

Minutes of the Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, Monday, January 27, 1975.

The Executive Committee of the Board of Trustees of the University of Kentucky met at 2:00 p. m. (EST) on Monday, January 27, 1975 in the Board Room on the 18th floor of the Patterson Office Tower on the University campus with the following members answering the call of the roll. Mr. William B. Sturgill, Chairman, Mr. William R. Black, Mr. Albert G. Clay, Mr. Richard E. Cooper and Mr. George W. Griffin. Mrs. Rexford S. Blazer, Secretary of the Board, was present as an ex officio member of the Committee. The University Administration was represented by President Otis A. Singletary; Vice Presidents Lewis W. Cochran, Robert Zumwinkle, Peter P. Bosomworth, Lawrence E. Forgy, and Raymond R. Hornback; Dr. Donald B. Clapp, Executive Assistant to the President, and Mr. John Darsie, Legal Counsel. Representatives of the various news media were also in attendance.

A. Meeting Opened

Mr. Sturgill called the meeting to order at 2:00 p. m. Following the invocation, pronounced by Mr. Black, the secretary called the roll. Noting that a quorum was present, Mr. Sturgill declared the meeting officially open for the conduct of business at 2:03 p. m.

B. Approval of the Minutes

Mr. Sturgill asked if there were any amendments or corrections to the Minutes of the December 10, 1974 meeting of the Board of Trustees. There being none, on motion duly made, seconded and carried the reading of the Minutes was dispensed with and the Minutes were approved as published.

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

President Singletary reviewed briefly the various items in his monthly report to the Trustees and recommended its acceptance. Mr. Sturgill received the report and it was ordered filed.

D. Recommendations of the President (PR 2)

President Singletary explained that the personnel changes recommended in PR 2 were routine in nature and recommended approval.

Mr. Sturgill noting that the recommendations had been in the hands of the Board Members prior to the meeting asked if there were any questions. There being none, on motion by Mr. Black, seconded by Mr. Cooper and passed, PR 2, Recommendations of the President, was approved as a whole and ordered made an official part of the Minutes. (See PR 2 at the end of the Minutes.)

E. Supplemental Recommendations of the President (PR 3)

President Singletary requested that the Executive Committee consider the two parts of PR 3 separately and recommended that Part II be approved. Mr. Sturgill called for a motion to this effect and Mr. Cooper so moved. His motion was seconded by Mr. Clay and passed without dissent.

President Singletary then requested consideration of Part I which recommended the appointment of Dr. John T. Smith as Vice President for Minority Affairs at the University effective July 1, 1975. He explained that he had been discussing this position with Dr. Smith, who is presently serving as Director of the Jefferson Community College, for approximately four months and he was pleased to recommend approval of Dr. Smith for this new Vice Presidency.

Mr. Clay, noting that he was aware of Dr. Smith's ability and expertise, moved approval of the appointment. His motion was seconded by Mr. Griffin and passed with all present voting aye.

Dr. Singletary then introduced Dr. Smith, noting that he was a superior man who has already demonstrated skillful administrative abilities within the University of Kentucky Community College System. Dr. Smith will be responsible for the offices of Minority Student Affairs, Affirmative Action and Employee Counselor. He will also serve as a staff advisor to the President in matters relating to minority affairs and as the official representative of the University in matters relating to minorities on the Lexington campus, in the Community Colleges, in Lexington and in the state at large. Dr. Singletary closed his remarks about Dr. Smith by saying that the only drawback to bringing him to the Lexington campus was that his leaving the Jefferson Community College Directorship would leave a vast vacuum there.

Various members of the Executive Committee expressed their high regard for Dr. Smith and extended to him a warm welcome to the administrative staff on the Lexington campus. (See PR 3 at the end of the Minutes.)

F. Degree Candidates - Community College System (PR 4)

Mr. Sturgill commented that PR 4, Degree Candidates in the Community College System, had been available to members of the Board of Trustees prior to the meeting and asked if anyone had any questions. There being none, on motion by Mr. Cooper, seconded by Mr. Black, and passed without dissent, approval was given to awarding the appropriate degrees and certificates as specified in PR 4 to the persons named upon certification that the requirements for the degrees or certificates have been satisfactorily completed. (See PR 4 at the end of the Minutes.)

G. Budget Revisions for 1974-75 (PR 5)

PR 5, Budget Revisions for 1974-75, having been mailed to the members of the Executive Committee prior to the meeting, Mr. Sturgill asked if the members wished to ask any questions about the proposed revisions. There being none, on motion by Mr. Griffin, seconded by Mr. Clay and passed, the revisions recommended in PR 5 were authorized and approved. (See PR 5 at the end of the Minutes.)

H. Interim Financial Report (FCR 1)

Mr. Clay, Chairman of the Finance Committee, said that the committee had not met prior to the Executive Committee meeting but that the six matters to be acted upon were of a routine nature. He said that he would take each one up separately.

Mr. Clay moved that the Interim Financial Report for the five months period ending November 30, 1974 be accepted. His motion was seconded by Mr. Black and passed with the ayes carrying. (See FCR 1 at the end of the Minutes.)

I. External Auditor for Fiscal Year 1974-75 (FCR 2)

Mr. Clay then called attention to FCR 2 and moved that the Board of Trustees engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky, the University of Kentucky Research Foundation, The Fund for the Advancement of Education and Research in the University of

Kentucky Medical Center, the University of Kentucky Athletics Association, Health Care Collection Service, Inc., and the University of Kentucky Credit Union, for the fiscal year ending June 30, 1975, and render reports for a fee, including expenses, of not more than \$50,000. His motion was seconded by Mr. Griffin and passed without dissent. (See FCR 2 at the end of the Minutes.)

J. Deed of Conveyance (FCR 3)

At Mr. Clay's request, Mr. Forgy explained that the Kentucky Authority for Educational Television has requested title to a tract of land, described in FCR 3, to enable the addition of a storage building to their present facility on Cooper Drive. He recommended that the Executive Committee authorize him to execute the necessary Deed of Conveyance transferring title to the Commonwealth of Kentucky for the use and benefit of the Kentucky Authority for Educational Television. Mr. Clay so moved and his motion was seconded by Mr. Black and passed unanimously. (See FCR 3 at the end of the Minutes.)

K. Employee Option for Hunter Foundation Health Care (FCR 4)

Mr. Forgy explained that under federal law, the University of Kentucky is required to include in any health benefits offered to employees the option of membership in a qualified health maintenance program for employees residing in areas served by such organizations. The recommendation in FCR 4 would authorize and allow employees to enroll in any of the various full cost Hunter Foundation health plans and would permit the payment of premiums through payroll deduction. Mr. Clay moved adoption of FCR 4. His motion was seconded by Mr. Cooper and passed without dissent. (See FCR 4 at the end of the Minutes.)

L. Survivorship Option under University Retirement System (FCR 5)

Mr. Forgy explained that termination by the University of the retirement income paid to retirees when they die prior to their spouse constitutes a basic and serious inadequacy in the retirement policies and provisions which have been carried forward from the old "change of work" plan in the University. The surviving spouse, at the time of advanced age and associated factors, which typically preclude possibility of gainful employment, being

deprived of support upon which the retired couple had heretofore depended, results in situations of hardship to an extent that the effectiveness, even the purposes, of the University's retirement programs are substantially compromised.

Under the funded portion of the University's retirement provisions, such a settlement option is available to employees at the time of retirement and Mr. Forgy recommended that the same option be established under the non-funded portion.

There being no discussion Mr. Clay moved that effective February 1, 1975, the University's Retirement Resolution be amended so as to permit University employees including those already retired, who will or are to receive retirement income from the University under its non-funded retirement program, the option of electing a settlement to assure a survivor benefit for the employee's spouse. The monthly amount of retirement income payable by the University under this option is to be the actuarial equivalent of a single life annuity for a two-thirds benefit payable to the surviving husband or wife for life, without a guaranteed payment period. The actuarial equivalent shall be determined by Teachers Insurance and Annuity Association and shall include the interest rate applicable under TIAA at the time the option is elected. His motion was seconded by Mr. Griffin and the aye votes carried. (See FCR 5 at the end of the Minutes.)

M. Method for Calculating Benefits Under University's Unfunded Retirement Plan (FCR 6)

Mr. Forgy explained that the recommendation in FCR 6 would require the calculation of supplemental benefits for Civil Service employees to be made in the same manner as that applied to all other employees except for the several Paducah Community College employees who are covered under separately drawn agreements. There being no discussion Mr. Clay moved that the calculation of benefits for employees who are entitled to a combination of retirement benefits from United States Civil Service Retirement Plan, the University non-funded plan, and the funded TIAA/CREF plan shall, for purposes of determining any University supplemental benefits, be subject to the assumption that all TIAA/CREF funded contributions had been invested solely in TIAA. His motion was seconded by Mr. Griffin and passed unanimously. (See FCR 6 at the end of the Minutes.)

N. Meeting Adjourned

Having first determined that there was no further business to come before the meeting, without objection Mr. Sturgill adjourned the meeting at 2:25 p.m.

Respectfully submitted,

Lucile P. Blazer, Secretary
Board of Trustees

(PRs 2, 3, 4, 5, FCRs 1, 2, 3, 4, 5, 6, which follow are official parts of the Minutes of the meeting.)

PR 2

Members, Executive Committee, Board of Trustees

RECOMMENDATIONS OF THE PRESIDENT

I. Appointments and/or Other Staff Changes

Recommendation: (1) that approval be given to the appointments and/or other 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 following recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-B of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate vice president 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.

BOARD ACTION

New Appointments

- Austin, James A., Associate Professor*, Department of Obstetrics & Gynecology, College of Medicine, retroactive 12/1/74 through 6/30/75.
Fair, Kathryn, Assistant Professor*, and Director of Undergraduate Programs, Department of Dental Hygiene, College of Allied Health Professions, retroactive 1/1/75 through 6/30/75.
Foley, William S., Jr., Assistant Professor*, Department of Family Practice, College of Medicine, 6/1/75 through 6/30/76.
O'Leary, Joseph, Assistant Professor, Department of Animal Sciences, College of Agriculture, 1/1/75 through 6/30/75.

*Special Title Series

Maffeo, Patricia, Instructor, Department of Psychiatry, College of Medicine, and Psychologist, University Health Service, retroactive 1/1/75 through 6/30/75.

Rasmussen, Gorman, Assistant Professor*, Department of Medicine, College of Medicine, and Director, Department of Social Services, University Hospital, retroactive 1/1/75 through 6/30/75.

Somes, Grant W., Assistant Professor, Department of Community Medicine, College of Medicine, retroactive 12/1/74 through 6/30/75.

Tietz, Norbert W., Professor, (with tenure), Department of Pathology, College of Medicine, effective 3/1/75.

Bishop, Geoffrey B., Visiting Professor, Department of Mechanical Engineering, College of Engineering, retroactive 12/1/74 through 6/30/75.

Frye, Wilbur W., Assistant Professor, Department of Agronomy, College of Agriculture, retroactive 11/25/74 through 6/30/75.

Kelly, Col. Arthur L., Professor of Military Science, Department of Military Science, College of Arts & Sciences, effective June 1975.

Tobin, Thomas, Associate Professor, (with tenure), Department of Veterinary Science, College of Agriculture, retroactive 1/1/75.

Changes

Wright, Ballard D., Associate Professor, (with tenure), Department of Anesthesiology, College of Medicine, to Associate Clinical Professor (Voluntary), (without tenure), Department of Anesthesiology, College of Medicine, retroactive 12/1/74 through 6/30/75.

Joint Appointments

Jones, Russell A., Associate Professor, (with tenure), Department of Psychology, College of Arts & Sciences, and Department of Behavioral Science, College of Medicine, retroactive 7/1/74.

Reappointments

Mazzoleni, Alberto, Associate Professor, (Adjunct), Department of Medicine, College of Medicine, retroactive 7/1/74 through 6/30/75.

Retirements

Kelly, Leo, Lieutenant, Safety & Security, after 12 consecutive years and 8 months of service, effective March 1, 1975.

*Special Title Series

Stapf, Paul, Professor, (with tenure), Department of Germanic Languages & Literatures, College of Arts & Sciences, retroactive 12/31/74.
(Early retirement because of medical reasons; as of January 1, 1975 appointed on a part-time basis and on post-retirement appointment at one-half regular salary for one year.)

Post-Retirement Appointments

Cierley, Morris B., Project Coordinator, Office of the Dean, College of Education, retroactive 11/1/74 through 6/30/75.
Johnson, Alleen Payton, Visiting Instructor in the Community College System, Southeast Community College, retroactive 7/1/74 through 6/30/75.

ADMINISTRATION ACTION

New Appointments - Lexington Campus

Ament, Constance, Instructor, (Part-time), College of Nursing, retroactive 1/1/75 through 6/30/75.
Bachman, Richard Keith, Assistant Clinical Professor (Voluntary), Department of Pediatrics, College of Medicine, retroactive 1/1/75 through 6/30/75.
Baldini, Bernadette, Librarian IV, Library, Medical Center, retroactive 1/1/75 through 6/30/75.
Ball, Betty J., Clinical Instructor (Voluntary), Department of Allied Health Education and Research, College of Allied Health Professions, retroactive 12/1/74 through 6/30/75.
Biddle, Paul L., Assistant Professor (Part-time), Department of Orthodontics, College of Dentistry, retroactive 12/1/74 through 6/30/75.
Bravard, Eloise V., Clinical Instructor (Voluntary), Department of Allied Health Education and Research, College of Allied Health Professions, retroactive 12/1/74 through 6/30/75.
Chan, Wesley Kenneth, Clinical Instructor (Voluntary), Department of Community Dentistry, College of Dentistry, retroactive 1/1/75 through 6/30/75.
Clark, Jimmy D., Assistant Professor, Department of Biological Sciences, College of Arts & Sciences, retroactive 1/1/75 through 6/30/76.
Ewing, Willis B., Jr., Clinical Instructor (Voluntary), Department of Allied Health Education & Research, College of Allied Health Professions, retroactive 12/1/74 through 6/30/75.
Jones, Cheryl, Librarian III, Library, College of Law, retroactive 1/1/75 through 6/30/75.

Kelly, William N., Clinical Instructor (Voluntary), College of Pharmacy, retroactive 1/1/75 through 6/30/75.

McCarthy, Carol, Assistant Professor, College of Nursing, retroactive 1/1/75 through 6/30/75.

McKibben, Vivian, Instructor, Department of Health, Physical Education & Recreation, College of Education, retroactive 1/1/75 through 5/31/76.

McWhinney, Bruce A., Instructor (Part-time), College of Pharmacy, retroactive 1/1/75 through 6/30/75.

Sanchez, Michael R., Instructor*, Department of Respiratory Therapy, College of Allied Health Professions, and Lexington Technical Institute, retroactive 1/16/75 through 6/30/75.

Sartorelli, Linda M., Instructor, (Part-time), Department of Philosophy, College of Arts & Sciences, retroactive 1/1/75 through 5/31/75. (Temporary part-time appointment and will be void if either section does not have a registration enrollment of 15 or more; otherwise appointment terminates 5/31/75 without further notice.

Stuckey, Josephine W., Clinical Instructor (Voluntary), Department of Allied Health Education & Research, College of Allied Health Professions, retroactive 12/1/74 through 6/30/75.

Wolfe, Margaret, Assistant in Teaching, College of Nursing, retroactive 1/1/75 through 6/30/75.

New Appointments - Community College System

Ashland Community College

Phyllis P. Simpson, Instructor, 1/1/75 to 5/31/75.

Elizabethtown Community College

Marilyn B. Rarick, Instructor, 1/1/75 to 6/30/75.

Henderson Community College

Nancy H. Evans, Instructor, 2/1/75 to 5/31/75.

Lexington Technical Institute

John Neal Peebles, Instructor, 1/1/75 to 6/30/75.

Madisonville Community College

Sue M. Jones, Instructor, 1/1/75 to 5/31/75.

Somerset Community College

Sally R. Mullins, Assistant Professor, 1/1/75 to 5/31/75.

Southeast Community College

Donald L. Price, Instructor, (Voluntary), retroactive 7/1/74 to 6/30/75.

Administrative Appointments

Biggerstaff, Robert H., Associate Professor, named Acting Chairman,
Department of Orthodontics, College of Dentistry, retroactive 1/1/75.
Wekstein, David R., Associate Professor, named Acting Director of
Sanders-Brown Kentucky Research Center on Aging, Department of
Physiology and Biophysics, College of Medicine, retroactive 12/1/74
through 6/30/75.

Non-Academic Appointments

Andersen, Earl B., Consultant, Learning Resource Center, Department of
Special Education, College of Education, retroactive 11/1/74 through
6/30/75. (80% of his time - Coordinator for the State of Virginia SEA
4/5 time.)
Barnett, James E., Area Extension Agent, Extension Department (Madison
County), College of Agriculture, retroactive 12/9/74 through 6/30/75.
Butler, Lewis D., Learning Resource System Consultant, Special Education
Learning Research Center, College of Education, retroactive 11/15/74
through 6/30/75.
Jones, Edward L., Area Extension Specialist in Development Programs,
Extension Department, College of Agriculture, retroactive 11/25/74.
Weigand, Kenneth B., Agriculture Extension Specialist, Department of
Agriculture Economics, College of Agriculture, retroactive 12/1/74.

Joint Appointments

Dougherty, John A., Assistant Professor, Department of Psychiatry, College
of Medicine, and Pharmacology, retroactive 12/1/74 through 6/30/75.

Promotions (without tenure)

Levy, Richard S., Department of Anthropology, College of Arts & Sciences,
from Instructor to Assistant Professor, 1/1/75 to 5/31/75.

Reappointments - Lexington Campus

Biggers, Sherrill B., Jr., Assistant Professor, Department of Civil Engineering,
College of Engineering, 8/1/75 to 5/31/76.
Smathers, Diane, Temp. Instructor, Department of Textiles, Clothing &
Merchandising, 1/1/75 to 5/31/75, College of Home Economics.

Changes

Anzures, Antonio S., from Assistant Professor* & Physician to Assistant Professor (Part-time) & Physician (Part-time), Department of Medicine, College of Medicine and University Health Service, 1/17/75 to 6/30/75.

Harman, Robert L., from Assistant Professor (regular title series) to Assistant Professor*, Adjunct series, retroactive 1/1/75.

Leaves of Absence

James R. Barclay, Professor, (with tenure), Department of Psychology & Counseling, College of Education, Sabbatical leave, full-salary, Spring semester 75-76.

Ward E. Bullock, Professor, (with tenure), Department of Medicine, College of Medicine, Sabbatical leave, full-salary, 2/1/76 through 7/31/76 and Special Assignment leave 8/1/75 through 1/31/76.

William Chambliss, Associate Professor, Department of History, College of Arts & Sciences, (with tenure), Sabbatical leave, full-salary, 7/1/75 through 12/31/75.

Joseph C. Finney, Professor, (with tenure), Department of Psychology & Counseling, College of Education, Half sabbatical, after 3 years, half-salary, Spring semester '75.

Carolyn H. Francis, Assistant Professor, Prestonsburg Community College, Community College System, leave without pay, 1/1/75 through 12/31/75.

Paul L. Kinsella, Associate Professor, (with tenure), Jefferson Community College, Community College System, leave without pay, 1/1/75 through 6/30/75.

Marion E. McKenna, Professor (with tenure) and Dean, College of Nursing, Military Leave with Pay, 3/22/75 through 4/5/75.

Vivian MacQuown, Librarian III, (with tenure), Sabbatical leave, full-salary, 7/1/75 through 12/31/75, Library, College of Law.

Paul Mandelstam, Professor, (with tenure), Department of Medicine, College of Medicine, Sabbatical leave, full-salary, 1/1/75 through 6/30/75.

Willem Meijer, Associate Professor, (with tenure), Department of Biological Sciences, College of Arts & Sciences, Sabbatical leave, full-salary, 3/1/75 through 6/30/75.

Leonard Ravitz, Associate Professor, (with tenure), Department of Psychology & Counseling, College of Education, Sabbatical leave, full-salary, Spring Semester, 1975.

William Sabes, Professor, (with tenure) and Chairman, Department of Oral Pathology, College of Dentistry, Sabbatical leave, full-salary, Change from January 1, 1975 through June 30, 1975, which was approved by the Board of Trustees on 9/14/74 to January 1, 1976 through June 30, 1976.

*Special Title Series

Malcolm Siegel, Professor, (with tenure). Department of Plant Pathology,
College of Agriculture, Sabbatical leave, full-salary, 4/30/75 through
11/1/75.

Terminal Reappointments

Jack McElroy, Assistant Professor*, Student Teaching, Department of
Vocational Education, College of Education, 1/1/75 through 12/31/75.
(Appointment is non-renewable unless promotion and tenure achieved
prior to ending date of this appointment.)

Rodney Napier, Instructor, Department of Health, Physical Education &
Recreation, College of Education, 8/1/75 through 5/31/76.

Kawanna Simpson, Instructor, Department of Vocational Education, College
of Education, 8/1/75 through 5/31/76.

*Special Title Series

Action: Approved Disapproved Other

Date: January 27, 1975

PR 3

Members, Executive Committee, Board of Trustees

SUPPLEMENTAL RECOMMENDATIONS OF THE PRESIDENT

I. Appointment of Vice President for Minority Affairs.

Recommendation: that Dr. John T. Smith be named Vice President for Minority Affairs, effective July 1, 1975.

Background: The new position of Vice President for Minority Affairs is being created to exert a positive influence at the policy making level. Dr. Smith will be responsible for the offices of Affirmative Action, Employee Counselor and Minority Students. He will be the official University representative in matters relating to minorities on the Lexington campus, in the Community College System, in the Lexington community, and in the State at large. The Vice President will advise students and staff on specific problems and advise the President on all matters relating to minorities. Dr. Smith will also be available for special assignments by the President as needed.

Dr. Smith is a native of Lexington, Kentucky and a graduate of Dunbar High School. He holds a bachelor's degree from Kentucky State University, and the masters and Ed.D. degrees from the University of Kentucky.

He served in the Lexington Public Schools between 1946 and 1965 as a teacher, as Assistant Principal at Dunbar High School, and as Principal at Constitution School. Dr. Smith served on the faculty at Ashland Community College from 1965 to 1968. He became Assistant Director of the Jefferson Community College in 1968 and has served as Director since 1969.

Dr. Smith is active in church, youth and community work, belongs to numerous professional organizations, and is listed in Who's Who in American Education.

II. Appointments and/or Other Staff Changes

Recommendation: (1) that approval be given to the appointments and/or other 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 following recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-B of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate vice president through the President and have his concurrence.

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ADMINISTRATION ACTION

Leaves of Absence

Wesley J. Birge, Professor, (with tenure), School of Biological Sciences, College of Arts & Sciences, rescinding leave without pay for January 1, 1975 through June 30, 1975 as approved by the Board of Trustees, Page 23, June 11, 1974.

Action: Approved ✓ Disapproved _____ Other _____

Date: January 27, 1975

Office of the President
January 27, 1975

PR 4

Members, Executive Committee, Board of Trustees

DEGREE CANDIDATES - COMMUNITY COLLEGE SYSTEM

Recommendation: that the degrees and certificates specified on the attached list be awarded to the persons named, upon certification that the requirements for those degrees or certificates have been satisfactorily completed.

Background: At the November 19, 1965 meeting of the Board of Trustees authorization was given to the awarding of the Degrees of Associate in Arts, Associate in Science and Associate in Applied Sciences, and of certificates for those who complete prescribed programs of two years or less of college work. The candidates on the attached list completed their requirements in December and are recommended to the President and the Board of Trustees by the Community College Council and the Vice President for the Community College System.

Action: Approved Disapproved Other

Date: January 27, 1975.

UNIVERSITY OF KENTUCKY
COMMUNITY COLLEGE SYSTEM

CANDIDATES FOR DEGREES
DECEMBER 1974

ASHLAND COMMUNITY COLLEGE

Associate in Arts:

1. Clarence Edward Adkins
2. Vickie L. Albright
3. Sallie S. Alexander
4. Phillip R. Barker
5. Bobbi L. Bills
6. Janelle Leigh Caines
7. Sue A. Carey
8. Michael A. Charles
9. Delbert P. Conley
10. James Richard Cornett
11. Joe E. Cothran
12. Wanda Sue Craft
13. Jerry Mack Dailey
14. Darrell E. Dennis
15. Charles L. Douglas
16. Martha Ellen Eary
17. Virginia A. Edwards
18. Earl E. Ferguson
19. Anita J. Fosson
20. Steven R. Gilley
21. William E. Greene
22. Barry K. Grimm
23. Stephen Allen Groves
24. Nada A. Harrington
25. Stephen Ray Harris
26. Herman T. Henderson
27. James B. Hunt
28. Gary D. Ingram
29. Elva W. Jarrell
30. Michael Leslie Johnson
31. Deborah A. Keeton
32. Willis H. Kelley
33. Donna L. Kitchen
34. Walter G. Kurowsky
35. Miles E. Lawhorn
36. Roger L. Lemaster
37. William R. Lewis
38. Cara L. Lyon
39. Deborah A. Lyons
40. Joseph M. Malloy
41. Melloydee J. Martin
42. Vincent E. Mayberry
43. Larry W. McGuire
44. Donald G. McIntyre
45. Robert E. McKnight

46. Jesse W. Melvin
47. Dinah L. Midkiff
48. Kenneth A. Parsons
49. Billy R. Patton
50. Lawrence J. Pope
51. Marsha A. Ratliff
52. Francis M. Regan
53. Kathy M. Ross
54. Lucille A. Rowland
55. Richard O. Scott
56. William B. Scott
57. Sandra J. Sexton
58. Linda Jean Shelton
59. Worthington H. Slutz
60. Scarlet Elaine Smith
61. Richard S. Terreo
62. James D. Thompson
63. Roger G. Vallance
64. David Michael Webb
65. Deborah Sue Wheeler
66. Cynthia A. Whitt

Associate in Science:

1. William R. Adkins
2. Kenneth E. Barker
3. Roger L. Black
4. James L. Borders
5. John V. Borders
6. Regina A. Bradley
7. John N. Brislin
8. Mark E. Brown
9. William D. Burton
10. Darrell S. Caudill
11. Colonel C. Cline
12. Mary C. Cunningham
13. Billy T. Fritz
14. Ronald R. Griffith
15. Phyllis J. Hall
16. Mary P. Henry
17. Donald L. Houck
18. Garland R. Logsdon
19. George E. Lovelace
20. Debra K. Marcum
21. Dixie L. Marshall
22. Joan E. Mayhew
23. Bill J. McComas
24. Janet L. McEwan
25. John W. Nunley, III
26. Robert E. Preston
27. Paula L. Pruitt
28. Dean A. Qualls
29. James L. Roberts

30. Alan Runyon
31. Rebecca A. Salisbury
32. Donna J. Strohm
33. Nancy L. Sturgill
34. John K. Thompson
35. John T. Ward
36. Steven K. Watkins
37. Charles P. Wheeler
38. James P. Wylie

Associate in Applied Science:

1. Anita L. Branham
2. Vernon R. Hess
3. Charles V. Hobbs
4. Gail P. Johnson
5. Deborah D. Musser
6. Kristin F. Ratliff
7. Lillie L. Short
8. George R. Smith
9. Janet R. Sorrell
10. Joleen L. Southers
11. Brenda J. Young

HENDERSON COMMUNITY COLLEGE

Associate in Arts:

1. Bettye K. Bolds
2. A. Thomas Cartwright
3. Teresa D. Clayton
4. Charles L. Crabtree
5. Leslie C. McGuire
6. Janice K. Patton
7. Kenneth I. Posey
8. Terry G. Rone
9. Harry K. Scott
10. Cecelia W. Watkins
11. Susan K. Wright

Associate in Science:

1. Paul E. Dyer
2. Richard A. Lichtefeld
3. James E. Phillips
4. James L. Swanson
5. John M. Walker

Associate in Applied Science:

1. Vincent J. Braddock
2. Judy C. Farris
3. Brenda G. Pippin

JEFFERSON COMMUNITY COLLEGE

Associate in Arts:

1. Judith A. Brunnhoeffler
2. Gwendolyn Burks
3. Linda P. Coleman
4. Nadine W. Cox
5. Maureen D. Heustis
6. Reginald B. Hill
7. Dorothy G. Jones
8. Dennis G. Meggett
9. Helen J. Mitchell
10. Edward R. Nelson
11. Michelle E. Patrick
12. Tamela D. Russell
13. Hans Peter Smith
14. Nicolas Soto
15. Gladys S. Talley
16. Max R. Terry
17. Justeen A. Zoeller

Associate in Science:

1. Charles W. Carr, Jr.
2. Geraldine Denny
3. Daryoush Malekzadeh
4. Norman Zelesky

Associate in Applied Science:

1. Malenie H. Baker
2. Ronald L. Blissett
3. Deborah E. Boston
4. William H. Brown
5. Charlene M. Calloway
6. Beatrice Clark
7. Robin L. Couch
8. Dortha F. Francke
9. Rebecca A. George
10. Marilyn L. Glanz
11. Rochelle I. Handley
12. Roger R. I. Hoagland
13. Ann N. Maines
14. Kenneth L. Meredith
15. Michael S. Mitchell
16. Teresa L. Newby
17. Pamela G. Sather
18. Stephen J. Smith
19. Stephen J. Smuskiewicz
20. Donna J. Stewart
21. Rose A. Warth
22. Susan M. Williams

LEXINGTON TECHNICAL INSTITUTE

Associate in Applied Science:

1. Jacqueline E. Alajaji
2. Robert Aldridge
3. Harold B. Bland, Jr.
4. Nancy Ellen Bradford
5. Henry Marshall Brooks
6. David Harper Brown
7. Bishop Edward Carter, III
8. Amber Bee Cleary
9. Anne Gabbard Condo
10. David Mason Craft
11. Janet Lea Doyle
12. Rita Kay Evans
13. Karen Ellen Garner
14. Junior F. Greenlee
15. Debra June Hansen
16. Jack Robin Harper
17. Charlotte Higgins
18. Patricia L. Higgins
19. Pamela Jo Johnson
20. Shella Kidder
21. Sarah Kathryn Kuyper
22. Ann Lane
23. Miles Lane
24. Virginia Lue Lawson
25. Sylvia Layne Magoun
26. Jerry W. Martin
27. William G. Million, Jr.
28. Arty Wayne Mooney
29. Nancy Kay Patrick
30. Everitt Pickett
31. Phillip Wayne Planck
32. Pamela Kenney Raleigh
33. Daniel R. Rupard
34. Fredrick B. Ryan
35. Donna Lou Scott
36. Donna Beam Snider
37. Kathryn Lee Stout
38. Charles Sullivan
39. Michael Thomas Weber
40. Stanley Lewis Webster
41. John Scott Yellman, III
42. William Michael Young

MADISONVILLE COMMUNITY COLLEGE

Associate in Arts:

1. Mary Jane Hendricks

MAYSVILLE COMMUNITY COLLEGE

Associate in Applied Science:

1. Michele McClanahan
2. Patricia Lee Tufts

PADUCAH COMMUNITY COLLEGE

Associate in Arts:

1. Kathryn Kelly Cutlar
2. Debra A. Dempsey
3. James E. Dodge
4. Sandra F. Donald
5. Michael Lynn Donohoo
6. C. Marie O'Bryan
7. Antoinette P. Piercy
8. Suzanne Holland Roeder
9. Cinda Wilson Samples
10. Wanda E. Shields
11. Douglas E. Wells

Associate in Science:

1. Donald Gene Baker
2. Darrel E. Champion
3. Lewis Mitchell Henson
4. Kenneth Edwin Rowland

Associate in Applied Science:

1. George F. Dunker
2. Mark Kenneth Jarvis

PRESTONSBURG COMMUNITY COLLEGE

Associate in Arts:

1. Betty L. Allen
2. Donna S. Boggs
3. Constance B. Burton
4. Dorothy A. Howard
5. Clyde Tackett
6. Marcia C. Trisolino
7. William E. Turner
8. Carol W. Wallen

Associate in Science:

1. Charles M. Brooks

SOMERSET COMMUNITY COLLEGE

Associate in Arts:

1. William O. Bentley
2. Joy Yvonne Cook
3. Danny Wilson Correll
4. Gary Wayne Cox
5. Joseph Michael Forman
6. Joseph Patton Green
7. Rebecca Susan Hall
8. Tina E. Jones
9. Brenda Lou Kammerer
10. Kevin Coleman Lewis
11. Myson Case Rice
12. Charles F. Richardson
13. William Ernest Roberts
14. Gloria Mae Wade

Associate in Science:

1. Kenneth Joseph Mills
2. James Dale Mullins

Associate in Applied Science:

1. Donald Ray Black
2. Dennis A. Bullock
3. Gary Wayne Cooper
4. Kathy Lynn Girdler
5. Helena M. Guillory
6. Max Steven Kinnett
7. Norma Levern Lee
8. Brenda Sue May
9. Jesse James McCoy
10. Margaret Louise Petrey
11. Terry Douglas Vito

SOUTHEAST COMMUNITY COLLEGE

Associate in Arts:

1. Marcella Cook
2. Augusta R. Johnson
3. John H. Shepherd

Associate in Applied Science:

1. Lee Bach
2. Lana S. Fee
3. Marcella Gilliam
4. Susan E. Rosswurm

PR 5

Members, Executive Committee, Board of Trustees:

Recommendation: that the following revisions in the 1974-75 budget be authorized and approved:

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Changed</u>
A. <u>General Funds</u>			
1. Income Estimates			
State Appropriation	\$ 74,516,400	\$ 75,705,000	\$ 1,188,600
Student Fees			
Miscellaneous Fees	764,200	775,300	11,100
University Extension	352,600	375,600	23,000
Gifts and Grants			
Other Gifts and Grants	537,600	467,800	(69,800)*
Sales and Services			
Departmental Sales and Services	2,072,500	2,087,000	14,500
Hospital Income	14,858,000	16,871,400	<u>2,013,400</u>
			3,180,800
2. Expenditures			
Academic Affairs			
University Extension			
Conferences and Institutes			
	70,500	78,000	7,500
Continuing Education	2,000	11,500	9,500
Council on Aging	22,300	23,900	1,600
Evening Class Program	109,400	92,400	(17,000)
Extension Class Program	78,100	83,100	5,000
Independent Study Program	151,000	186,000	35,000
Medical Center			
College of Nursing			
Field Program - Ky. Wesleyan College			
	28,600	-0-	(28,600)*

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Changed</u>
2. Expenditures (Continued)			
College of Pharmacy			
AHES Project -			
Pennyrile	41,200	-0-	(41,200)*
College of Dentistry			
Administration	134,600	141,600	7,000
Community College System			
Program Reserve	107,100	157,100	50,000
Business Affairs			
Physical Plant Coordinator			
Maintenance and			
Operations	6,438,600	7,238,500	799,900
University-Wide			
General Expenses			
Reserve for Enrollment			
and Special Projects	287,100	625,800	338,700
University Hospital	19,542,200	21,555,600	<u>2,013,400</u>
			3,180,800

*The nature of these grants requires that they be budgeted and accounted for in the Restricted Fund. Board action was taken originally on these grants at the September 17, 1974 meeting.

3. Comments - The proposed expenditure increases for the University Extension Continuing Education program, Council on Aging, Independent Study program, and Extension Class program will be funded from increased Student Fee income. The proposed reduction in the Evening Class program is a result of a reduction in the student fee income estimate for that program. The proposed increase for University Extension Conferences and Institutes will be supported by income received from participants in the various conferences and institutes. The increase in expenditures for the College of Dentistry will be funded from the sale of surplus dental equipment. The proposed increases in Business Affairs maintenance and operations and in the Community College System are for increased utility costs and will be supported by a supplemental State Appropriation. The increase proposed for the Reserve for Enrollment and Special Projects will also be funded by a supplemental State Appropriation. The proposed expenditure increase for the University Hospital will be funded by income generated by the Hospital.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Changed</u>
B. <u>Restricted Funds</u>			
1. Income Estimates	\$ 12,343,500	\$ 12,916,800	\$ 573,300
2. Expenditures			
Academic Affairs			
College of Arts and Sciences			
Department of Mathematics -			
Alfred P. Sloan Grant	8,400	15,600	7,200
College of Business and Economics			
Department of Business Administration -			
Standard Oil Gift	-0-	300	300
College of Law			
Placement Fund	600	800	200
University Extension			
Program - Ky. Clergy Economic Education Conference	2,300	3,000	700
Medical Center			
College of Allied Health Professions - Physical Therapy AHES project - Pennyrile	-0-	12,700	12,700
Clinical Associate AHES project - Pennyrile	-0-	18,900	18,900
Kentucky January AHES project - Buffalo Trace - Gateway	-0-	21,400	21,400
Kentucky January AHES project - Pennyrile	-0-	7,700	7,700
Center for Learning Re- sources	65,400	73,400	8,000

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Changed</u>
2. Expenditures (Continued)			
College of Dentistry			
Dental Education			
AHES project - Pennyrile	-0-	80,100	80,100
Dental Education			
AHES project - Buffalo Trace - Gateway	-0-	77,000	77,000
College of Nursing			
Field Program - Ky. Wesleyan College	-0-	28,600	28,600
College of Pharmacy			
AHES project - Pennyrile	-0-	41,200	41,200
Community College System			
Somerset - William Martin Wyatt, Jr., Memorial			
Scholarship Fund	-0-	1,000	1,000
Clarence W. Hume Scholarship Fund	-0-	1,000	1,000
John Sherman Cooper Student Aid Fund	-0-	1,000	1,000
Hazard - Real Estate program	-0-	1,000	1,000
Student Aid			
Educational Opportunity Grants	658,000	923,300	<u>265,300</u> 573,300

3. Comments - The proposed additional expenditures will be funded from income restricted to the purposes indicated above.

Action: Approved Disapproved Other

Date: January 27, 1975

Office of the President
January 27, 1975

FCR 1

Members, Executive Committee, Board of Trustees

INTERIM FINANCIAL REPORT

Recommendation: that the financial report for the five months ending November 30, 1974, be accepted.

Background: The November, 1974, report reflects income of \$74,515,083 for the period of the report; the income figure is 49.4% of the annual income estimate of \$150,816,120.

The expenditure and commitments represent a total of \$64,439,055 for this period of five months, or 42.7% of the expenditure authority of \$150,816,120 approved by the Board.

Action: Approved Disapproved Other

Date: January 27, 1975.

Schedule 1

University of Kentucky
 Balance Sheet
 November 30, 1974
 With Comparative Figures for 1973-74

	<u>1974-75</u>	<u>1973-74</u>
<u>ASSETS</u>		
Current Funds:		
Unrestricted:		
Cash in bank:		
Depository funds	\$ 192,840	\$ 393,310
Federal funds	390,125	
Imprest funds	701,156	2,093
Cash on deposit with State Treasurer:		
General operations	6,012,066	16,794,207
Total cash	<u>7,296,187</u>	<u>17,189,610</u>
Due from other funds and affiliated corporations	247,295	
Accounts receivable	228,305	624,931
Notes receivable	72,094	74,168
Investments-short term	8,109,844	
Inventories	3,009,562	2,566,891
Unrealized income	<u>52,448,407</u>	<u>48,607,843</u>
Total unrestricted	<u>71,411,694</u>	<u>69,063,443</u>
Restricted:		
Cash in bank	1,874,661	836,043
Cash on deposit with State Treasurer-Tobacco Research Trust Fund	<u>1,444,401</u>	<u>4,159,788</u>
Total cash	<u>3,319,062</u>	<u>4,995,831</u>
Petty cash advances	194,800	176,311
Travel advances	142,272	96,881
Accounts receivable	14,541	221,146
Investments:		
Short - term	5,500,000	5,374,073
Other	89,131	69,724
Unrealized income:		
Restricted	4,643,715	3,950,813
Tobacco Research Trust Fund	<u>2,090,040</u>	<u>2,588,776</u>
Total restricted	<u>15,993,561</u>	<u>17,473,555</u>

University of Kentucky
 Balance Sheet
 November 30, 1974
 With Comparative Figures for 1973-74

Schedule 1

	1974-75	1973-74
LIABILITIES AND FUND BALANCES		
Current Funds:		
Unrestricted:		
Outstanding encumbrances	\$ 3,491,660	\$ 2,610,437
Due to other funds and affiliated corporations		1,282,361
Accounts payable-county funds	5,786	6,154
Due to Federal government	319,409	212,952
Accrued expenses	453,000	447,000
Advance from state for imprest cash fund	1,300,000	800,000
Deferred income	319,100	312,658
Unencumbered balance, departmental appropriations	59,973,758	59,222,447
Fund balances:		
Allocated:		
Working capital	5,547,436	4,099,582
Unallocated	1,545	69,852
Total unrestricted	71,411,694	69,063,443
Restricted:		
Undistributed student fees	60,133	70,007
Payroll withholdings	997,785	968,572
Other collections and clearing	1,242,072	523,137
Outstanding encumbrances	684,949	362,961
Due to other funds and affiliated corporations	3,206,048	2,901,614
Advance from sale for imprest cash fund	50,000	50,000
Outstanding check liability	20,472	21,064
Unencumbered balance, departmental appropriations	4,202,770	3,926,692
Unencumbered balance, Tobacco Research Trust Fund appropriation	2,182,475	2,540,638
Fund balances:		
Restricted fund	2,969,842	2,320,868
Tobacco Research Trust Fund-unallocated funds	377,015	3,788,002
Total restricted	15,993,561	17,473,555

Schedule 1

University of Kentucky
Balance Sheet

November 30, 1974
With Comparative Figures for 1973-74

	<u>1974-75</u>	<u>1973-74</u>
ASSETS		
Hospital and clinics:		
Due from other funds	\$ 3,842,034	\$ 3,197,250
Accounts receivable, net of allowance for doubtful accounts of \$ 3,529,553 in 1974 and \$ 3,266,708 in 1973	3,521,248	2,608,067
Inventories	355,529	331,868
Unrealized income	<u>10,495,920</u>	<u>9,254,840</u>
Total hospital and clinics	<u>18,214,731</u>	<u>15,392,025</u>
Housing and dining system:		
Cash in bank	116,921	
Cash on deposit with State Treasurer	<u>147,831</u>	
Total cash	<u>264,752</u>	<u>1,130,985</u>
Due from other funds and affiliated corporations		125,841
Accounts receivable	283,645	
Investments- short term	2,250,000	
Inventories	965,301	875,714
Prepaid expenses	<u>644,808</u>	<u>613,761</u>
Total housing and dining system	<u>4,408,506</u>	<u>2,746,301</u>
Auxiliary enterprises:		
Cash in bank	35,533	
Cash on deposit with State Treasurer	<u>579,338</u>	
Total cash	<u>614,871</u>	339,929
Due from other funds and affiliated corporations		396,237
Inventories	411,141	
Unrealized income	<u>1,389,497</u>	<u>1,416,685</u>
Total auxiliary enterprises	<u>2,415,509</u>	<u>2,152,851</u>
TOTAL CURRENT FUNDS	<u>\$12,444,001</u>	<u>\$106,828,175</u>

University of Kentucky
Balance Sheet

November 30, 1974

Schedule 1

With Comparative Figures for 1973-74

	1974-75	1973-74
LIABILITIES AND FUND BALANCES		
Hospital and clinics:		
Outstanding encumbrances	\$ 327,708	\$ 154,624
Unexpended balance, departmental appropriations	13,330,792	11,410,463
Fund balances-allocated:		
Inventories	423,542	329,478
Accounts receivable	4,132,689	3,497,460
Total hospital and clinics	18,214,731	15,392,025
Housing and dining system:		
Accrued expenses	23,836	28,263
Accrued wages	57,974	60,512
Accounts payable	129,557	86,227
Due to other funds	1,112,579	
Deferred income	1,234,611	1,135,273
Fund balances:		
Funds for renewals and replacements	1,062,792	876,290
Allocated for future operating purposes	787,157	559,736
Total housing and dining system	4,408,506	2,746,301
Auxiliary enterprises:		
Due to other funds and affiliated corporations	259,255	
Outstanding encumbrances	108,696	190,369
Unencumbered balance, departmental appropriations	1,288,863	1,231,222
Fund balances-allocated:		
Working capital	420,970	396,237
Funds for renewals and replacements	46,306	34,881
Future operating purposes	291,419	300,142
Total auxiliary enterprises	2,415,509	2,152,851
TOTAL CURRENT FUNDS	\$112,444,001	\$106,828,175

Schedule 1

University of Kentucky
Balance Sheet

November 30, 1974

With Comparative Figures for 1973-74

	<u>1974-75</u>	<u>1973-74</u>
<u>ASSETS</u>		
Loan Funds:		
Cash	\$ 461,331	\$ 419,590
Notes receivable	8,093,767	7,340,672
Due from Federal government	16,029	10,434
Due from United Student Aid loan fund	2,000	2,000
Due from other funds	<u>1,346</u>	<u>2,000</u>
	<u>\$ 8,574,473</u>	<u>\$ 7,772,696</u>
Endowment Funds:		
Due from other funds and affiliated corporations	\$ 29,082	\$ 11,679
Investments	<u>1,437,285</u>	<u>1,291,822</u>
	<u>\$ 1,466,367</u>	<u>\$ 1,303,501</u>
Plant Funds:		
Unexpended plant funds:		
Cash on deposit with State Treasurer:		
Trust and agency	4,346,364	2,571,692
Capital construction funds	<u>17,064,589</u>	<u>18,151,790</u>
Total cash on deposit with State Treasurer	<u>21,410,953</u>	<u>20,723,482</u>
Due from other funds	10,686	1,708
Due from Federal government	1,206,351	312,120
Construction funded	<u>112,874,887</u>	<u>110,081,015</u>
Total unexpended plant funds	<u>135,502,877</u>	<u>131,118,325</u>

University of Kentucky
Balance Sheet
November 30, 1974

Schedule 1

With Comparative Figures for 1973-74

	<u>1974-75</u>	<u>1973-74</u>
Loan Funds:		
Federal sponsored loan funds:		
Due to other funds		240
Federal government	7,124,638	6,590,272
University matching funds	719,546	654,343
Accumulated interest income	483,477	356,273
Total Federal sponsored loan funds	<u>8,327,661</u>	<u>7,601,128</u>
University loan funds:		
University student loan funds	81,443	67,150
University special student loan funds	163,369	102,418
United Student Aid loan fund	2,000	2,000
Total University loan funds	<u>246,812</u>	<u>171,568</u>
TOTAL LOAN FUNDS	<u>\$ 8,574,473</u>	<u>\$ 7,772,696</u>
Endowment Funds:		
Funds balances	<u>\$ 1,466,367</u>	<u>\$ 1,303,501</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 1,466,367</u>	<u>\$ 1,303,501</u>
Plant Funds:		
Unexpended plant funds:		
Outstanding encumbrances	\$ 9,425,312	\$ 9,257,740
Bonds payable	14,604,855	25,010,869
Appropriations-enencumbered balances	11,986,800	11,467,451
Fund allocated for construction/renovation	<u>99,485,910</u>	<u>85,382,265</u>
Total unexpended plant funds	<u>135,502,877</u>	<u>131,118,325</u>

Schedule 1

University of Kentucky
Balance Sheet
November 30, 1974
With Comparative Figures for 1973-74

	<u>1974-75</u>	<u>1973-74</u>
<u>ASSETS</u>		
Retirement of indebtedness funds:		
Cash on deposit with State Treasurer	\$ 50,000	\$ 50,000
Cash on deposit with Trustee	1,843,897	3,251,783
Accrued interest receivable	22,249	943
Investments held by Trustees	<u>45,881,860</u>	<u>43,726,335</u>
Total retirement of indebtedness funds	<u>47,798,006</u>	<u>47,029,061</u>
Invested in plant:		
Land	13,620,718	12,054,184
Buildings	194,441,882	175,031,060
Equipment	<u>53,042,514</u>	<u>48,134,022</u>
Total invested in plant	<u>261,105,114</u>	<u>235,219,266</u>
TOTAL PLANT FUNDS	<u><u>\$444,405,997</u></u>	<u><u>\$413,366,652</u></u>
Agency Funds:		
Due from other funds and affiliated corporations	\$ 198,614	\$ 311,314
Investments short-term	<u>3,000</u>	<u>3,000</u>
TOTAL AGENCY FUNDS	<u><u>\$ 201,614</u></u>	<u><u>\$ 314,314</u></u>

University of Kentucky
Balance Sheet
November 30, 1974
With Comparative Figures for 1973-74

Schedule 1

	<u>1974-75</u>	<u>1973-74</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Retirement of indebtedness funds:		
Bonds payable	\$ 33,509,000	\$ 34,408,000
Funds balances	<u>14,289,006</u>	<u>12,621,061</u>
	47,798,006	47,029,061
Total retirement of indebtedness funds		
Invested in plant:		
Bonds payable	98,271,645	87,099,631
Net investment in plant	<u>162,833,469</u>	<u>148,119,635</u>
	261,105,114	235,219,266
TOTAL PLANT FUNDS		
	<u>\$444,405,997</u>	<u>\$413,366,652</u>
Agency Funds:		
Agency funds balances	<u>\$ 201,614</u>	<u>\$ 314,314</u>
TOTAL AGENCY FUNDS		
	<u>\$ 201,614</u>	<u>\$ 314,314</u>

University of Kentucky
 Schedule of Changes in Fund Balances--Current Funds
 Five Months Ended November 30, 1974

Schedule 2

	<u>Unrestricted</u>	<u>Allocated</u>	<u>Restricted</u>	<u>Tobacco Research Trust Fund</u>	<u>Hospital and Clinics</u>	<u>Operating Purposes</u>	<u>Auxiliary Enterprises</u>
Balances, July 1, 1974	\$ 10,896,055	\$ 2,969,842	\$ 977,015	\$ 4,556,231	\$ 622,209	\$ 291,419	
Allocations:							
Current operations:							
Original budget	(5,348,619)		(600,000)				
Current year operation							164,948
Adjustments of prior year expenditures	\$ 1,545						
Balances, November 30, 1974	\$ 1,545	\$ 5,547,436	\$ 2,969,842	\$ 377,015	\$ 4,556,231	\$ 787,157	\$ 291,419

Schedule of Changes in Unrestricted Fund and
Hospital Estimated Income
For the Five Months Ended November 30, 1974

Schedule 3

	<u>Original Budget</u>	<u>First Quarter</u>	<u>October</u>	<u>November</u>	<u>Adjusted Budget</u>
Unrestricted Funds:					
Student fees	\$ 15,643,300	\$ 3,412	\$	\$ 7,080	\$ 15,653,792
State appropriations	69,711,400	120,800			69,832,200
Federal appropriations	8,271,200		14,000		8,285,200
County appropriations	1,179,700				1,179,700
Endowment and trust fund income	158,200				158,200
Investment income	538,600				538,600
Gifts and grants	4,562,500	25,353		105,822	4,693,675
Sales, services and other income	3,364,000	143,445		7,500	3,514,945
Fund balances allocated	<u>5,183,100</u>	<u>165,519</u>	<u>(676,300)</u>		<u>4,672,319</u>
Total unrestricted	<u>\$ 108,612,000</u>	<u>\$ 458,529</u>	<u>\$ (662,300)</u>	<u>\$ 120,402</u>	<u>\$ 108,528,631</u>
Hospital and Clinics					
State appropriations	\$ 4,684,200				\$ 4,684,200
Hospital income	14,858,000				14,858,000
Fund balances allocated			<u>\$ 676,300</u>		<u>676,300</u>
Total Hospital and Clinics	<u>\$ 19,542,200</u>		<u>\$ 676,300</u>		<u>\$ 20,218,500</u>

Schedule of Changes in Unrestricted Fund
and Hospital Expenditure Appropriations
For the Five Months Ended November 30, 1974

Schedule 4

	<u>Unrestricted</u>	<u>Hospital and Clinics</u>	<u>Total</u>
Original budget	\$ 108,612,000	\$ 19,542,200	\$ 128,154,200
Increases (decreases) as approved by the Board of Trustees:			
July and August, 1974	458,529		458,529
September, 1974	(662,300)		14,000
October, 1974	120,402	676,300	120,402
November, 1974			
Total per Report	<u><u>\$ 108,528,631</u></u>	<u><u>\$ 20,218,500</u></u>	<u><u>\$ 128,747,131</u></u>

University of Kentucky
 Summary of Current Funds Revenues and Appropriated Balances
 Five Months Ended November 30, 1974
 With Comparative Figures for 1973-74

Fund and Source:	1974-75		1973-74	
	Estimated for the Year	% Realized to Date	Estimated for the Year	% Realized to Date
Unrestricted:				
Student fees	\$ 15,653,792	54.3	\$ 7,921,590	50.8
Federal appropriations	8,285,200	22.0	1,969,314	26.2
County appropriations	1,179,700	32.6	332,207	28.2
Endowment and trust fund income	158,200	31.5	41,467	26.2
Investment income	538,600	38.6	300,000	27.5
Gifts and grants (includes grants from affiliated corporations)	4,693,675	4.8	3,867,700	4.3
Sales, services and other income	3,514,945	38.4	3,217,584	45.2
Subtotal	34,024,112	36.9	31,824,996	37.6
State appropriations	69,832,200	55.7	63,849,228	55.0
Fund balances appropriated	4,672,319	100.0	4,573,400	100.0
Total unrestricted	108,528,631	51.7	100,247,624	51.5
Restricted				
Tobacco Research Trust Fund:	6,230,592	25.5	5,338,612	26.0
Receipts	3,600,000	41.9	3,987,987	35.1
Fund balances appropriated	600,000	100.0		
Total Tobacco Research Trust Fund	4,200,000	50.2	3,987,987	35.1
Hospital and Clinics:				
State appropriations	4,684,200	54.9	4,684,200	55.5
Hospital earned income- net	14,858,000	43.6	12,204,700	41.3
Fund balances appropriated	676,300	100.0	409,700	100.0
Total Hospital and clinics	20,218,500	48.1	17,298,600	46.5
Housing and Dining System	9,101,800	42.5	8,742,582	41.8
Auxiliary Enterprises	2,536,597	45.2	2,415,841	41.4
TOTAL CURRENT FUNDS REVENUES AND APPROPRIATED BALANCES	\$150,816,120	49.4	\$ 67,121,576	48.6

University of Kentucky
 Summary of Current Funds Expenditures
 Five Months Ended November 30, 1974
 With Comparative Figures for 1973-74

Schedule 6

Fund or Function: Unrestricted:	1974-75		1973-74	
	Appropriation for the Year	Expended or Encumbered to Date	Appropriation for the Year	Expended or Encumbered to Date
Departments of instruction and research	\$41,875,349	\$16,938,866	\$39,168,641	\$15,715,797
Summer session-1974	827,501	768,985	778,170	372,033
Organized activities	1,174,392	439,698	1,144,954	444,439
Organized research	8,729,963	3,531,415	7,887,747	2,982,081
Libraries	3,091,687	1,812,135	3,009,130	1,642,201
Extension and public service	11,777,276	4,858,715	11,457,304	4,430,673
Maintenance and operation of plant	8,130,406	3,320,523	7,426,822	2,799,742
Renovation, office furniture, etc.	2,295,100	2,295,100	4,965	
General Administration	3,996,586	1,512,771	3,742,498	1,379,367
Student services	3,135,227	1,292,387	2,848,430	1,163,007
Staff benefits	10,397,400	3,659,529	8,301,500	2,990,584
General institutional services	5,010,336	2,039,155	4,628,203	1,721,996
Service enterprises	198,791	113,389	152,132	118,512
Debt service cost	5,946,400	5,252,770	5,531,100	4,548,806
Student aid	1,553,443	719,435	1,463,159	715,939
Reserves	388,774		2,702,869	
Total unrestricted	108,528,631	48,554,873	100,247,624	41,025,177
		44.7		40.9

University of Kentucky
 Summary of Current Funds Expenditures
 Five Months Ended November 30, 1974
 With Comparative Figures for 1973-74

Schedule 6

Fund or Function: Restricted:	1974-75			1973-74		
	Appropriation for the Year	Expended or Encumbered to Date	% Encumbered to Date	Appropriation for the Year	Expended or Encumbered to Date	% Encumbered to Date
Departments of instruction and research	\$ 1,600,187	\$ 424,518	26.5	\$ 1,608,252	\$ 408,608	25.4
Organized research	251,916	64,298	25.5	170,325	56,137	33.0
Libraries	34,636	9,304	26.9	72,075	17,471	24.2
Extension and public services	354,083	183,772	51.9	398,786	76,372	19.2
General institutional services	417,204	71,457	17.1	149,157	44,640	29.9
Student aid	3,134,533	1,274,473	40.7	2,652,691	808,692	30.5
Reserves	438,033			287,326		
Total restricted	6,230,592	2,027,822	32.5	5,338,612	1,411,920	26.5
Tobacco Research Trust Fund	4,200,000	2,017,525	48.0	3,987,987	1,447,349	36.3
Hospital and Clinics	20,218,500	6,887,708	34.1	17,298,600	5,888,137	34.0
Housing and Dining System	9,101,800	3,703,393	40.7	8,742,582	3,486,599	39.9
Auxiliary Enterprises	2,536,597	1,247,734	49.2	2,415,841	1,184,619	49.0
TOTAL CURRENT FUNDS EXPENDITURES	\$150,816,120	\$ 64,439,055	42.7	\$138,031,246	\$ 54,443,801	39.4

University of Kentucky
Schedule 7

Schedule of Short Term Investments
For the Five Months Ended November 30, 1974

	Maturity Value	Cost
	\$	\$
Restricted Current Funds:		
F. I. C. B. Bonds, 8.15%, 1-2-75	200,000	200,000
F. I. C. B. Bonds, 8.80%, 2-3-75	200,000	200,000
F. I. C. B. Bonds, 9.25%, 4-1-75	300,000	300,000
F. I. C. B. Bonds, 9.45%, 5-1-75	500,000	500,000
F. I. C. B. Bonds, 9.80%, 6-2-75	100,000	100,000
Federal Home Loan Banks, 7.875%, 8-25-75	200,000	200,000
Federal Home Loan Banks, 7.875%, 8-25-75	200,000	200,000
Federal Home Loan Banks, 8.75%, 2-25-76	100,000	100,000
Federal Home Loan Banks, 9.20%, 2-25-76	100,000	100,000
Federal National Mortgage Association Notes, 10.00%, 6-10-76	400,000	400,000
Federal Home Loan Banks, 7.20%, 2-25-77	100,000	100,000
	<u>2,400,000</u>	<u>2,400,000</u>
Certificates of Deposit:		
Central Bank & Trust Company, 8.16%, 1-15-75	400,000	400,000
Bank of Lexington, 8.50%, 1-15-75	400,000	400,000
First National Bank of Louisville, 11%, 1-16-75	500,000	500,000
Banks for Cooperatives, 9.45%, 2-3-75	500,000	500,000
Central Bank & Trust Company, 10.21%, 4-16-75	500,000	500,000
First National Bank of Louisville, 9.82%, 5-21-75	100,000	100,000
First Security National Bank & Trust Company, 8.92%, 6-27-75	200,000	200,000
Central Bank & Trust Company, 9.76%, 7-16-75	500,000	500,000
	<u>3,100,000</u>	<u>3,100,000</u>
Total Current Restricted Funds		
	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>
Agency Funds-Certificates of Deposit:		
First Security National Bank & Trust Company, 5.5%, 12-2-74	\$ 3,000	<u>\$ 3,000</u>

University of Kentucky
Schedule of Retirement of Indebtedness Funds
For the Five Months Ended November 30, 1974

Schedule 8

Source of Funds:	<u>Estimated</u>	<u>Realized</u>	<u>% Realized</u>
Unrestricted current funds	\$ 5,946,400	\$ 5,252,770	88.3
Housing and dining system funds	1,655,249	555,380	33.6
Auxiliary enterprises current funds	<u>173,003</u>	<u>57,686</u>	<u>33.3</u>
TOTAL RETIREMENT OF INDEBTEDNESS FUNDS	<u>\$ 7,774,652</u>	<u>\$ 5,865,836</u>	<u>75.4</u>
Debt Service:	<u>Appropriated</u>	<u>Expended</u>	<u>% Expended</u>
Unrestricted funds debt:			
Consolidated Educational Buildings-Series A	\$ 506,202	\$ 505,753	99.9
Consolidated Educational Buildings-Series B	467,705	467,253	99.9
Consolidated Educational Buildings-Series C	237,001	236,937	100.0
Consolidated Educational Buildings-Series D	2,456,539	2,455,617	100.0
Consolidated Educational Buildings-Series E	271,512	271,370	99.9
Consolidated Educational Buildings-Series F	575,190		
Community Colleges Educational Buildings-Series A	846,180	774,095	91.5
Community Colleges Educational Buildings-Series B	196,700	178,600	90.8
Community Colleges Educational Buildings-Series C	<u>389,371</u>	<u>363,145</u>	<u>93.3</u>
Subtotal	<u>5,946,400</u>	<u>5,252,770</u>	<u>88.3</u>
Housing and Dining System Revenue Bonds-Series A-I	<u>1,655,249</u>	<u>555,380</u>	<u>33.6</u>

University of Kentucky
 Schedule of Retirement of Indebtedness Funds
 For the Five Months Ended November 30, 1974

Schedule 8

Auxiliary Enterprises:	<u>Appropriated</u>	<u>Expended</u>	<u>% Expended</u>
Chi Omega	\$ 2,991	\$ 2,763	92.4
Alpha Delta Pi	14,058	11,089	78.9
Dorms A-F	40,680	5,232	12.9
Dorms G-L	50,440	15,671	31.1
Phi Delta Theta	7,830	2,408	30.8
Delta Delta Delta	5,538	4,810	86.9
Alpha Tau Omega	7,943	2,464	31.0
Housing Bonds of 1960	13,589	3,782	27.8
Student Housing Bonds of 1964	<u>29,934</u>	<u>9,467</u>	<u>31.6</u>
Subtotal	<u>173,003</u>	<u>57,686</u>	<u>33.3</u>
TOTAL RETIREMENT OF INDEBTEDNESS FUNDS	<u>\$7,774,652</u>	<u>\$ 5,865,836</u>	<u>75.4</u>

University of Kentucky
 Schedule of Sinking Funds
 November 30, 1974

Schedule 9

	Total Sinking Funds	Bonds Payable	Fund Balances
<u>Bond Issues with Reserves Fully Funded:</u>			
Housing and Dining System Revenue Bond and Interest Sinking Fund	\$ 1,981,074		\$ 1,981,074
Housing and Dining System Repair and Maintenance Reserve	824,441		824,441
Consolidated Educational Buildings Project Bond and Interest Sinking Fund			
Series A	1,068,026		1,068,026
Series B	1,029,331		1,029,331
Series C	372,824		372,824
Series D	3,895,189		3,895,189
Series E	682,687		682,687
Student Housing Bond and Interest Sinking Fund of 1964	78,334		78,334
Student Housing Building Maintenance and Equipment Reserve of 1964	55,422		55,422
Community Colleges Educational Buildings Project Bonds and Interest Sinking Fund			
Series A	1,277,821		1,277,821
Series B	354,249		354,249
Series C	592,954		592,954
Student Housing Bond and Interest Sinking Fund of 1960	55,033		55,033
Student Housing Building Maintenance and Equipment Reserve of 1960	35,171		35,171
Dormitory Revenue Bonds of 1956 G-L	59,000		59,000
Total Bond Issues with Reserves Fully Funded	<u>12,352,556</u>		<u>12,352,556</u>
<u>Bonds Fully Funded by Escrow Accounts:</u>			
Bowman, Keeneland, Cooperstown, Blazer and Student Union Future Bond and Interest Fund	<u>3,333,225</u>	<u>\$2,509,000</u>	<u>824,225</u>
<u>Consolidated Educational Series D Refunding Issue:</u>			
Bonds Payable	31,000,000	31,000,000	
Premium on Sale of Bonds	839,150		839,150
Amortization of Discount on Investment	620,625		620,625
Investment Income	2,599,193		2,599,193
Interest Payment	(2,946,743)		(2,946,743)
Total Series D Refunding Issue	<u>32,112,225</u>	<u>31,000,000</u>	<u>1,112,225</u>
<u>Total Sinking Funds</u>	<u>\$47,798,006</u>	<u>\$33,509,000</u>	<u>\$14,289,006</u>

University of Kentucky

Summary of Other Funds Transactions

For the Five Months Ended November 30, 1974

	Balances <u>July 1, 1974</u>	Additions	Deductions	Balances <u>November 30, 1974</u>
Loan Funds:				
Federal sponsored loan funds:				
Federal government	\$ 6,758,582	\$ 366,056		\$ 7,124,638
University of Kentucky	678,008	41,538		719,546
Accumulated interest income	471,152	12,325		483,477
University loan funds:				
University student loan funds	75,825	5,618		81,443
University special student loan funds	155,889	7,480		163,369
United Student Aid loan fund	<u>2,000</u>			<u>2,000</u>
TOTAL LOAN FUNDS	<u>\$ 8,141,456</u>	<u>\$ 433,017</u>		<u>\$ 8,574,473</u>
Endowment Funds	<u>\$ 1,489,360</u>		<u>\$ 22,993</u>	<u>\$ 1,466,367</u>
Agency Funds	<u>\$ 189,220</u>	<u>\$ 12,394</u>		<u>\$ 201,614</u>

Office of the President
January 27, 1975

FCR 2

Members, Executive Committee, Board of Trustees

EXTERNAL AUDITOR FOR FISCAL YEAR 1974-75

Recommendation: that the Board of Trustees engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky, the University of Kentucky Research Foundation, The Fund for the Advancement of Education and Research in the University of Kentucky Medical Center, the University of Kentucky Athletics Association, Health Care Collection Service, Inc., and the University of Kentucky Credit Union, for the fiscal year ending June 30, 1975, and render reports for a fee, including expenses, of not more than \$50,000.

Background: The firm of Coopers & Lybrand examined the accounts of the University of Kentucky and its affiliated corporations for the fiscal year ended June 30, 1974. The audit was both thorough and timely. The experience of the members of the firm in the examination of accounts of colleges and universities enables them to render an audit report which verifies the fiscal status of the University and evaluates the integrity of fiscal controls. The firm also possesses the ability to evaluate policies, procedures and practices utilized in fiscal management. This ability is especially valuable to administrative officers responsible for the conduct of financial administration.

Action: Approved Disapproved Other

Date: January 27, 1975

Office of the President
January 27, 1975

FCR3

Members, Executive Committee, Board of Trustees

DEED OF CONVEYANCE

Recommendation: That the Vice President for Business Affairs and Treasurer be authorized by the Executive Committee, Board of Trustees, to execute on behalf of the University a Deed of Conveyance transferring to the Commonwealth of Kentucky, for the use and benefit of the Kentucky Authority for Educational Television, title to the following described property:

Beginning at the southeast corner of the existing KET property, thence S 31° 53' 30" W 50'; thence N 58° 06' 30" W 150'; thence N 31° 53' 30" E 50' to a point in the existing property line of KET, thence S 58° 06' 30" E 150' to the point of beginning and containing .172 acres.

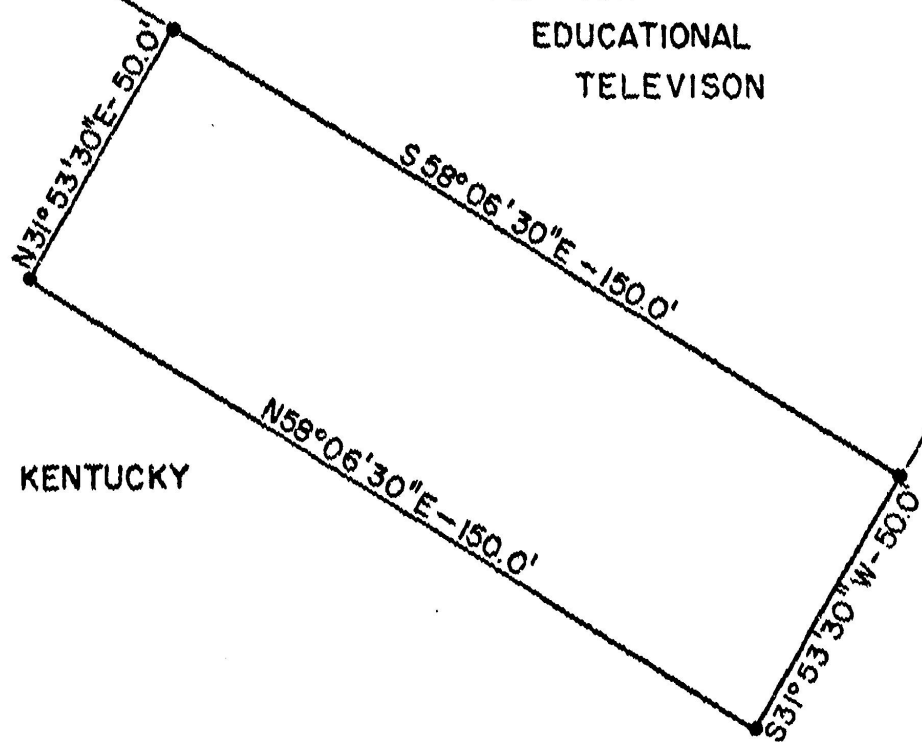
Background: KET has requested title to the above described tract of land (150' x 50') to enable the addition of a storage building to their present facility on Cooper Drive.

Action: Approved Disapproved Other

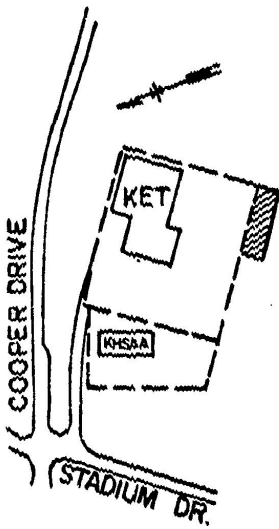
Date: January 27, 1975



KENTUCKY
EDUCATIONAL
TELEVISION



UNIVERSITY OF KENTUCKY



VICINITY MAP
SCALE: 1"=400'

TRANSFER PLAT
UNIVERSITY OF KENTUCKY
SCALE: 1"=30' OCT. 29, 1974

STATE OF KENTUCKY
JAMES L. COYLE
1600
REGISTERED
LAND SURVEYOR

James L. Coyle

Office of the President
January 27, 1975

FCR 4

Members, Executive Committee, Board of Trustees:

EMPLOYEE OPTION FOR HUNTER FOUNDATION HEALTH CARE

Recommendation: that the University authorize and allow employees, residing in the several counties served by the Hunter Foundation for Health Care, Inc., to enroll in any of the various full cost Hunter Foundation health plans and that payment of premiums may be via payroll deduction, to be effective at the time the necessary administrative procedures can be established.

Background: This recommendation has been made by the University's Employee Benefits Committee. It is the Committee's intention that the Hunter Foundation health plans be additional options available to University employees.

Under federal law, (Health Maintenance Organization Act of 1973, P. L. 93-222) all employers subject to federal minimum wage requirements and employing 25 employees or more are required to include in any health benefits offered to employees the option of membership in a qualified health maintenance organization for employees residing in areas served by such organizations. Although regulations to effectuate this requirement have not been promulgated by the Secretary of HEW, it is expected these will be issued soon and will be applicable to the University. Implementation of this Committee's recommendation, it is believed, will place the University in compliance with the law, although it should be recognized that similar steps will be required, from time to time, to make available to University employees in other areas of the state, membership in Health Maintenance Organizations which are developed to serve such other areas. It should further be noted that legislation enacted by the last session of the Kentucky General Assembly providing for state regulation of Health Maintenance Organizations for protection of consumers against insolvency, dissolution and other terminations in a manner similar to insurance regulations, applies to Hunter Foundation.

At the present time, over 100 University employees, usually with their family dependents, are enrolled in the Hunter Foundation program which coverage they obtained through individual enrollment outside of the University. The adoption of the recommendation would establish a group arrangement and permit conversion of their coverage to a group basis, under which some saving in premium

rates and exemption from "preexisting conditions" limitations on benefits would be available. Premium rates for employees enrolled in the University group would be guaranteed for a 12 month period. As the cost of health care increases, premium rates may be expected to increase, however, at annual intervals. Although Hunter Foundation receives federal funds to subsidize the cost of membership to low and marginal income individuals and families, participation in the University group would be on a "full-pay" basis and should employees qualify and apply for reductions in premium rates on the basis of income and family size, they would be required to enroll directly with the Hunter Foundation.

Action: Approved Disapproved Other

Date: January 27, 1975

Office of the President
January 27, 1975

FCR 5

Members, Executive Committee, Board of Trustees:

SURVIVORSHIP OPTION UNDER UNIVERSITY RETIREMENT SYSTEM

Recommendation: that effective February 1, 1975, the University's Retirement Resolution be amended so as to permit University employees including those already retired, who will or are to receive retirement income from the University under its non-funded retirement program, the option of electing a settlement to assure a survivor benefit for the employee's spouse. The monthly amount of retirement income payable by the University under this option is to be the actuarial equivalent of a single life annuity for a two-thirds benefit payable to the surviving husband or wife for life, without a guaranteed payment period. The actuarial equivalent shall be determined by Teachers Insurance and Annuity Association and shall include the interest rate applicable under TIAA at the time the option is elected.

Background: Termination by the University of the retirement income paid to retirees when they die prior to their spouse constitutes a basic and serious inadequacy in the retirement policies and provisions which have been carried forward from the old "change of work" plan in the University. The surviving spouse, at the time of advanced age and associated factors, which typically preclude possibility of gainful employment, being deprived of support upon which the retired couple had heretofore depended, results in situations of hardship to an extent that the effectiveness, even the purposes, of the University's retirement programs are substantially compromised.

Under the funded (TIAA/CREF) portion of the University's retirement provisions, a settlement option is available to employees at the time of retirement which provides for continuation of retirement income from the source of the funded plan for the life of the surviving spouse. However, the possibility of continued benefits for the support of the surviving spouse does not exist with respect to the retirement income paid by the University under the non-funded portion of the University's retirement program, which comprises in many instances a major part or all of the retirement income from the program received by present retirees and employees now approaching retirement.

There is however no intention to include a "period certain" provision in the non-funded option recommended herein, because doing so would divert funds available from the intended purpose and reduce the level of retirement income that is provided for the retiree and the surviving spouse.

This recommendation establishes the option under the non-funded portion for continuation of retirement income to the survivor and if selected by a retiree will entail a reduction in the amount of monthly payments by the University to the individual. Such reduction would be on an "actuarial equivalent" basis, giving recognition to the normal expectation that the duration of two lives, and consequently the pay-out period, will be greater than if limited to a single life. In the calculation of the reduction, account would also be taken of the reduction in the benefit payments, upon the death of either the retiree or the spouse, to two-thirds of the benefit amount prior to such death, which amount would continue to be provided as the level of retirement income to the survivor for life. Also to be taken into account is the factor of interest attributable to the deferral in receiving income from the University to which the retiree is entitled. This deferral arises from the reduction in the level of payments by the University for those who elect the option in return for the expectation of extension of the duration of the payment period resulting from inclusion of benefits for the life of the surviving spouse. Recognition of the factor of interest in the determination of actuarial equivalency of options for survivor protection is standard and conventional business practice in the insurance, annuity, and retirement fields, and is consistently adhered to in the funded portion of the University's program where the employee elects the survivor option that now exists. Failure to recognize the interest factor would not accomplish equity between employees electing the option and those not doing so; in fact, it would create a substantive deterrent to the selection of the option by employees.

The amount of the reduction in the level of retirement payments by the University to a retiree who had elected the option in comparison to the level that would exist if he had not, would be determined at the time of retirement and thereafter be fixed. The amount of reduction would be individually determined and would vary significantly from case to case, depending on such factors as the age of the spouse at the time of retirement of the employee. TIAA/CREF is prepared and agreeable to provide necessary assistance to the University in the determination of the amounts of reduction in University payments which accomplish actuarial equivalence for retired and retiring employees. Extensive consultation from TIAA/CREF has been provided to the Committee in formulation of the recommendation herein.

The financial effect of the recommendation upon the University has been studied by TIAA/CREF based upon a valuation, recently completed by that organization

Office of the President
January 27, 1975

FCR 6

Members, Executive Committee, Board of Trustees:

METHOD FOR CALCULATING BENEFITS UNDER UNIVERSITY'S
UNFUNDED RETIREMENT PLAN

Recommendation: that the calculation of benefits for employees who are entitled to a combination of retirement benefits from United States Civil Service Retirement Plan, the University non-funded plan, and the funded TIAA/CREF plan shall, for purposes of determining any University supplemental benefits, be subject to the assumption that all TIAA/CREF funded contributions had been invested solely in TIAA.

Background: This recommendation requires the calculation of supplemental benefits for Civil Service employees to be made in the same manner as that applied to all other employees except for the several Paducah Community College employees who are covered under separately drawn agreements.

Action: Approved Disapproved Other

Date: January 27, 1975

at the request of the University, of the non-funded portion of the University's retirement program. The projected effect of the recommendation shown by the study is a reduction in the level of expenditures required to be budgeted by the University for non-funded retirement payments for the years until 1981 and an increase in the level thereafter. This result reflects the combined effect of deferrment in payout for those electing the option and the recognition of interest in the determination of the reduction in level of payments under provisions of the option. Since the level of outlays by the University for non-funded retirement payments are rising and are higher now than they will be in the future, as the funded portion of the program assumes an increasingly larger part of the burden of providing retirement income, the effect of the recommendation is seen to be advantageous to the University in that the effect is to smooth the University's cost curve by shifting outlays from the years immediately ahead, when total outlays are high, to years beyond when outlays are lower. The actual extent of this effect would depend on the number and proportion of retirees and employees retiring in the future who elect the option, but the direction of the effect, whatever rate of election may be realized in actual experience, is seen to be certain beyond reasonable doubt.

Action: Approved ✓ Disapproved _____ Other _____

Date: January 27, 1975