

Minutes of
The University of Kentucky Research Foundation
Board of Directors Meeting
May 4, 2010

The Board of Directors of the University of Kentucky Research Foundation met in Room 103, Main Building, 3:00 p.m. on May 4, 2010. Dr. Lee T. Todd, Jr., President of the University of Kentucky Research Foundation called the meeting to order. The following members of the Board of Directors were in attendance: Dr. Hollie Swanson, Dr. Brent Seales, Ms. Pamela May, Ms. Penelope Brown, Mr. F. Richard Kurzynske, Mr. Henry Jackson, Dr. Lee T. Todd, Mr. Frank Butler, Dr. Kumble Subbaswamy, Dr. James W. Tracy, and Dr. Michael Karpf. Others in attendance: Mr. Jack Supplee, Ms. Angela Martin, Ms. Katherine Adams, Ms. Deborah Davis, Ms. Judy Duncan, Ms. Jennifer Miles, Mr. William Schweri, and Ms. Kathy Stanwix-Hay.

Report of the President

Dr. Todd greeted the Board members telling them how much he appreciated their efforts on behalf of the University. Additionally, he thanked Research Vice President Tracy and his team for the work done on behalf of UK and the Commonwealth.

He remarked that when he took the job as President, research expenditures were \$160 million dollars. In 2008, they totaled \$337 million. To put those figures in perspective, UK's appropriation from the state when he became President was \$303 million dollars. The appropriation this year (FY 09-10) is \$310 million. However, we anticipate it to be \$306 million when and if the General Assembly passes a budget. Essentially, the state appropriation has remained flat, while the overall budget has more than doubled since he became President. This demonstrates that in areas where UK is able to drive its own revenue, we are doing a great job, but in areas where we have to rely on others to provide us with revenue, we're making little progress. He went on to say that our state dollars are critically important to everything we do. These are the dollars we use to pay the salaries to teach our students. He emphasized the importance of spending time in Frankfort trying to convince legislators why education is so important, so fundamental to changing and improving our state. He expressed concern that our elected officials in Frankfort had left without passing the state's biennial budget, noting that it appears the Governor will call the legislature back in May to continue work on passing the budget. Dr. Todd indicated that in both the House and the Senate budgets, UK was listed to receive a \$4.4 million cut. He expressed concern that without a budget there would be no capital projects across the state (i.e. higher education projects, K-12 school projects, water and sewer projects). Here at UK, we were hoping to renovate and refurbish the Reynolds Building this coming year. It is in dire need of a face lift. He further indicated that despite all the gloom and doom, he was extremely proud of the faculty and staff.

Dr. Todd reported that copies of the minutes of the May 13, 2009, meeting had been emailed to all board members and a copy was also in their notebooks. He asked for any corrections or additions. There being none, the minutes were approved.

VOTE: X Approved _____ Disapproved

Report of the Nominating Committee

Mr. Frank Butler, Chair of the Nominating Committee, presented the following recommendations:

BOARD OF DIRECTORS

Recommend reappointment of Hollie Swanson, Faculty Member, for a three-year term ending June 30, 2013.

OFFICERS OF THE FOUNDATION

President	Lee T. Todd, Jr., President, ex officio
Vice President	James W. Tracy, Vice President for Research, ex officio
Executive Director	Kumble R. Subbaswamy, Provost, ex officio
Secretary	Jack Supplee, Associate Director of U. K. Research Foundation
Treasurer	Angela S. Martin, Vice President Financial Operations and Treasurer

EXECUTIVE COMMITTEE OF THE FOUNDATION

Lee T. Todd, Jr., President, ex officio
James W. Tracy, Vice President for Research, ex officio
Michael Karpf, Executive Vice President for Health Affairs, ex officio
Kumble R. Subbaswamy, Provost, ex officio
Hollie Swanson Department of Pharmacology, Faculty Member
Penelope Brown, Trustee Member

VOTE: X Approved _____ Disapproved

To be effective July 1, 2010.

Report of the Treasurer

Ms. Angie Martin, Vice President Financial Operations and Treasurer, presented an overview of UKRF financial activities covering FY 08-09 and FY 09-10 through March 2010. Please press CTRL and click to view the [Report of the Treasurer](#) in Word.

Additionally she presented and discussed the IRS Form 990, Return of Organization Exempt From Income Tax for the tax year beginning 07/01/2008 and ending 06/30/2009.

Report of the Vice President for Research

Dr. Tracy began his report by highlighting some of the American Recovery and Reinvestment Act (ARRA) awards. As of April 30, 2010, faculty had received 125 competitive awards, totaling \$71,432,472 in funding. He then discussed 2009-10 research administration activities, including the Research Enrichment program, designed to return more F&A dollars to academic units for

collaborative projects. He presented information on NSF Rankings; Grant and Contract Awards for the period FY 02 to FY 09; FY 09 grant and contract expenditure information and direct appropriation totals for FY 06-FY 10. He provided information on categories of support funded by the UKRF budget indicating that 67 percent (\$29.72 million) of the FY 09 budget went directly to faculty and academic unit support. He presented data on F&A return to Departments and Deans for FY 06-FY 10 and realized F&A Income for FY 07-FY 11 (Projected).

Please press CTRL and click [UKRF Board of Directors 2010 Research Report](#) to view Dr. Tracy's PowerPoint presentation.

Budget Presentation

Dr. Tracy presented the proposed FY 2010-11 budget. He summarized the various revenue sources, indicating that the major source, F&A recovery, is estimated to be \$44 million. This is an increase from the FY 09-10 budget estimate of \$41 million. Additionally, he described the various categories of faculty support funded through the UKRF budget.

VOTE: X Approved _____ Disapproved

Please press CTRL and click to view the approved [UKRF 2010-11 budget](#) in Excel.

Following the budget presentation, there was general conversation regarding License Agreements, including information on the current top 5 revenue producing licenses.

Old Business

1.) Approval of UKRF Executive Committee Action

Per Article IV, Section 3 of the UKRF By-Laws titled "Executive Committee," "the Committee shall keep minutes of all transactions and these shall be read at the meetings of the Board of Directors for approval." Attached for the Board's approval are the copies of the Executive Committee's Minutes of three separate Executive Committee Resolutions that were approved on August 12, 2009, September 29, 2009, and December 3, 2009.

Please press CTRL and click to view the [UKRF Executive Committee Resolutions](#).

Action Taken: X Approved _____ Not Approved

2.) Information.

The Executive Director of UKRF executed the attached Certificate of Action of the Sole Shareholder of Kentucky Technology, Inc. and Coldstream Laboratories, Inc. appointing new directors to each of the Boards of Directors.

Please press CTRL and click to view the [Certificates of Action](#) dated September 8, 2009, for Coldstream Laboratories, Inc. and February 10, 2010, for Kentucky Technology, Inc.

New Business

Resolution #1:

That Frank Butler, Kumble Subbaswamy and James W. Tracy be appointed to serve on the 2010-11 Nominating Committee, with Frank Butler serving as Chair and James W. Tracy as Secretary.

BACKGROUND:

This is in accord with Article VI of the UKRF By-Laws.

VOTE: X Approved _____ Disapproved

Following general discussion on building a larger fund balance in the UKRF budget to sustain the research enterprise during lean budget years, Provost Subbaswamy thanked everyone for attending and the meeting adjourned at approximately 4:30 pm.

Jack Supplee
Secretary