Home Economics, joint appointment as Professor (without tenure), Educational and Counseling Psychology, effective 2/15/88.

C. PROMOTIONS

College of Arts and Sciences

- Benham, Craig J., from Associate Professor (with tenure), Mathematics, to Professor (with tenure), Mathematics, effective 7/1/88.
- Callahan, Joan C., from Assistant Professor (without tenure), Philosophy, to Associate Professor (with tenure), Philosophy, effective 7/1/88.
- Man, Chi-Sing, from Assistant Professor (without tenure), Mathematics, to Associate Professor (with tenure), Mathematics, effective 7/1/88.
- Perry, Peter A., from Assistant Professor (without tenure), Mathematics, to Associate Professor (with tenure), Mathematics, effective 7/1/88.
- Popkin, Jeremy D., from Associate Professor (with tenure), History, to Professor (with tenure), History, effective 7/1/88.
- Rosenman, Ellen B., from Assistant Professor (without tenure), English, to Associate Professor (with tenure), English, effective 7/1/88.
- Rowles, Graham D., from Associate Professor (with tenure), Geography, to Professor (with tenure), Geography, effective 7/1/88.
- Snyder, Douglas K., from Associate Professor (with tenure), Psychology, to Professor (with tenure), Psychology, effective 7/1/88.
- Subbaswamy, Kumble R., from Associate Professor (with tenure), Physics and Astronomy, to Professor (with tenure), Physics and Astronomy, effective 7/1/88.

*Special Title Series

College of Business and Economics

Bobko, Philip, from Associate Professor (with tenure), Management, to Professor (with tenure), Management, effective 7/1/88.
Calantone, Roger J., from Associate Professor (with tenure), Marketing, to Professor (with tenure), Marketing, effective 7/1/88.
Garen, John Edward, from Assistant Professor (without tenure), Economics, to Associate Professor (with tenure), Economics, effective 7/1/88.

College of Law

Graham, Mary Louise, from Associate Professor (with tenure), to Professor (with tenure), effective 7/1/88.
Underwood, Richard H., from Associate Professor (with tenure), to Professor (with tenure), effective 7/1/88.

D. RETIREMENTS

College of Arts and Sciences

Ulmer, S. Sidney, Professor (with tenure), Political Science, after 25 consecutive years of service, under Section II.B of AR II-1.6-1, effective 5/31/88.

Vice Chancellor for Administration

Parnes, Marvin W., Disabled Staff, Employee Benefits and Risk Management, after 21 consecutive years of service, under Section II.B of AR II-1.6-1, effective 5/31/88.
Leek, Benjamin, Disabled Staff, Employee Benefits and Risk Management, after 19 consecutive years of service, under Section II.B of AR II-1.6-1, effective 5/31/88.
Whitson, Alfred D., Jr., Disabled Staff, Employee Benefits and Risk Management, after 15 consecutive years of service, under Section II.B of AR II-1.6-1, effective 6/30/88.

E. EARLY RETIREMENTS

Libraries

Brown, Mary Ruth, Librarian I (with tenure) and Associate Director of Libraries, after 28 consecutive years of service, under Section II.A.2(a) of AR II-1.6-1, effective 7/2/88.

Vice Chancellor for Administration

Ballard, Freeman E., Administrative Staff Officer I, Physical Plant Division, Business Affairs, after 22 consecutive years of service, under Section II.A.2(a) of AR II-1.6-1, effective 7/1/88.

*Special Title Series

Newton, Perlle J., Custodial Supervisor I, Physical Plant Division, Services, after 24 consecutive years of service, under Section II.A.1(a) of AR II-1.6-1, effective 7/22/88.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Buckley, Philip E., Visiting Associate Professor, Agronomy, 2/1/88 through 1/31/89.

College of Arts and Sciences

Elum, Virginia, Assistant Professor, English, 8/16/88 through 6/30/89.

College of Communications

Chibaudy, Nore Joseph, Instructor (part-time), Journalism, 1/1/88 through 5/31/88.

Sondhi, Krishan, Visiting Associate Professor, Communication, 2/15/88 through 5/15/88.

College of Engineering

Deen, Robert C., Associate Professor (part-time), Civil Engineering, 7/1/88 through 6/30/89.

College of Law

Huffman, Florence S., Assistant Professor (part-time), 1/1/88 through 4/30/88.

F. ADMINISTRATIVE APPOINTMENTS

Vice Chancellor for Student Affairs

Crouch, Larry, Director of Career Planning and Placement Center, appointed Director of Career and Student Services, effective 2/1/88.

C. REAPPOINTMENTS

College of Arts and Sciences

Galloway, Lynn A., Instructor (part-time), English, 1/1/88 through 5/31/88.

Jaromczyk, Jerzy W., Assistant Professor, Computer Science, 7/1/88 through 6/30/90.

Mynear, Daniel, Instructor (part-time), English, 1/1/88 through 5/31/88.

Shelby, Anne G., Instructor (part-time), English, 1/1/88 through 5/31/88.

College of Engineering

Hwang, Alun, Assistant Professor (part-time), Civil Engineering, 7/1/88 through 6/30/89.

Serrano, Sergio, Assistant Professor, Civil Engineering, 7/1/88 through 6/30/90.

White, Carey, Associate Professor (part-time), Civil Engineering, 7/1/88 through 6/30/89.

Libraries

Black, Katherine J., Librarian IV, Special Collections, 7/1/88 through 6/30/89.

Burgett, Teresa Lynn, Librarian III, Cataloging, 7/1/88 through 6/30/89.

Cline, Cindy D., Librarian IV (temporary), Newspapers/Periodicals/Microtext, 7/1/88 through 6/30/89.

Cox, Bonnie Jean, Librarian IV, Collection Development, 7/1/88 through 6/30/89.

Czarski, Charles M., Librarian IV (temporary), Newspapers/Periodicals/Microtext, 7/1/88 through 6/30/89.

Ford, Harriet L., Librarian IV (part-time), Social Work Reading Room, 7/1/88 through 6/30/89.

Hale, Barbara S., Librarian III, Government Publications, 7/1/88 through 6/30/89.

Jones, Roxanna M., Librarian III, Interlibrary Loans, 7/1/88 through 6/30/89.

Martin, Katherine R., Librarian IV, Reference, 7/1/88 through 6/30/89.

McLaren, Mary K., Librarian III, Acquisitions, 7/1/88 through 6/30/89.

Pattie, Ling-Yuh W., Librarian III, Cataloging, 7/1/88 through 6/30/89.

Powell, Patricia Jean, Librarian III, Extension Library, 7/1/88 through 6/30/89.

Razeeq, Adil, Librarian III, Reference, 7/1/88 through 6/30/89.

Seago, Catherine, Librarian IV, Cataloging, 7/1/88 through 6/30/89.

Stoffer, Phil, Librarian III, Geology Library, 7/1/88 through 6/30/89.

Stottlemeyer, Gary L., Librarian IV, Law Library, 7/1/88 through 6/30/89.

Trimble, Jeanne S., Librarian IV, Newspapers/Periodicals/Microtext, 7/1/88 through 6/30/89.

Vass, Mary Miller, Librarian III, Education Library, 7/1/88 through 6/30/89.

College of Library and Information Science

Hannah, Stan, Assistant Professor, 7/1/88 through 6/30/89.

D. CHANGE IN STATUS

College of Engineering

Cheeks, Richard, from Adjunct Assistant Professor, Civil Engineering, to Assistant Professor (part-time), Civil Engineering, 7/1/88 through 6/30/89.

House, Barry, from Adjunct Assistant Professor, Civil Engineering, to Assistant Professor (part-time), Civil Engineering, 7/1/88 through 6/30/89.

E. LEAVES OF ABSENCE

College of Arts and Sciences

Beidleman, James, Professor (with tenure), Mathematics, Sabbatical leave with full salary, Fall semester 1988.

Birge, Wesley J., Professor (with tenure), Biological Sciences, Sabbatical leave with half salary, Fall semester 1988 and Spring semester 1989.

Elee, Kathleen, Associate Professor (with tenure), Sociology, Sabbatical leave with full salary, Fall semester 1988.

Carey, Richard, Professor (with tenure), Mathematics, Sabbatical leave with full salary, Fall semester 1988.

Charron, Jean D., Professor (with tenure), French, To change ending date of sick leave with full pay from 5/1/88 to 6/1/88.

Dillehay, Ronald C., Professor (with tenure), Psychology, Sabbatical leave with half salary, Fall semester 1988 and Spring semester 1989.

Dye, Nancy S., Associate Professor (with tenure), History, Leave without pay, Fall semester 1988 and Spring semester 1989.

Ford, Thomas, Professor (with tenure), Sociology, Sabbatical leave with half salary, Fall semester 1988 and Spring semester 1989.

Kiser, Robert W., Professor (with tenure), Chemistry, Sick leave with full pay, 1/31/88 through 4/15/88.

Korevaar, Nicholas J., Associate Professor (with tenure), Mathematics, Leave without pay, Fall semester 1988 and Spring semester 1989.

Pattengill, Merle D., Professor (with tenure), Chemistry, Sick leave with full pay, 2/10/88 through 5/15/88, and to rescind Leave without pay for 8/1/88 through 6/30/89.

Rowland, Daniel B., Associate Professor (with tenure), History, Sabbatical leave with half salary, Fall semester 1988 and Spring semester 1989.

College of Education

Vinton, Dennis A., Associate Professor (with tenure), Health,
Physical Education, and Recreation, Sabbatical leave with half
salary, Fall semester 1988 and Spring semester 1989.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Johnson, Steven B., Assistant Professor, Surgery, 4/1/88 through 6/30/88.

Joyce, Judith M., Assistant Professor, Radiation Medicine, 7/1/88 through 6/30/89.

B. ADMINISTRATIVE APPOINTMENTS

College of Medicine

Powell, Deborah E., Professor (with tenure), Pathology, appointed Chairman, Pathology, effective 4/1/88 through 3/31/94.

C. TENURE

College of Medicine

Kang, Bann C., Associate Professor, Medicine, effective 7/1/88.

Neefe, John R., Associate Professor, Medicine, effective 7/1/88.

D. PROMOTIONS

College of Dentistry

Reel, Donald C., from Assistant Professor* (without tenure), Oral Health Practice, to Associate Professor* (with tenure), Oral Health Practice, effective 7/1/88.

College of Medicine

Berger, Rolando, from Assistant Professor (without tenure), Medicine, to Associate Professor (with tenure), Medicine, effective 7/1/88.

Doukas, Michael A., from Assistant Professor (without tenure), Medicine, to Associate Professor (with tenure), Medicine, effective 7/1/88.

Gilinsky, Norman H., from Assistant Professor (without tenure), Medicine, to Associate Professor (with tenure), Medicine, effective 7/1/88.

*Special Title Series

Johnson, Gregory L., from Associate Professor (with tenure), Pediatrics, to Professor (with tenure), Pediatrics, effective 7/1/88.

Nissen, Steven E., from Assistant Professor (without tenure), Medicine, to Associate Professor (with tenure), Medicine, effective 7/1/88.

Phillips, Barbara A., from Assistant Professor (without tenure), Medicine, to Associate Professor (with tenure), Medicine, effective 7/1/88.

Walsh, John W., from Associate Professor (with tenure), Surgery, to Professor (with tenure), Surgery, effective 7/1/88.

E. CHANGES

College of Medicine

Luce, Edward A., from Professor* (with tenure), Surgery, to Professor (Regular Title Series) (with tenure), Surgery, effective 7/1/88.

F. RETIREMENTS

College of Dentistry

Costich, Emmett R., Professor, Oral Health Practice, after 26 consecutive years of service, under AR II-1.6-1 Section II.B, effective 6/30/88.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Apts, David W., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

Bursch, Donald E., Clinical Instructor (voluntary), Physical Therapy, 10/28/87 through 6/30/88.

Cassady, Sandra L., Clinical Instructor (voluntary), Physical Therapy, 11/23/87 through 6/30/88.

Helton, Perri Kennedy, Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

Jones, Cynthia C., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

Kayser, Roberta L., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

Kiser, Ann M., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

Lacey, Lillian, Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

*Special Title Series

Lott, Libby K., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.
Martin, Tracy L., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.
Smith, Craig T., Clinical Instructor (voluntary), Physical Therapy, 11/1/87 through 6/30/88.
Wright, Claresa A., Clinical Instructor (voluntary), Physical Therapy, 7/1/87 through 6/30/88.

College of Medicine

Myers, Steven R., Assistant Professor (Research Title Series), Pharmacology, 2/1/88 through 6/30/88.

College of Nursing

Hall, Sarah F., Instructor (voluntary), 3/1/88 through 6/30/91.

Kitchen, Barbara R., Instructor (voluntary), 3/1/88 through 6/30/91.

B. REAPPOINTMENTS

College of Allied Health Professions

Huff, Frank Rouse, Assistant Professor (Adjunct Title Series), Community Health, 7/1/87 through 6/30/88.
Jones, Marvin Lamar, Instructor (part-time), Medical Technology, 1/1/88 through 5/31/88.

College of Medicine

McNicholas, Laura F., Instructor (part-time) (temporary), Pharmacology, 7/1/87 through 6/30/88.

C. CHANGES

College of Medicine

Dillon, Kathryn, Assistant Professor*, Obstetrics and Gynecology. To change name from Dillon, Kathryn to High, Kathryn Dillon, effective 10/3/87.
Schmitt, Frederick A., from Assistant Professor (Research Title Series) (without tenure), Neurology, joint appointment, College of Arts and Sciences, Department of Psychology, to Assistant Professor (Regular Title Series) (without tenure), effective 2/1/88 through 6/30/88. Also, joint appointment as Assistant Professor (Regular Title Series) (without tenure), Psychiatry, effective 2/1/88 through 6/30/88.

*Special Title Series

PR 3B

Members, Board of Trustees:

AMENDMENT TO THE GOVERNING REGULATIONS

Recommendation: that the following amendment to the Governing Regulations of the University of Kentucky, which was received by the Board of Trustees for preliminary consideration on March 1, 1988, be approved:

Amendment: Change Part X.C.4 to read:

(Note: Proposed deletion of wording is bracketed; proposed addition of of new wording is underlined.)

[4. Patent Policies

As a general policy, patent rights resulting from activities using staff time, materials, equipment, and facilities of the University of Kentucky shall be owned and controlled by the University. Any staff member making a patentable discovery with the use of such time, materials, equipment, and/or facilities shall assign personal patent rights to the University, or its designate, but shall have an interest and share in the returns. (The term "staff" is here interpreted as including any member of the faculty, staff or student body of the University.) Except as otherwise agreed, patent rights resulting from sponsored research shall be owned and controlled by the University. An agreement with a sponsor pertaining to patent rights and the assignment thereof shall be made in advance of the research.

The interests of the University and a member or members of its staff in a patent shall be determined by a Standing Committee on Patents appointed by the President on the basis of principles recommended by the President and adopted by the Board of Trustees.

A document dealing with the administration of patent policies has been approved by the Board of Trustees and appears as a part of the Administrative Regulations (AR II-1.1-3).]

4. Intellectual Property

As a general policy, all intellectual property conceived, first reduced to practice, written, or otherwise produced by faculty, staff, or students of the University of Kentucky using University funds, facilities, or other resources shall be owned and controlled by the University. Any member of the faculty, staff, or student body of the University who produces such intellectual property using University funds, facilities, or other

resources, shall assign personal rights to the property to the University, or its designate, but shall have an interest in and a right to share in any financial returns from the commercialization of the property. Notwithstanding, it is a specific policy of the University that the traditional products of scholarly activity, such as journal articles, textbooks, reviews, monographs, works of art, sculpture, music, and course materials, shall be the unrestricted property of the author. The University will exert no ownership claim of such works. A Standing Committee on Intellectual Property appointed by the President will administer the policy and oversee implementation of the procedures, both as detailed in the Administrative Regulation on intellectual property (AR II-1.1-3).

Background: As early as 1946 the University recognized that some new knowledge or technology had commercial value and warranted protection through the patent process. In 1974 a copyright policy recognized the traditional rights of faculty to the written fruits of their scholarly activity and the University's rights of ownership to other materials produced as a result of direct assignments, e.g., videotapes, films, and programmed instructional materials.

Implicit in these developments was the understanding that the University not only had a responsibility to bring new knowledge into use by the general public, but also that such knowledge or technology sometimes has commercial value and should be treated as a financial asset to be used, conserved, or applied in such a way as to generate an appropriate financial return. Transfer of such information or technology through licensing satisfied both objectives, i.e., dissemination for use and the realization of a return.

Developments in recent years have broadened the scope of information and technology that can have potential commercial value and that, therefore, should be treated as assets subject to University ownership and control. In addition to new machines, compositions of matter, and written materials which traditionally have been the subject of patents and copyrights, new life forms, bioengineered agents, plant varieties, computer software, videocourses, etc., are now normal outcomes of University activities. Thus, a broad policy covering all aspects of intellectual property is provided in the new Administrative Regulation on intellectual property (AR II-1.1-3) which has been designed to replace the existing Administrative Regulations on patents (AR II-1.1-3) and copyrights (AR II-1.1-4).

2171A

Action taken: Approved Disapproved Other

Date: April 5, 1988

Office of the President
April 5, 1988

PR 30

Members, Board of Trustees:

REVISION OF UNIVERSITY OF KENTUCKY RETIREMENT PLAN

Recommendation: That the Board of Trustees approve revisions in the University of Kentucky Retirement Plan (AR II-1.6-1) as presented in the following document, to become effective July 1, 1988.

Background: The University of Kentucky Board of Trustees last approved the institutional retirement plan in whole on September 18, 1979. Additional changes to the plan were approved by the Board on the following dates: March 3, 1980; June 25, 1986; December 22, 1986; May 5, 1987; and June 23, 1987.

On June 23, 1987, the Board approved the Ad Hoc Retirement Review Committee recommendations that dealt with the number of carriers that would be authorized to receive University of Kentucky employee and employer retirement contributions. Subsequently on December 8, 1987, the Board authorized Fidelity Investments and Twentieth Century to be utilized as retirement plan carriers in addition to TIAA/CREF.

The purpose of this Board action is to approve revisions in the institutional retirement plan to incorporate the addition of Fidelity Investments and Twentieth Century as investment plan carriers. Other retirement plan changes which have been included are as follows:

1. Immediate Vesting for Groups II and III.

Heretofore, retirement benefits purchased with University contributions have vested immediately for participants in the plans for Groups I, IV, and V, but only after five and three years, respectively, for participants in the plans for Groups II and III. While it is not clear from the records as to why this variance has existed, it is clear that this difference should be eliminated. The revised institutional retirement plan will provide for retirement benefits purchased with University contributions to vest immediately also for participants in the retirement plans for Groups II and III starting on July 1, 1988.

2. Full Range of Investment Options for All Groups.

In the past, participants in the Group II Plan were restricted to investing all retirement contributions in TIAA until full vesting occurred. Participants in all other groups have been permitted to

utilize all investment options that were available. The revised institutional retirement plan will permit participants in the Group II Plan to have the same privileges in investing retirement contributions or premiums as are available to participants in all other group plans.

3. Elimination of Inactive Status Provisions

The University of Kentucky Retirement Plan now includes several early retirement options. The inactive status option was adopted several years ago before there were any provisions available for University employees to retire before age 65, except on a medical basis. The sole purpose of the inactive status option was to permit University employees with rights under the old unfunded plan, who had attained at least age 60, to leave active employment at the University before age 65 without forfeiting retirement rights. Any employee who would have qualified or met the requirements of inactive status will satisfy fully the requirements of one or more of the early retirement options.

4. Retirement Settlement Options.

The University of Kentucky Retirement Plan now offers employees an opportunity to invest in three different companies. Settlement options will vary from company to company. The specific TIAA/CREF settlement options that previously were described in the retirement plan have been deleted. The rules of each company will govern their respective settlement options, and descriptions of those options will be available from the companies.

5. Minimum Annual Retirement Benefit Calculation.

Notwithstanding the fact that there are now three different retirement plan carriers available for handling retirement plan contributions, it is important to clarify the calculation that determines if a retiree with rights under the old unfunded plan is entitled to University supplemental retirement income. The calculation will continue to be based on the assumption that all retirement contributions were invested in TIAA and that the payout is on a single life annuity basis. Participants choosing any other investment option do so at their own risk.

2220A

Action: Approved Disapproved Other

Date: April 5, 1988

UNIVERSITY OF KENTUCKY RETIREMENT PLAN

(Note: New wording is underlined; deleted wording is bracketed.)

I. Introduction

The policies governing the University of Kentucky Retirement Plan are set forth in this administrative regulation. The University of Kentucky Board of Trustees has authorized three retirement plan carriers, effective July 1, 1988, to be utilized by University of Kentucky employees: Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF); Fidelity Institutional Services Company (Fidelity Investments); and Twentieth Century Investors, Inc. (Twentieth Century). It is the Board's intention that University employees be given a wide range of investment options during the years in which contributions are being made on the employees' behalf as well as a wide range of withdrawal options at the time of retirement. The term "retirement plan carrier", as used throughout this administrative regulation, includes all three retirement plan carriers that have been authorized by the Board of Trustees.

[I.] II. Retirement Groups and Plans

A. Group I Personnel and [TIAA/CREF] Plan

1. Group I Personnel

Eligibility of personnel for classification in Group I is conditioned upon: (a) regular full-time employment, (b) employment in a faculty position or a position otherwise specifically approved for Group I by the President, and (c) occupation of a position not covered by the United States Civil Service Retirement Plan or the Federal Employees Retirement System.

2. Group I [TIAA/CREF] Plan - Participation Requirements

Participation of Group I personnel employed prior to July 1, 1964, is as follows:

a. Voluntary for employees who had attained age 56 prior to July 1, 1964, and for employees who have completed one year of continuous service but have not attained age 30.

b. Mandatory for employees who had completed one year of continuous service and attained age 30 but not age 56 as of July 1, 1964.

c. Mandatory upon the completion of one year of continuous service and attainment of age 30 for all other such employees.

Participation of Group I personnel employed on or after July 1, 1964, is voluntary upon completion of one year of continuous service for those employees who have not attained age 30 and mandatory upon the completion of one year of continuous service and the attainment of age 30.

carrier.

In addition to contributions based on basic annual salary, contributions also shall be applied on compensation paid to faculty members for service during an interim between regular assignment periods, provided the faculty members are employed full-time by the University for at least one full month of continuous service in the interim, on a basis other than a fee schedule, without reduction in rate of earned salary per month as described in AR II-1.3-2. An interim between regular assignment periods for a faculty member on a regular nine-month, ten-month, or eleven-month assignment basis is defined in AR II-1.1-7.

[Annuities] Retirement benefits purchased [by] with the combined employee and University contributions shall become the property of individual participants immediately upon purchase. All annuities are for the sole purpose of providing retirement and/or death benefits.

If by applying the above-stated percentages there would be a violation of federal or state laws, as a result of the employer and/or employee contributions, then these percentages shall not be applied to the extent of violating applicable laws. In such cases, the amount of the employer contribution that cannot be forwarded to [TIAA/CREF] a retirement plan carrier shall be paid to the employee as a temporary salary increase for the balance of the calendar year.

4. Group I [TIAA/CREF] Plan - Termination of Contributions

Contributions on behalf of Group I personnel in the [TIAA/CREF] Retirement Plan through December 31, 1987, shall terminate at the end of the fiscal year in which the employee attains age 65 or upon the earliest occurrence of any one or more of the following.

- a. Cessation of regular full-time employment
- b. Retirement

Beginning January 1, 1988, retirement plan contributions on behalf of Group I personnel [in the TIAA/CREF Plan] shall terminate upon retirement or cessation of regular full-time employment.

B. Group II Personnel and [TIAA/CREF] Plan

1. Group II Personnel

Eligibility of personnel for classification in Group II is conditioned upon: (a) regular full-time employment with the University or, upon approval of the Board of Trustees, with an agency for which the University serves as fiscal and payroll agent, (b) employment in a position classified as technical and scientific staff, office and clerical staff, or service and maintenance staff, and (c) occupation of a position not covered by the United States Civil Service Retirement Plan.

2. Group II [TIAA/CREF] Plan - Participation Requirements

Participation of Group II personnel employed prior to July 1, 1971, is as follows:

a. Voluntary for employees who had attained age 56 before July 1, 1971, and for employees who have completed one year of continuous service but have not attained age 30.

b. Mandatory for employees who had completed one year of continuous service and attained age 30 but not age 56 as of July 1, 1971.

c. Mandatory upon the completion of one year of continuous service and the attainment of age 30 for all other such employees.

Participation of Group II personnel employed on or after July 1, 1971, is voluntary upon the completion of one year of continuous service for those employees who have not attained age 30 and mandatory upon the completion of one year of continuous service and the attainment of age 30.

The preliminary service period shall be waived, upon request, for employees who own retirement [annuity] contracts issued by [the Teachers Insurance and Annuity Association (TIAA) and/or retirement annuity certificates issued by the College Retirement Equities Fund (CREF)] one or more of the authorized retirement plan carriers.

3. Group II [TIAA/CREF] Plan - Contributions and Vesting

Notwithstanding any provision to the contrary contained herein, all Group II personnel who have satisfied the age and service requirements for mandatory participation shall be required to contribute on a salary reduction (pre-tax) basis all contributions which are required to be made by the participant according to the applicable contributions schedule contained herein; provided, however, that this provision shall not apply to any participant who prior to December 22, 1986, was making contributions on a salary deduction (after-tax) basis.

Contributions to the retirement plan shall be made in accordance with the following schedule:

Contributions as a Percent of Basic Annual Salary

For the Fiscal Year	By the Participant	By the University	Total
1971-72	0.5%	1.0%	1.5%
1972-73	1.2	2.0	3.2
1973-74	1.9	3.0	4.9
1974-75	2.6	4.0	6.6
1975-76	3.3	5.0	8.3
1976-77	4.0	6.0	10.0
1977-78	4.0	6.5	10.5
1978-79	4.0	7.0	11.0
1979-80	4.0	7.5	11.5
1980-81	4.0	8.0	12.0

Beginning July 1, 1988, the University shall withhold the contribution of the participant from regular wage payments, add its contribution, and [apply] remit the combined sum to the [purchase of retirement annuities for the participant as follows:] retirement plan carrier(s) selected by the participant for the purchase of retirement benefits.

[a. Prior to the date on which the University contribution vests: 100% of the contributions made by the employee and the University will be applied to a TIAA retirement annuity contract.]

[b. After the date on which the University contribution vests: at the election of the participant, either 0, 25, 50, 75, or 100 percent of such combined sum of further contributions will be applied to the participant's TIAA annuity and the balance, if any, as a premium for a CREF retirement annuity certificate.]

[The contribution of the participant shall be applied to an annuity which is fully vested in the participant; the contribution by the University shall be applied to an annuity, the rights and benefits to which are owned by the University until the annuity vests in the participant or is retrieved by the University in cases of termination before vesting (see Section IX). All annuities are for the sole purpose of providing retirement and/or death benefits.]

a. The participant will direct the portion of the combined retirement contribution that is to be remitted to each carrier, if two or more carriers are selected. The participant also must advise each retirement plan carrier of which investment options have been chosen and, if two or more options are selected with a single carrier, of the part of the retirement contribution that is to be allocated to each option.

b. A participant may change the ratio of allocating funds among retirement plan carriers and/or change options by completing the appropriate paper work. Changes in allocating contributions among the plan options is accomplished by the participant directly with the retirement plan carrier.

Each retirement contract issued in accordance with the foregoing is for the sole purpose of providing retirement and/or death benefits.

[Annuities] Retirement benefits purchased by University contributions shall become the property of individual participants as follows:

[a.] c. If the participant was employed prior to July 1, 1971: upon the completion of five years of continuous University service. Only years of continuous service immediately prior to July 1, 1971, are to be included in this computation.

[b.] d. If the participant was employed on or after July 1, 1971: upon the completion of five years of continuous participation in this plan or on July 1, 1988, whichever event occurs first.

If by applying the above-stated percentages there would be a violation of federal or state laws, as a result of the employer and/or employee contributions, then these percentages shall not be applied to the extent of violating applicable laws. In such cases, the amount of the employer contribution that cannot be forwarded to [TIAA/CREF] a retirement plan carrier shall be paid to the employee as a temporary salary increase for the balance of the calendar year.

4. Group II [TIAA/CREF] Plan - Termination of Contributions

Contributions on behalf of Group II personnel in the [TIAA/CREF] Retirement Plan through December 31, 1987, shall terminate at the end of the fiscal year in which the employee attains age 65 or upon the earliest occurrence of any one or more of the following:

- a. Cessation of regular full-time employment
- b. Retirement

Beginning January 1, 1988, retirement plan contributions on behalf of Group II personnel [in the TIAA/CREF Plan] shall terminate upon retirement or cessation of regular full-time employment.

C. Group III Personnel and [TIAA/CREF] Plan

1. Group III Personnel

Eligibility of personnel for classification in Group III is conditioned upon: (a) regular full-time employment with the University or, upon approval of the Board of Trustees, with an agency for which the University serves as fiscal and payroll agent, (b) employment in a position classified as administrative staff, managerial specialist staff, or professional staff, (c) occupation of a position not covered by the United States Civil Service Retirement Plan or the Federal Employees Retirement System; and (d) approval by the President or his delegate.

2. Group III [TIAA/CREF] Plan - Participation Requirements

Participation of Group III personnel employed prior to July 1, 1972, is as follows:

a. Voluntary for employees who had attained age 56 before July 1, 1972, and for employees who have completed one year of continuous service but have not attained age 30.

b. Mandatory for employees who had completed one year of continuous service and attained age 30 but not age 56 as of July 1, 1972.

c. Mandatory upon the completion of one year of continuous service and attainment of age 30 for all other such employees.

Participation of Group III personnel employed on or after July 1, 1972, is voluntary upon the completion of one year of continuous service for those employees who have not attained age 30 and mandatory upon the completion of one year of continuous service and the attainment of age 30.

The preliminary service period shall be waived, upon request, for employees who own retirement [annuity] contracts issued by [the Teachers Insurance and Annuity Association (TIAA) and/or retirement annuity certificates issued by the College Retirement Equities Fund (CREF)] one or more of the authorized retirement plan carriers.

3. Group III [TIAA/CREF] Plan - Contributions and Vesting

Notwithstanding any provision to the contrary contained herein, all Group III personnel who have satisfied the age and service requirements for mandatory participation shall be required to contribute on a salary reduction (pre-tax) basis all contributions which are required to be made by the participant according to the applicable contributions schedule contained herein; provided, however, that this provision shall not apply to any participant who prior to December 22, 1986, was making contributions on a salary deduction (after-tax) basis.

Contributions to the retirement plan shall be made in accordance with the following schedule:

Contributions as a Percent of Basic Annual Salary

For the Fiscal Year	By the Participant	By the University	Total
1972-73	1.0%	2.0%	3.0%
1973-74	2.0	4.0	6.0
1974-75	3.0	6.0	9.0
1975 and thereafter	4.0	8.0	12.0

Beginning July 1, 1988, the University shall withhold the contribution of the participant from regular salary payments, add its contribution, and [apply] remit the combined sum to the [purchase of

retirement annuities for the participant as follows:] retirement plan carrier(s) selected by the participant for the purchase of retirement benefits.

[a. The contribution of the participant will be applied to annuities which shall be fully vested in the participant. At the election of the participant, either 0, 25, 50, 75, or 100 percent of the contribution will be applied to a TIAA retirement annuity contract. The balance of the contribution, if any, will be applied to the purchase of a CREF retirement annuity certificate.]

[b. The contributions by the University will be applied to a TIAA retirement annuity contract and/or CREF retirement annuity certificate in the same manner as elected by the employee at the time of enrollment and thereafter as the employee may choose in accordance with TIAA/CREF regulations.]

[Each TIAA retirement annuity contract and CREF retirement annuity certificate issued in accordance with the foregoing is for the sole purpose of providing retirement and/or death benefits.]

a. The participant will direct the portion of the combined retirement contribution that is to be remitted to each carrier, if two or more carriers are selected. The participant also must advise each retirement plan carrier of which investment options have been chosen and, if two or more options are selected with a single carrier, of the part of the retirement contribution that is to be allocated to each option.

b. A participant may change the ratio of allocating funds among retirement plan carriers and/or change options by completing the appropriate paper work. Changes in allocating contributions among the plan options is accomplished by the participant directly with the retirement plan carrier.

Each retirement contract issued in accordance with the foregoing is for the sole purpose of providing retirement and/or death benefits.

[Annuities] Retirement benefits purchased by University contributions shall become the property of individual participants as follows:

[a.] c. If the participant was employed prior to July 1, 1972: upon completion of three years of University service. Only years of continuous service immediately prior to July 1, 1972, are to be included in this computation.

[b.] d. If the participant was employed on or after July 1, 1972: upon completion of three years of participation in this plan or on July 1, 1988, whichever event occurs first.

If by applying the above-stated percentages there would be a violation of federal or state laws, as a result of the employer and/or employee contributions, then these percentages shall not be applied to the extent of violating applicable laws. In such cases, the amount of the

employer contribution that cannot be forwarded to [TIAA/CREF] a retirement plan carrier shall be paid to the employee as a temporary salary increase for the balance of the calendar year.

4. Group III [TIAA/CREF] Plan - Termination of Contributions

Contributions on behalf of Group III personnel in the [TIAA/CREF] Retirement Plan through December 31, 1987, shall terminate at the end of the fiscal year in which the employee attains age 65 or upon the earliest occurrence of any one or more of the following:

- a. Cessation of regular full-time employment
- b. Retirement

Beginning January 1, 1988, retirement plan contributions on behalf of Group III personnel [in the TIAA/CREF Plan] shall terminate upon retirement or cessation of regular full-time employment.

D. Group IV Personnel and [TIAA/CREF] Plan

1. Group IV Personnel

Eligibility of personnel for classification in Group IV is conditioned upon: (a) regular full-time employment, (b) occupation of a position covered by the United States Civil Service Retirement Plan, and (c) eligibility rights under the United States Civil Service Retirement Plan.

2. Group IV [TIAA/CREF] Plan - Participation Requirements

Participation of Group IV personnel employed on or after January 1, 1973, is voluntary upon the completion of one year of continuous service.

The preliminary service period shall be waived, upon request, for employees with tenure or for employees who own retirement [annuity] contracts issued by [the Teachers Insurance and Annuity Association (TIAA) and/or retirement annuity certificates issued by the College Retirement Equities Fund (CREF)] one or more of the authorized retirement plan carriers.

3. Group IV [TIAA/CREF] Plan - Contributions and Vesting

Contributions to the retirement plan shall be made in accordance with the following schedule for the period of January 1, 1973, through June 30, 1987:

Contributions as a Percent of Basic Annual Salary

By the Participant	By the Institution	Total
1%	2%	3%

Beginning July 1, 1987, contributions to the retirement plan shall be increased as follows:

Contributions as a Percent of Basic Annual Salary

By the Participant	By the Institution	Total
4%	8%	12%

Beginning July 1, 1988, the University shall [deduct] withhold the contribution of the participant from regular salary payments, add its contribution, and [apply] remit the combined sum to the [purchase of retirement annuities for the participant as follows:] retirement plan carrier(s) selected by the participant for the purchase of retirement benefits.

[a. At the election of the participant, either 0, 25, 50, 75, or 100 percent of such combined sum will be forwarded to the Teachers Insurance and Annuity Association to be applied to a TIAA retirement annuity contract for the participant.]

[b. The balance of such combined sum, if any, will be forwarded to the College Retirement Equities Fund to be applied to the purchase of a CREF retirement annuity certificate for the participant.]

a. The participant will direct the portion of the combined retirement contribution that is to be remitted to each carrier, if two or more carriers are selected. The participant also must advise each retirement plan carrier of which investment options have been chosen and, if two or more options are selected with a single carrier, of the part of the retirement contribution that is to be allocated to each option.

b. A participant may change the ratio of allocating funds among retirement plan carriers and/or change options by completing the appropriate paper work. Changes in allocating contributions among the plan options is accomplished by the participant directly with the retirement plan carrier.

[Annuities] Retirement benefits purchased with the combined employee and University contributions shall become the property of individual participants immediately upon purchase. All [annuities] benefits are for the sole purpose of providing retirement and/or death benefits.

If by applying the above-stated percentages there would be a violation of federal or state laws, as a result of the employer and/or employee contributions, then these percentages shall not be applied to the extent of violating applicable laws. In such cases, the amount of the employer contribution that cannot be forwarded to [TIAA/CREF] a retirement plan carrier shall be paid to the employee as a temporary salary increase for the balance of the calendar year.

4. Group IV [TIAA/CREF] Plan - Termination of Contributions

Contributions on behalf of Group IV personnel in the [TIAA/CREF] Retirement Plan through December 31, 1987, shall terminate at the end of the fiscal year in which the employee attains age 65 or upon the earliest occurrence of any one or more of the following:

- a. Cessation of regular full-time employment
- b. Retirement

Beginning January 1, 1988, retirement plan contributions on behalf of Group IV personnel [in the TIAA/CREF Plan] shall terminate upon retirement or cessation of regular full-time employment.

E. Group V Personnel and [TIAA/CREF] Plan

1. Group V Personnel

Eligibility of personnel for classification in Group V is conditioned upon: (a) regular full-time employment; (b) occupation in a position covered by the Federal Employees Retirement System (FERS) Act; and (c) participation rights under the FERS retirement plan.

2. Group V [TIAA/CREF] Plan - Participation Requirements

Participation of Group V personnel hired on or after January 1, 1973, but no later than March 31, 1987 is voluntary upon completion of one year of continuous service.

The preliminary service period shall be waived, upon request, for employees with tenure or for employees who own retirement [annuity] contracts issued by [the Teachers Insurance and Annuity Association (TIAA) and/or retirement annuity certificates issued by the College Retirement Equities Fund (CREF)] one or more of the authorized retirement plan carriers.

3. Group V [TIAA/CREF] Plan - Contributions and Vesting

Contributions to the retirement plan shall be made in accordance with the following schedule:

Contributions as a Percent of Basic Annual Salary

By the Participant	By the Institution	Total
1%	2%	3%

Beginning July 1, 1988, the University shall [deduct] withhold the contribution of the participant from the regular salary payments, add its contribution, and [apply] remit the combined sum to the [purchase of retirement annuities for the participant as follows:] retirement plan carrier(s) selected by the participant for the purchase of retirement benefits.

[a. At the election of the participant, either 0, 25, 50, 75, or 100 percent of such combined sum will be forwarded to the Teachers Insurance and Annuity Association to be applied to a TIAA retirement annuity contract for the participant.]

[b. The balance of such combined sum, if any, will be forwarded to the College Retirement Equities Fund to be applied to the purchase of a CREF retirement annuity certificate for the participant.]

a. The participant will direct the portion of the combined retirement contribution that is to be remitted to each carrier, if two or more carriers are selected. The participant also must advise each retirement plan carrier of which investment options have been chosen and, if two or more options are selected with a single carrier, of the part of the retirement contribution that is to be allocated to each option.

b. A participant may change the ratio of allocating funds among retirement plan carriers and/or change options by completing the appropriate paper work. Changes in allocating contributions among the plan options is accomplished by the participant directly with the retirement plan carrier.

[Annuities] Retirement benefits purchased with the combined employee and University contributions shall become the property of individual participants immediately upon purchase. All [annuities] benefits are for the sole purpose of providing retirement and/or death benefits.

If by applying the above-stated percentages there would be a violation of federal or state laws, as a result of the employer and/or employee contributions, then these percentages shall not be applied to the extent of violating applicable laws. In such cases, the amount of the employer contribution that cannot be forwarded to [TIAA/CREF] a retirement plan carrier shall be paid to the employee as a temporary salary increase for the balance of the calendar year.

4. Group V [TIAA/CREF] Plan - Termination of Contributions

Contributions on behalf of Group V personnel in the [TIAA/CREF] Retirement Plan through December 31, 1987, shall terminate at the end of the fiscal year in which the employee attains age 65 or upon the earliest occurrence of any one or more of the following:

- a. Cessation of regular full-time employment
- b. Retirement

Beginning January 1, 1988, retirement plan contributions on behalf of Group V personnel [in the TIAA/CREF plan] shall terminate upon retirement or cessation of regular full-time employment.

F. President, [and] Vice Presidents, and Chancellors

Annual contributions to the [TIAA/CREF] Retirement Plan shall be

made on behalf of the President, [and] each Vice President, and each Chancellor in an amount equal to the aggregate of employee and University contributions otherwise provided herein for Group I employees. Provided, however, that nothing contained herein shall be construed to impair the retirement entitlement of any President or Vice President employed in that capacity as of [the date of this amendment (September 18, 1979)]. The Chairman of the Executive Committee of the Board of Trustees, on behalf of the Board, shall execute contracts with the individual officers providing for the age of retirement of the officers and the other details of the arrangement authorized by this Retirement Plan.

[II.] III. Retirement Dates

A. Early Retirement

The University hereby establishes two types of early retirement. One type of early retirement (Section [II.A.1] III.A.1) provides a qualified employee, who may be as young as 55, with an entitlement to early retirement without further contributions from the University toward the individual's retirement benefits, but with a modified University contribution toward the individual's health insurance coverage. The second type of early retirement (Section [II.A.2] III.A.2) permits a qualified employee who will be at least 62 but less than 65 years of age in 1987-1988 or a subsequent fiscal year to apply by October 1 of the preceding year to be considered for early retirement with incentives of one or more additional University contributions toward the individual's retirement benefits and also the normal University contribution toward the individual's health insurance coverage to age 65 and a modified University contribution toward health insurance coverage thereafter.

1. Early Retirement Without Further University Contributions Toward Retirement Benefits, But With A Modified University Contribution Toward Health Insurance Coverage

Any employee aged at least 55 but less than 65, with a minimum of 15 years of regular service (whether or not continuous, including regular part-time service on a pro rata basis) and with a combination of age plus years of regular service equal to at least 75, upon request and prior administrative approval at least four months in advance, shall be permitted to retire from the University, after which the University shall make no further retirement contributions to the individual's [TIAA/CREF annuity contracts] retirement contracts. The early retiree, however, shall be eligible to participate in one of the health plans approved by the University and to receive a modified University contribution toward health insurance coverage which shall be equal to that provided for an individual retiring from the University at or above age 65.

Eligibility for early retirement under this section also shall apply, with administrative approval but without advance notice, to current employees who are in an inactive status as approved by the Board of Trustees.

a. Employee Approved For Early Retirement But Not Qualified For Supplemental Retirement Income

An employee who is approved for early retirement under Section [II.A.1] III.A.1, and who is qualified for benefits under the [TIAA/CREF] Retirement Plan but not qualified for University supplemental retirement income, shall be permitted to retire with entitlement to all other University benefits and privileges available to those who retire at a normal or mandatory retirement date.

b. Employee Approved For Early Retirement And Qualified For Supplemental Retirement Income

An employee who is approved for early retirement under Section [II.A.1] III.A.1, and who is qualified for benefits under the [TIAA/CREF] Retirement Plan and also for University supplemental retirement income starting at age 65, shall be permitted to retire with entitlement to all other University benefits and privileges available to those who retire at a normal or mandatory retirement date. The individual's supplemental retirement income, however, shall be subject to the following conditions:

(1) Payment of supplemental retirement income shall not begin until the month in which the early retiree attains age 65;

(2) Service credit for supplemental retirement income shall not accrue after the person retires;

(3) The salary used to determine supplemental retirement income shall be the basic annual salary for the last year of active employment;

(4) An early retiree who elects to proceed under this option shall not receive supplemental retirement benefits which exceed 20% of the basic annual salary received during the last year of active employment plus 1% of such salary for each year of active service to the University;

(5) The computation of supplemental retirement income will be based upon the assumptions in Section [III.B.5] IV.B.6, except that the value of the single life annuity option is to be computed on the basis of the employee's age at the time early retirement commences; and

(6) Supplemental retirement benefits are not payable to survivors in the event the retiree dies prior to the attainment of age 65.

2. Early Retirement With Further University Contributions Toward Retirement Benefits And Health Insurance Coverage

Any employee who, within a particular fiscal year beginning with 1987-1988, will be at least 62 but less than 65 years of age and has a minimum of 20 years of regular service at the University of Kentucky (whether or not continuous, including regular part-time service on a pro rata basis), shall be permitted to apply by October 1 of the preceding fiscal year and be considered for early retirement starting on July 1 or other requested date in the applicable fiscal year. Eligibility to apply and be considered for early

retirement under this section also extends to current employees who are in an inactive status as approved by the Board of Trustees. The dean or director of the college shall transmit the application for an employee applying for early retirement to the appropriate chancellor or, for an employee in the Central Administration, the Vice President for Administration. In the consideration of an application for early retirement from an employee in the Central Administration, the Vice President for Administration shall perform the same duties as those of a chancellor.

Chancellors shall base their decisions to grant early retirement on program considerations and the ability to fund the early retirement program. The standard criteria for qualifying for early retirement with further contributions by the University toward retirement benefits and health insurance coverage are as follows: (a) attainment of age 62 prior to the early retirement date and (b) regular employment at the University of Kentucky for twenty years or more. In the event that there are more applicants than the sector can permit in any year, selection of applicants shall be based on the sum of age and years of service with the higher number given priority. For example, 64 (age) + 20 (years of service) = 84 and 62 (age) + 35 (years of service) = 97, resulting in giving higher priority to the request of the applicant aged 62. In instances of major program changes or terminations or closures of University units, or other instances of extraordinary circumstances, the chancellor, with the approval of the President, may establish additional criteria for early retirement.

After confirming the age and service data for all applicants through the Office of Employee Benefits and Risk Management, the chancellor shall identify those persons who have applied for early retirement and meet the age, service, and any applicable additional criteria and shall recommend to the President the number of early retirements consistent with sector interest. The President shall transmit the names of the approved applicants to the Board of Trustees in the usual manner.

For an employee thus approved for early retirement, the University shall continue payment of the equivalent of [TIAA/CREF] retirement contributions (8% or 10% depending upon the individual's retirement group) to age 65. The employee shall be offered the choice of a lump sum payable either to the individual or to the individual's existing [TIAA/CREF] retirement contracts, or annual payments to age 65 either to the individual or to the individual's existing [TIAA/CREF] retirement contracts. If the scheduled payments are elected, a contract promising delivery at future dates certain shall be executed, thereby giving the individual's estate the right to payments.

Additionally, the individual approved for early retirement under this section shall be eligible to participate in one of the health plans approved by the University, and the University shall make a normal contribution to the individual's health insurance coverage to age 65 and a modified contribution toward the individual's health insurance coverage coordinated with Medicare beginning at age 65.

Employees not granted early retirement in a particular year shall be eligible to reapply in the next year assuming continued eligibility.

To be considered for selection, employees must submit a new application each year.

a. Employee Approved For Early Retirement But Not Qualified For Supplemental Retirement Income

An employee who is approved for early retirement under Section [II.A.2] III.A.2, and who is qualified for benefits under the [TIAA/CREF] Retirement Plan but not qualified for University supplemental retirement income, shall be permitted to retire with entitlement to all other University benefits and privileges available to those who retire at a normal or mandatory retirement date.

b. Employee Approved for Early Retirement and Qualified for Supplemental Retirement Income

An employee who is approved for early retirement under Section [II.A.2] III.A.2, and who is qualified for benefits under the [TIAA/CREF] Retirement Plan and also for University supplemental retirement income starting at age 65, shall be permitted to retire with entitlement to all other University benefits and privileges available to those who retire at a normal or mandatory retirement date. The individual's supplemental retirement income, however, shall be subject to the following conditions:

(1) Payment of supplemental retirement income shall not begin until the month in which the early retiree attains age 65;

(2) Service credit for supplemental retirement income shall not accrue after the person retires;

(3) The salary used to determine supplemental retirement income shall be the basic annual salary for the last year of active employment;

(4) An early retiree who elects to proceed under this option shall not receive supplemental retirement benefits which exceed 20% of the basic annual salary received during the last year of active employment plus 1% of such salary for each year of active service at the University;

(5) The computation of supplemental retirement income will be based upon the assumptions in Section [III.B.5] IV.B.6, except that the value of the single life annuity option is to be computed on the basis of the employee's age at the time early retirement commences; and

(6) Supplemental retirement benefits are not payable to survivors in the event the retiree dies prior to the attainment of age 65.

B. Normal Retirement

The normal retirement date for all employees of the University of Kentucky employed on or after July 1, 1964, and those employed prior to that date who attain age 56 after June 30, 1964, is hereby established as the end of the University's fiscal year in which the employee attains age 65 or, upon administrative approval at least three months in advance, during the month in

which the employee attains age 65.

C. Mandatory Retirement

1. General

With the exceptions described in Sections [II.C.2, II.C.3, and II.C.4] III.C.2, III.C.3, and III.C.4, no mandatory retirement date is applicable to employees of the University of Kentucky.

2. Executives

The mandatory retirement date, as an executive, for all employees of the University of Kentucky employed in bona fide executive or high policy making positions for two or more years prior to the attainment of age 65 and who are entitled to an immediate nonforfeitable annual retirement benefit from the University which equals or exceeds the amount per year specified by federal statute is hereby established as the end of the University's fiscal year in which the employee attains age 65.

3. Tenured Faculty

The mandatory retirement date for all tenured faculty of the University of Kentucky shall be at the end of the University's fiscal year in which the employee attains age 70.

4. Law Enforcement Officers

The mandatory retirement date for all law enforcement officers of the University of Kentucky shall be at the end of the University's fiscal year in which the employee attains age 70.

D. Disability Retirement

1. Prior to Normal Retirement Date

An employee with an extended period of service to the University may, at the discretion of the President, be permitted to retire prior to age 65, upon the employee's request if same is supported by a statement of a licensed physician certifying that the employee cannot engage in normal employment because of physical or mental disability. The benefit level in such a special case shall be related to the period of service and rate of compensation at retirement, and shall be conditioned upon continuance of the employee's total disability.

2. Subsequent to Normal Retirement Date

An employee who has elected to continue in employment beyond his or her normal retirement date, as established herein, may be required to retire in the event that the said employee's condition of health becomes such that it prevents the discharge of assigned duties and responsibilities.

3. In Conjunction with Long Term Disability Plan

An employee entitled to disability benefits after age 65 under the Long Term Disability Program, who qualifies for retirement and supplemental retirement income pursuant to this plan, will be eligible to retire and activate supplemental retirement income under the following conditions:

a. The amount of annual supplemental retirement income to be provided shall be determined according to the formula provided in Section [III.B.1] IV.B.1;

b. University-sponsored disability plan benefits are to be deducted from supplemental retirement income; and

c. Supplemental retirement income will be adjusted at the time disability benefits cease according to the formula provided in Section [III.B.1] IV.B.1.

[E. Termination of Active Status]

[An employee who would otherwise qualify for supplemental retirement income pursuant to this plan, except that the employee has not attained age 65, may terminate active employee status on or after attainment of age 60 without forfeiture of such accrued benefits, subject to the following conditions:]

[1. Payment of benefits shall not begin until the month in which the employee attains age 65.]

[2. Service credit shall not accrue during periods in which the employee is in an inactive status.]

[3. The salary used to determine supplemental retirement income shall be the basic annual salary for the last year of active employment.]

[4. An employee who elects to proceed under this option shall not receive annual supplemental retirement benefits which exceed 20% of the basic annual salary received during the last year of active employment plus 1% of such salary for each year of active service to the University.]

[5. The computation of supplemental retirement income will be based on the assumptions in Section III.B.5, except that the value of the single life annuity option is to be computed on the basis of the employee's age at the time inactive status commences.]

[6. Supplemental retirement benefits are not payable to survivors in the event the employee dies prior to the attainment of age 65.]

[7. An employee who terminates active status under this option may accept temporary employment under the STEPS program or on the basis of a fee schedule approved by the appropriate chancellor or the Vice President for Administration.]

[III.] IV. Retirement Benefits

A. [TIAA/CREF] Benefits Through Retirement Plan Carriers

[The following policies are applicable to TIAA/CREF annuities:]

[Each participant in TIAA will receive from TIAA a guaranteed fixed monthly income for life which shall be the actuarial equivalent of the full value of the participant's annuity accumulation at the time of initiation of retirement benefits. Each participant in CREF will also receive from CREF each month for life a guaranteed number of CREF annuity units, the dollar value of which will change from year to year reflecting primarily changes in the market prices and dividends of the common stocks owned by CREF. Before retirement, each participant will select the manner in which retirement income from TIAA-CREF will be paid. Several options for receiving retirement income from TIAA/CREF are set forth in the individual annuity contracts and/or certificates issued to the participant. All of these options provide a lifetime income and all but one provide income for the participant's beneficiary in the event of the participant's early death.]

[1. Retirement Transition Benefit Option]

[A participant who is eligible to receive retirement income from TIAA/CREF also shall, at time of retirement from the University, be provided the option of receiving a one-sum payment of up to 10% of his/her TIAA and/or CREF accumulation(s) at the initiation of receipt of annuity income provided that:]

[The participant is age 55 or older at the time and that the one sum payment does not exceed 10% of the accumulation(s) then being converted to annuity payments.]

Each participant is entitled, at retirement, to activate any or all retirement benefits that have been acquired under the University of Kentucky Retirement Plan in accordance with procedures and rules established by the retirement plan carriers. In addition to lump sum or partial lump sum provisions, there will be both annuitized and nonannuitized methods of withdrawal. There may be variances in the retirement withdrawal options among the carriers. All retirement plan carriers do not offer the same withdrawal options.

B. Minimum Annual Retirement Benefit and University Supplemental Retirement Income

1. Group I Personnel

For each Group I employee (see [I.A.1] II.A.1) who was age 40 or older prior to July 1, 1964, and who was employed by the University prior to July 1, 1964, and who retires pursuant to the provisions hereof, the University will provide an annual supplemental retirement income during the lifetime of the employee, where necessary, to assure a minimum annual retirement benefit. The minimum annual retirement benefit shall be the following percentage of the basic annual salary at the employee's normal

retirement date (unless the employee is serving outside the country on a University project and, in which case, the salary to be used in the computation shall be the basic annual salary received at the University during the year immediately preceding such foreign service):

a. 20% plus 1% for each year of eligible service to the University

plus

b. For the employee who had attained age 56 prior to July 1, 1964, 1% for each full year by which retirement precedes the end of the fiscal year in which the employee's 70th birthday is attained.

or

For the employee who had attained age 51, but not age 56 prior to July 1, 1964, the following percentage:

<u>Age</u>	<u>Percentage</u>
51	1
52	2
53	3
54	4
55	5

In no event shall the applicable percentage exceed 20% plus 1% for each fiscal year between the date of employment and the end of the fiscal year in which the employee attains age 70. Any service credit allowed for years of part-time employment shall be computed on an appropriate fractional basis.

Annual supplemental retirement income, if any, shall be determined according to the following equation or formula:

$$\begin{array}{rcl} \text{Fixed Annual} & & \text{Computed}^1 \\ \text{Supplemental} & & \text{Minimum} \\ \text{Retirement} & = & \text{Annual} \\ \text{Benefit} & & \text{Retirement} \\ & & \text{Benefit} \end{array} \quad - \quad \begin{array}{l} \text{Computed}^2 \text{ Annual} \\ \text{Retirement} \\ \text{Benefit from} \\ \text{[TIAA/CREF]} \\ \text{the Funded Plan} \\ \text{Accumulations} \end{array}$$

¹Computed as explained above in this section

²Computed on the basis of assumptions in Section [III.B.5.a]
IV.B.6.a.

Under the conditions of this formula, an employee would receive supplemental retirement income only if the computed annual retirement benefit from TIAA/CREF accumulations is less than the computed minimum annual retirement benefits to which the employee is entitled.

2. Group II Personnel

For each Group II employee (See [I.B.1] II.B.1) who was employed prior to July 1, 1971, and who had attained age 40 as of that date and has at least 15 years of consecutive service as of the employee's normal retirement date the University will provide an annual supplemental retirement income during the lifetime of the employee where necessary to assure a minimum annual retirement benefit under the plan equal to 20% of the basic annual salary received by the participant at the normal retirement date plus 1% of that salary for each year of eligible service at the University. The amount of annual supplemental retirement income to be provided shall be determined according to the formula provided in [III.B.1] IV.B.1.

Information regarding computation of the minimum annual retirement benefit and annual supplemental retirement income for the participant employed prior to July 1, 1964, and who has been continuously employed since that date, is provided in Section [III.B.1] IV.B.1.

3. Group III Personnel

For each Group III employee (see [I.C.1] II.C.1) who was employed prior to July 1, 1972, and who had attained age 40 as of that date and has at least 15 years of consecutive service at the employee's normal retirement date the University will provide an annual supplemental retirement income during the lifetime of the employee, where necessary, to assure a minimum annual retirement benefit under the plan equal to 20% of the basic annual salary received by the participant at the normal retirement date plus 1% of that salary for each year of eligible service at the University. The amount of annual supplemental retirement income to be provided shall be determined according to the formula provided in [III.B.1] IV.B.1.

Information regarding computation of the minimum annual retirement benefit and annual supplemental retirement income for the participant employed prior to July 1, 1964, and who had been continuously employed since that date, is provided in Section [III.B.1] IV.B.1.

4. Group IV Personnel

For each Group IV employee (see [I.D.1] II.D.1) who was employed by the University prior to January 1, 1973, and whose University employment includes periods of eligible service covered in part by the United States Civil Service Retirement Plan and in part by the [TIAA/CREF funded retirement] Group IV Plan and/or by the older University unfunded plan, the University will provide an annual supplemental retirement income during the lifetime of the employee, where necessary, to assure a minimum annual retirement benefit equal to that which would have been received had all eligible service been exclusively under the University's unfunded retirement plan. The amount of supplemental retirement income, if any, to be provided shall be computed using the following equation or formula:

Fixed Annual Supplemental Retirement Income	=	Computed ¹ Minimum Annual Retirement Benefit	-	Computed ² Annual Benefit from [TIAA/CREF] <u>the Funded Plan</u> Accumulations	-	Computed ³ Annual Benefit from Civil Service Retirement
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¹Computed as explained in Section [III.B.1] IV.B.1.

²Computed on the basis of assumptions in Section [III.B.5.a.] IV.B.6.a.

³Computed on the basis of assumption in Section [III.B.5.b.] IV.B.6.b.

Under the conditions of this formula, an employee would receive supplemental retirement income only if the sum of the computed annual benefit from the Civil Service retirement plan plus the computed annual retirement benefit received from [TIAA/CREF] Group IV Plan accumulations is less than the computed minimum annual retirement benefit to which the employee is entitled.

If an employee eligible for Civil Service retirement benefits elects to retire at an age earlier than the normal University retirement age of 65, all retirement benefits will be calculated on the age attained at retirement rather than age 65. Any University supplemental retirement benefit due the employee will be deferred until the employee attains age 65.

The policy described herein applies to retirements which become effective on or after January 1, 1974. Employees whose service is in part with the University of Kentucky and in part with the U.S. Veterans Administration are not covered under the Group IV [TIAA/CREF] Plan.

5. Group V Personnel

Employees covered under the Group V plan do not have minimum annual retirement benefit rights.

6. Assumptions in Computation of Supplemental Retirement Income

In determining whether participation in the Civil Service and/or the [TIAA/CREF] retirement plan(s) has produced the minimum annual retirement benefit described in Sections [III.B.1] IV.B.1 through [III.B.4] IV.B.4, the following assumptions shall be used:

a. Assumptions Applicable to Calculation of Benefit from [TIAA/CREF] the Funded Plan

(1) That all retirement contributions, both from the employee and the University, were invested in a TIAA annuity contract (regardless of the percentages actually allocated to [TIAA and CREF] the authorized retirement plan carriers), and

(2) That the retiring employee elected the single life

annuity option the value of which is computed on the basis of the employee's age at time of normal retirement (regardless of the option(s) actually elected).

b. Assumption Applicable to Calculation of Benefit from Civil Service

That the retiring employee elected the single life annuity option (regardless of the option(s) actually elected).

7. Periods of Service

As used in this retirement plan, "period of service" means the number of years of full-time employment plus credit allowed for part-time employment plus periods in an approved leave of absence status. Periods of service and eligible service shall be computed to the nearest half year.

The term "eligible service" means the number of years of full-time employment plus credit allowed for part-time employment plus periods in an approved leave of absence status plus periods in an approved disability status occurring prior to the [normal] retirement date.

Only years of continuous service immediately preceding [normal] retirement shall be counted in computing periods of eligible service, except where a leave of absence approved by the Board of Trustees or its Executive Committee is of record. When an approved leave is for employment other than by the University, and when the absence is in excess of one year, years of absence in excess of one shall not be counted in determining supplemental retirement income, except by specific agreement at the time the leave is taken or in exceptional instances upon recommendation of the President and approval of the Board of Trustees. The period during which an employee receives benefits under the University's Total Disability Program will be included in the total period of service factor used in the computation of benefits under the non-funded retirement program.

An employee who has had a break in continuous service with the University and, except for the required minimum of fifteen years of continuous service at retirement, otherwise qualifies for retirement benefits may count total service at the University in order to establish a minimum annual retirement benefit, provided total service is equal to at least fifteen years. In any event, the last re-employment date must have preceded the establishment of the [TIAA/CREF] funded retirement plan for the group of employees, in which the retiring employee is or was eligible to participate.

[An employee may, by continuing in employment beyond his/her normal retirement date, but not beyond the mandatory retirement date, acquire the period of eligible service required for eligibility for a minimum retirement benefit hereunder (15 years of eligible service) but no more. Provided, however, that supplemental benefits in such cases shall be calculated on the basis of salary at age 65.]

C. Retirement Benefits Offset(s)

Any University employee who, at the time of retirement, is eligible for payments by the University under provisions of the unfunded retirement plan or under provisions for supplemental retirement income associated with the funded retirement plan, shall have any continuing benefits that are payable after retirement under the Workers' Compensation Laws or Unemployment Compensation Laws deducted from the University benefit payment. It is intended that the employee receive the total amount of the greatest single benefit but in no event receive any combination of benefits that will exceed the greatest single benefit.

Reduction in University benefit rates as a result of Workers' Compensation payments and/or Unemployment Compensation payments will be adjusted in the event that all or any portion of such payments are discontinued.

D. Benefits in Case of Death Before Retirement

In the event of a University employee's death prior to the commencement of retirement benefits, an income or lump-sum benefit will be paid by the retirement plan carrier to the participant's designated beneficiary or beneficiaries according to policy established by the carrier.

[IV.] V. Survivorship Option

A. Employees eligible for supplemental retirement income pursuant to Section [I.F.] II.F or [III.B.] IV.B may elect a spouse survivor option as to such benefits.

B. The election may be filed at any time prior to the month in which the employee attains age 65, or thereafter at any time prior to retirement.

C. If the survivor option is elected supplemental retirement income will be reduced to an amount which is the actuarial equivalent (as determined by TIAA at the time of retirement) of a joint and two-thirds benefit to the surviving spouse payable for life.

D. Election of this option is revocable prior to the beginning of the month in which the employee attains age 65 unless, at an earlier date, benefits have been paid or accrued pursuant to said election. In all other cases the election is irrevocable.

E. Election of this option may not be exercised posthumously.

F. Survivor benefits pursuant to the provisions of this section are not payable, even though an election has been filed prior to retirement, unless the employee has (1) attained normal retirement age or (2) has been granted disability retirement pursuant to Section [II.D.1] III.D.1.

[V.] VII. Employment Beyond Retirement

Employees who have elected to retire from University service under any of the provisions hereof shall not be eligible for re-employment except to perform duties for which fee schedules have been approved or upon the specific prior action of the Board of Trustees granting approval of the appointment.

[VI. Reduction in Benefits]

[Any University employee who, at the time of retirement, is eligible for payments by the University under provisions of the unfunded retirement plan or under provisions for supplemental retirement income associated with the funded retirement plan, shall have any continuing benefits that are payable after retirement under the Workers' Compensation Laws or Unemployment Compensation Laws deducted from the University benefit payment. It is intended that the employee receive the total amount of the greatest single benefit but in no event receive any combination of benefits that will exceed the greatest single benefit.]

[Reduction in University benefit rates as a result of Workers' Compensation payments and/or Unemployment Compensation payments will be adjusted in the event that all or any portion of such payments are discontinued.]

[VII. TIAA/CREF Death Benefits]

[In the event of a University employee's death prior to the commencement of TIAA/CREF retirement benefits, whether or not the required period for vesting has been completed, an income or lump-sum benefit will be paid by TIAA/CREF to the participant's beneficiary according to policy established by TIAA/CREF.]

[VIII.] VI. Contributions During Leave of Absence With Pay

During the participant's leave of absence with pay (whether full or partial salary), the University will continue contributions toward [a TIAA/CREF] retirement [annuity contract and/or certificate] benefits as provided for in Section [I] II, at the same percentage rate on the basic salary as was in effect during the participant's last monthly pay period prior to the leave of absence, if the participant elects to continue contributions in a like manner.

[IX. Termination of Service]

[A. After Vesting of Annuities (TIAA/CREF Plans for All Groups)]

[If a participant in any one of the TIAA/CREF plans terminates employment following the period, if any, required for TIAA and/or CREF contracts and/or certificates to vest, the participant retains his/her right to all benefits which have been purchased by employee and University contributions, according to policy established by TIAA/CREF.]

[In order to safeguard annuity benefits for the purpose intended--income at retirement--TIAA and CREF annuities normally do not provide for a lump sum settlement to the annuitant at retirement or upon termination of his employment before retirement. However, TIAA/CREF has developed uniform guides that allow "repurchase" of a retirement annuity upon an individual's termination of employment if the annuity has been in force for only a short time or has only a small accumulation.]

[Specifically, a retirement annuity will be repurchased before payments to the annuitant have begun if the repurchase value is \$2,000 or less, or if the annuity has been in force for five years or less, provided that all of the following conditions apply:]

[1. The annuitant requests repurchase;]

[2. The annuitant is neither employed at nor is transferring to an institution having a TIAA retirement plan (sabbatical and similar leaves of absence being considered as employment);]

[3. All educational institutions that contributed any part of the premiums consent to the repurchase; and]

[4. If the annuitant has more than one annuity, the total value of all TIAA/CREF annuities and the longest duration of any of them shall govern in determining whether a repurchase will be made under this rule (the result being that all or none of his retirement annuities will be repurchased.)]

[If repurchased, the annuity contracts and/or certificates are cancelled and that portion of the net accumulated value attributable to the University's contributions will be returned to the University by TIAA/CREF; the balance will be returned to the terminating participant and other contributing parties according to the TIAA/CREF policy.]

[B. Before Vesting of Annuities (TIAA/CREF Plan for Group II)]

[If a participant in the Group II TIAA/CREF plan terminates employment before vesting of the annuities purchased by University contributions, as set forth in Section I.B.3, the participant may, in lieu of accepting his/her annuities in full satisfaction of his/her rights under this plan, elect to receive an amount equal to the greater of:]

[1. The sum of all his/her contributions with interest accrued at the guaranteed interest rate in effect for TIAA annuities at the time of termination, or]

[2. The accumulated value of all his/her contributions less any TIAA charges.]

[C. Before Vesting of Annuities (TIAA/CREF Plan for Group III)]

[If a participant in the Group III TIAA/CREF plan terminates employment before vesting of the annuities purchased by University contributions, as set forth in Sections I.B.3 and I.C.3, the participant may,

in lieu of accepting his/her annuity in full satisfaction of his/her rights under this plan, elect to receive an amount to be determined as follows:]

[1. If 100% of the contributions made by the participant were allocated to TIAA, an amount equal to the greater of:]

[a. The sum of all his/her contributions with interest accrued at the guaranteed interest rate in effect for TIAA annuities at the time of termination, or]

[b. The accumulated value of all his/her contributions less any TIAA charges.]

[2. If any portion of the contributions made by the participant were allocated to CREF an amount equal to the accumulated value of all his/her contributions less any TIAA/CREF termination charges.]

Office of the President
April 5, 1988

PR 3D

Members, Board of Trustees:

UNIVERSITY RESEARCH PROFESSORSHIPS

Recommendation: that the Board of Trustees approve the naming of Professor Daniel Nelson, Department of Political Science; Professor Robert Dickson, Department of Biochemistry; Professor Jesse Siskin, Department of Microbiology and Immunology; and Professor Mina Miller, Department of Music, as University Research Professors for 1988-89.

Background: In April 1976, the University Senate recommended to the President the establishment of one-year Research Professorships and that priority be given to the goal of establishing permanent Research Professorships as funds became available. At its meeting in May 1976, the University of Kentucky Research Foundation voted to support one-year Research Professorships to be activated in the Fall of 1977. The first Research Professors were named by the Board of Trustees at its meeting on March 8, 1977.

The purpose of the University Research Professorships is to enhance and encourage scholarly research productivity, provide an opportunity for concentrated research effort for selected faculty members, recognize outstanding research achievement by members of its faculty, emphasize its research function, and to publicize its research accomplishments in order that the research function of the University be appropriately recognized and understood.

Action taken: Approved Disapproved Other

Date: April 5, 1988

0194

Office of the President
April 5, 1988

PR 3E

Members, Board of Trustees:

HONORARY DEGREE RECIPIENTS

Recommendation: that approval be granted to awarding the honorary degree of Doctor of Letters to Mary Marvin Breckinridge Patterson, the Doctor of Science to Joseph A. Boyd, and the Doctor of Laws to Robert D. Bell.

Background: The Committee on Honorary Degrees has recommended to the Graduate Faculty and the University Senate that honorary degrees be awarded to Mary Marvin Breckinridge Patterson, Joseph A. Boyd, and Robert D. Bell, and these three bodies have expressed their approval of the recommendation.

Biographical sketches of the three recipients are attached.

Action: Approved Disapproved Other

Date April 5, 1988

Mary Marvin Breckinridge Patterson

Mary Marvin Breckinridge Patterson was taught as a child that those with the opportunity should contribute to society. Throughout her life, she has faithfully followed that precept. Mrs. Patterson is best known in Kentucky for her active support of the Frontier Nursing Service; support covering a span of 60 years.

Marvin Breckinridge was born in New York to a family well known in Kentucky for its distinguished record of public service. She is a direct descendent of John Breckinridge, U. S. Attorney General during the presidency of Thomas Jefferson and of John C. Breckinridge, Vice President under James Buchanan.

Marvin graduated from Vassar College and, while there, helped found the National Student Federation of America. Following graduation, her activities were unusual for a woman at that time. She studied photography and became the first woman pilot from the state of Maine to receive a license. In 1928, she served as the first girl courier in the Frontier Nursing Service (FNS), a three-year old organization founded by a cousin, Mary Breckinridge and based in Hyden, Kentucky. Marvin later returned to Kentucky to film "The Forgotten Frontier," riding over 600 miles on horseback to film the FNS handling childbirth and other medical emergencies. She has served on the FNS Board of Governors since 1955 and as chairman from 1960-1975.

Marvin worked in Washington with the Democratic National Committee from 1930-32 and then traveled to Africa, Palestine, Turkey and France where she took numerous photographs. Her photographs were printed in the major newspapers and periodicals of the time and were used to illustrate Olivia's African Diary. In 1939-40, Marvin worked with Edward R. Murrow as a CBS broadcaster, giving first hand reports on the German invasion of Europe. Several times she was one of the last to be evacuated from an occupied country.

In 1940, Marvin married Jefferson Patterson, then the third-ranking diplomat at the American Embassy in Berlin. In subsequent years, the Pattersons served in Peru, Belgium, Egypt and Uruguay. After her marriage, Marvin gave up her own career, devoted her energies to supplementing her husband's work and was instrumental in changing the perceived role of a Foreign Service wife.

Because of Marvin's distinguished career as a photographer and writer -- as a broadcaster when the new medium of radio newscasting was changing how Americans viewed international events; and, because of her dedicated volunteer work for the Frontier Nursing Service and other agencies, this degree is awarded.

Joseph A. Boyd, Ph.D.

Joseph Boyd has had careers in three distinct and demanding fields, each marked by brilliant achievement. He has demonstrated his intellectual versatility as an educator, as a scientist and as an executive of a major corporation on the leading edge of today's high technology.

He was born in the small town of Oscar, near Paducah, grew up in Western Kentucky, attended the University of Kentucky and graduated in 1946 with a bachelor's degree in Electrical Engineering. He received his master's degree at the University in 1949, serving part-time as an instructor in the College of Engineering. He later received his Ph.D. in Engineering from the University of Michigan.

In 1958 he became a full professor of Engineering at Michigan and then changed careers to become the director of the University's Institute of Science and Technology, heading a research and development organization of 1,000 employees specializing in advanced electronics.

He was asked to join Padiation, Incorporated, a Florida aerospace communications firm in 1962. A year later, he became president and managed its merger with Harris Intertype Company of Cleveland. In 1972, Harris changed its name to Harris Corporation, Boyd became president, and the corporation changed the nature and direction of its product from typesetting and printing machines to a manufacturer of state-of-the-art communication and information processing equipment for a world-wide information technology market. During his leadership, the corporation more than doubled in number of employees to 31,000 and increased its sales by a factor of six.

Dr. Boyd is a fellow of the Institute of Electrical and Electronic Engineers, a vice president and director of the Machinery and Allied Products Institute, and a director of the Southeast Banking Corporation in Miami. He is a member of the President's Export Council which works toward improving international trade, and the Florida Council of 100 which promotes social and economic growth in the state. He is on the board of Microelectronics and Computer Technology Corporation in Austin, Texas and served recently as interim chief executive.

On October 28, 1987, Dr. Boyd received the Kentucky Advocates Outstanding Alumnus of Kentucky Award.

He has taken a special interest in the University of Kentucky. He is a U.K. Fellow, Distinguished Alumnus of the College of Engineering and, recently, through the Harris Corporation, made a gift to the College of Engineering of an entire computer system.

His career has brought honor to the University in many ways. Because of the many contributions to science and technology, the University honors itself by awarding him an honorary degree, the Doctor of Science.

Robert D. Bell

Robert D. Bell is a graduate of the University of Kentucky who has distinguished himself both in service to the Commonwealth and in the business world.

Mr. Bell, a native of Lexington, Kentucky, attended public schools here. Immediately after high school graduation, he served as a First Lieutenant in the Army Air Corps in World War II. Mr. Bell received his BA degree from the University of Kentucky with a major in Political Science. He graduated with Honors and was awarded a fellowship to perform graduate work in public administration and public finance by the Southern Regional Training Program in Public Administration. Under this program, he attended graduate school at the Universities of Alabama, Tennessee, and Kentucky.

Following his graduate work, he embarked on a career in the public sector that spanned almost thirty years and included service during the administrations of five Kentucky governors. Among others, he served in Kentucky State Government as executive assistant to the Commissioner of Conservation, executive assistant to the Lieutenant Governor, Deputy Commissioner of Highways, Commissioner of Revenue, Commissioner of Parks, Director of State Planning, and Secretary of the Natural Resources and Environmental Protection Cabinet.

In the private sector, he has served as regional manager, Management Consulting Services, for Ernst & Whinney and was responsible for consulting service to state and local governments through the Midwest states and Southwestern states. At Ashland Oil, Inc., he was first employed as an executive assistant to management. He was then named vice president for state relations and was an administrative vice president when he elected early retirement in February, 1986. In the latter position, he was responsible for federal and state government relations, public affairs, and public and media relations. He also served as chairman of the Board of Trustees of the Ashland Oil Foundation, Inc.

Mr. Bell is active in a number of civic organizations. He serves as chairman, Kentucky Advocates for Higher Education, Inc. He is a member of the Board of Directors of the Governor's Scholars' Program and of Leadership Kentucky. He is a member of the Prichard Committee for Educational Excellence. He is a member of the Executive Committee of the University of Kentucky Development Council and is a U. K. Fellow. He is a former member of the Kentucky Council on Higher Education and of the Kentucky Tomorrow Commission.

For his work, Mr. Bell has received an honorary Doctorate of Law from Eastern Kentucky University and a Distinguished Service Award from Kentucky State University.

It is appropriate that the University of Kentucky recognize the contributions of this talented, generous alumnus who has contributed to the well being of Kentucky citizens for many years.

Office of the President
April 5, 1988

PR 4A

Members, Board of Trustees:

ASSOCIATE DEGREE PROGRAM IN THE
COMMUNITY COLLEGE SYSTEM
SOUTHEAST COMMUNITY COLLEGE

Recommendation: that the Board of Trustees authorize for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science, Engineering Technology, Computer Repair Option, for the Southeast Community College.

Background: The Council on Higher Education is empowered to define and approve all higher education associate degree programs.

Southeast Community College has worked with the local Advisory Board and other appropriate individuals and groups in determining the need for graduates from the program. Southeast Community College and the Harlan State Vocational Technical School will implement a cooperative program. The technical courses will be taught at the Vocational School and general education and support courses will be taught at the College. This program will help meet the need for computer repair technicians in southeastern Kentucky.

Approval by the Board of Trustees is required prior to submission to the Council on Higher Education.

Action taken: Approved Disapproved Other

Date: April 5, 1988

Office of the President
April 5, 1988

FCR 1

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE EIGHT MONTHS ENDED
February 29, 1988

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the eight months ended February 29, 1988.

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, Inc., University of Kentucky Business Partnership Foundation, Inc., University of Kentucky Humanities Research Foundation, Inc., University of Kentucky Equine Research Foundation, Inc., and Health Care Collection Service, Inc.

As of February 29, 1988, the University had realized income of \$435,158,000 representing 78% of the 1987-88 estimate of \$560,248,000. Expenditures and commitments total \$341,653,000 or 61% of the approved budget of \$560,248,000.

Action taken: Approved Disapproved Other

Date: April 5, 1988

CONSOLIDATED BALANCE SHEET
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FEBRUARY 29, 1986
 (in thousands)

Statement 1

	(A)	(B)	(C)	(D)	(E)	(F)
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals February 1986
ASSETS						
(1) Cash and cash equivalents	\$ 91,717	\$ 14,575	\$ 1,843	\$ 135	\$184,203	\$ 212,473
(2) Notes, loans, and A/R (less bad debt allowances of \$4,387)	31,738	3,036	14,335		720	49,829
(3) Investments	9,275	39,246		49,955	75,450	173,926
(4) Property, plant, and equipment					610,667	610,667
(5) Inventories and other	10,138	104				10,242
(6) Total Assets	\$142,868	\$ 56,961	\$16,178	\$50,090	\$791,040	\$1,057,137
LIABILITIES AND FUND BALANCES						
Liabilities						
(7) Accounts payable	\$ 10,368	\$ 357	\$ 43			\$ 10,768
(8) Employee withholdings and deposits		6,278				6,278
(9) Other liabilities	1,167				\$ 4,381	5,548
(10) Liability for self insurance	6,488					6,488
(11) Deferred income	4,474	25				4,499
(12) Bonds payable					259,405	259,405
(13) Capitalized lease obligation					30,197	30,197
(14) Net deferred revenues and appropriated fund balances	97,907	864				98,771
(15) Total Liabilities	122,404	10,124	43	0	293,983	426,554
(16) Due to(from) interfund	(16,029)	24,824			(6,795)	0
Fund Balances						
Current Unrestricted						
(17) Working capital	25,493					25,493
(18) Funded Hospital depreciation	13,000					13,000
Current Restricted						
(19) Current Restricted		22,013				22,013
Loan						
(20) Loan			16,135			16,135
True Endowments						
(21) True Endowments				\$26,758		26,758
Term Endowments						
(22) Term Endowments				659		659
Quasi Endowments						
(23) Quasi Endowments				22,673		22,673
Plant						
(24) Retirement of Indebtedness					30,573	30,573
(25) Renewal and Replacement					3,702	3,702
(26) Allocated for designated projects					22,566	22,566
(27) Net investment in plant					447,011	447,011
(28) Total Fund Balances	38,493	22,013	16,135	50,090	503,852	630,583
(29) Total Liabilities and Fund Balances	\$142,868	\$ 56,961	\$16,178	\$50,090	\$791,040	\$1,057,137

CONSOLIDATED STATEMENT OF CURRENT FUNDS
REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 1988
with comparative totals for February 28, 1987
(in thousands)

Schedule 1

	(A)	(B)	(C)	(D)	(E)	(F)
	1987-1988				1986-1987	
	ORIGINAL BUDGET	REVISED BUDGET	REALIZED TO DATE	PERCENT REALIZED	REALIZED TO DATE	PERCENT REALIZED
GENERAL FUND AND HOSPITAL						
(1) State Appropriation	\$ 233,516	\$ 223,970	\$ 170,703	76	\$ 154,041	77
(2) Student Fees	50,998	53,709	50,953	95	46,042	97
(3) Federal Appropriations	13,621	13,621	9,168	67	8,824	69
(4) County Appropriations	3,554	3,643	2,049	56	1,777	50
(5) Endowment Income	696	696	267	38	328	48
(6) Investment Income	7,358	7,358	5,580	76	6,819	72
Gifts and Grants						
(7) Affiliated corporations	8,117	8,132	355	4	57	1
(8) Other	2,905	3,604	747	21	730	14
(9) Sales and Services	12,100	12,332	8,488	69	7,746	71
Hospital						
(10) Revenues	83,418	83,418	65,219	78	58,538	75
(11) Fund Balances	22,747	30,457	30,457	100	17,271	100
(12) Fund Balances	7,021	11,935	11,935	100	11,988	100
TOTAL GENERAL FUND AND HOSPITAL						
(13)	446,051	452,875	355,921	79	314,161	78
(14) AUXILIARY SERVICES	26,443	26,773	18,919	71	17,631	70
(15) RESTRICTED FUNDS	33,621	34,845	22,213	64	22,581	64
(16) AFFILIATED CORPORATIONS	45,673	45,755	38,105	83	36,546	88
TOTAL REVENUES AND APPROPRIATED FUND BALANCES						
(17)	\$ 551,788	\$ 560,248	\$ 435,158	78	\$ 390,919	77

CONSOLIDATED STATEMENT OF CURRENT FUND
 EXPENDITURES AND TRANSFERS SUMMARY BY PROGRAM - ALL FUNDS
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 1988
 (in thousands)

Schedule 2

	(A)	(B)	(C)	(D)
	1987-1988			
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDITURES/ ENCUMBRANCES TO DATE	PERCENT EXPENDED/ ENCUMBERED
(1) INSTRUCTION	\$ 148,563	\$ 146,006	\$ 89,034	61
(2) RESEARCH	63,845	67,666	48,128	71
(3) PUBLIC SERVICE	50,620	48,873	26,586	54
(4) ACADEMIC SUPPORT	34,950	34,402	20,698	60
(5) STUDENT SERVICES	13,266	15,599	9,378	60
(6) INSTITUTIONAL SUPPORT	21,351	28,135	17,523	62
(7) STUDENT FINANCIAL AID	19,789	16,808	13,834	82
(8) OPERATION AND MAINTENANCE	32,721	31,135	19,858	64
(9) MANDATORY TRANSFERS (DEPT SERVICE)	22,542	19,801	19,042	96
(10) HOSPITAL	107,280	114,984	51,778	45
(11) AUXILIARY ENTERPRISES	36,861	36,839	25,794	70
(12) TOTAL EXPENDITURES AND TRANSFERS BY PROGRAM	\$ 551,788 =====	\$ 560,248 =====	\$ 341,653 =====	61 ===

EXPENDITURES AND TRANSFERS SUMMARY
 BY CATEGORY OF EXPENDITURES
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 1988
 (in thousands)

Schedule 3

	(A)	(B)	(C)	(D)
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED	% EXPENDED ENCUMBERED
(1) PERSONNEL COSTS	\$ 311,799	\$ 320,270	\$ 205,911	64
(2) OPERATING EXPENSES	187,404	189,368	95,296	50
(3) MANDATORY TRANSFERS (DEBT SERVICE)	22,542	19,801	19,042	96
(4) CAPITAL OUTLAY	30,043	30,789	21,402	70
(5) TOTAL EXPENDITURES AND TRANSFERS BY CATEGORY	\$ 551,788	\$ 580,248	\$ 341,653	61

CONSOLIDATED STATEMENT OF CURRENT FUNDS
 EXPENDITURES AND TRANSFERS
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 1988
 with comparative totals for February 28, 1987
 (in thousands)

Schedule 4

	(A)	(B)	(C)	(D)	(E)	(F)
	1987-1988			1986-1987		
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED
CURRENT UNRESTRICTED FUNDS						
(1) Instruction	\$ 139,914	\$ 136,172	\$ 87,001	64	\$ 80,475	63
(2) Research	31,719	33,453	18,604	56	15,322	56
(3) Public Service	42,827	40,418	25,746	64	22,594	59
(4) Academic Support	31,715	30,849	19,161	62	21,839	72
(5) Student Services	13,133	14,681	9,272	63	7,560	69
(6) Institutional Support	19,577	25,941	16,530	64	15,630	64
(7) Student Financial Aid	4,605	5,653	4,285	76	3,818	84
(8) Operation and Maintenance	32,601	31,009	19,787	64	20,625	71
(9) Mandatory Transfers (Debt Service)	22,542	19,201	19,042	96	9,784	76
(10) Hospital	107,218	114,928	51,777	45	44,984	47
TOTAL CURRENT UNRESTRICTED FUNDS	446,051	452,875	271,205	60	242,691	60
CURRENT RESTRICTED FUNDS						
(12) Instruction	1,988	3,428	1,792	52	2,267	89
(13) Research	13,760	15,911	6,782	43	5,787	41
(14) Public Service	837	1,592	841	53	1,023	86
(15) Academic Support	991	1,265	500	40	463	37
(16) Student Services	118	460	84	18	42	31
(17) Institutional Support	910	1,279	808	63	305	47
(18) Student Financial Aid	14,835	10,728	9,446	88	12,838	83
(19) Operations and Maintenance	120	126	68	54	25	24
(20) Hospital	62	56	2	4	18	30
TOTAL CURRENT RESTRICTED FUNDS	33,621	34,845	20,323	58	22,768	64
(22) AUXILIARY ENTERPRISES	26,443	26,773	17,694	66	16,607	66
(23) AFFILIATED CORPORATIONS	45,673	45,755	32,431	71	29,997	72
TOTAL EXPENDITURES AND TRANSFERS	\$ 551,768	\$ 560,248	\$ 341,653	61	\$ 312,063	62

CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES
AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 1988
(in thousands)

Schedule 5

	(A)	(B)
(1) REVENUES, REALIZED		\$ 392,766
APPROPRIATED FUND BALANCES		
(2) Current unrestricted fund	\$ 11,935	
(3) University Hospital	30,457	
	<u> </u>	
(4) TOTAL APPROPRIATED FUND BALANCES		42,392
		<u> </u>
(5) TOTAL REVENUES AND APPROPRIATED FUND BALANCES (SCHEDULE 1)		435,158
		<u> </u>
(6) EXPENDITURES/ENCUMBRANCES (SCHEDULE 2)	341,653	
(7) LESS: RESERVE FOR ENCUMBRANCES	(5,266)	
	<u> </u>	
(8) TOTAL EXPENDITURES		336,387
		<u> </u>
NET DEFERRED REVENUES AND APPROPRIATED		
(9) FUND BALANCES (STATEMENT 1)		\$ 98,771
		<u> </u>

Office of the President
April 5, 1988

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 Exhibits I and II respectively;

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 (auction, sealed bid, etc.).

Action taken: Approved Disapproved Other

Date: April 5, 1988

University of Kentucky

Sale of Surplus Nuclear Magnetic Resonance

TYPE OF DISPOSAL: Direct Negotiations.

REASON: Surplus, damaged and obsolete.

ITEMS:

<u>SPECTROMETER</u>	<u>PROPERTY NUMBER</u>	<u>DATE ACQUIRED</u>
FT80-A/CFT-20	A271868	11/74
T-60	A373491	04/69

University of Kentucky

Sale of Surplus Miscellaneous Equipment

INSTITUTION: Kentucky Department of Education
Division of Surplus Property.

TYPE OF DISPOSAL: Fixed Price.

REASON: Items are surplus to the needs of the University of Kentucky. The Department of Education Surplus Division wishes to purchase these and repair them in their shops for distribution to other State Institutions and Municipalities.

ITEMS:

- 1 - Podium
- 1 - Line Machine
- 1 - Real Runner Exercise Machine
- 1 - Dental Cabinet
- 1 - Jack Hammer
- 1 - Sterilizer
- 1 - Finishing Machine
- 1 - Table Lamp
- 2 - Exhaust Foggers
- 3 - Ranges
- 3 - Typewriters
- 4 - Desks
- 4 sets - Wall Lockers
Chairs
Manifold Paper

Office of the President
April 5, 1988

FCR 3

Members, Board of Trustees

Report of Leases

Recommendation: that the Board accept the President's Report of the following lease agreements in accordance with Board policy:

The renewal of a lease between the Department of Agronomy and Wilbert Perkins, Route 1, Frankfort, Kentucky, effective May 1, 1988 through September 30, 1988 for the use of 1.7 acres for tobacco experimentation, rental rate of \$1,200.00, be accepted and made a matter of record;

The renewal of a lease between the Department of Agronomy and Harold Wiles, Route 1, Dunnville, Kentucky, effective May 1, 1988 through September 30, 1988 for the use of 1.2 acres for tobacco experimentation, rental rate of \$1,000.00, be accepted and made a matter of record.

Background: FCR 5, dated October 15, 1985, authorized the President or his designated representative to enter into leases and easements not exceeding \$30,000 in value and required that all leases entered into under this authority be reported to the Board.

Action taken: Approved Disapproved Other

Date: April 5, 1988

Office of the President
April 5, 1988

FCR 4

Members, Board of Trustees:

ACQUISITION OF PROPERTY

Recommendation: that the Board authorize and direct the Vice Chancellor of the Lexington Campus and the Office of Legal Counsel to proceed to acquire the property known as 3, 4, 5, 6, 7 and 8 Dixie Court, Lexington, Kentucky, by negotiation or through the exercise of the power of eminent domain in accord with the Eminent Domain Act of Kentucky.

Action: Approved Disapproved Other
Date: April 5, 1988