

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF LOUISVILLE

In Open Session

Members of the University of Louisville Board of Trustees met on Thursday, June 9, 2011, in the PNC Club, Papa John's Cardinal Stadium, with members present and absent as follows:

Present: Dr. Salem George, Vice Chair, Presiding
Mr. Ron Butt
Dr. Kevin Cosby
Mr. Brent Fryrear
Dr. Salem George
Ms. Augusta Brown Holland
Dr. Robert Curtis Hughes
Judge Rebecca Jackson
Dr. Mark Lynn
Mr. Frank Minnifield
Ms. Brucie Moore
Mr. Robert W. Rounsavall, III
Ms. Debbie Scoppechio
Dr. William Selvidge
Dr. Robert Staat
Ms. Phoebe Wood

Absent: Ms. Marie Abrams
Mr. Jonathan Blue
Dr. Kevin Cosby
Mr. Owsley Frazier
Mr. Kurtis Frizzell
Mr. J. Chester Porter

Guests: Ms. Jennifer Elliott, Stites & Harbison
Mr. Greg Davis, Stites & Harbison
Mr. Kennedy Helm, III, Stites & Harbison
Dr. Scott Whittemore, Endowed Chair, Professor, Neurological Surgery
Dr. Susan Harkema, Assoc. Professor, Neurological Surgery

From the University: Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. William Pierce, Interim Exec. Vice President for Research & Innovation
Ms. Angela Koshewa, University Counsel
Mr. Mike Curtin, Vice President for Finance
Mr. Larry Owsley, Vice President for Business Affairs
Dr. Priscilla Hancock, Vice President for Information Technology
Mr. Sam Connally, Vice President for Human Resources
Mr. John Drees, Associate VP, Communications & Marketing
Mr. Mark Hebert, Director of Media Relations
Ms. Cindy Hess, Director of Communications & Marketing

Dr. Mike Mardis, Dean of Students
Ms. Shannon Staten, Director of Housing
Ms. Susan Ingram, Director of Budgets
Ms. Carolyn Cochran, Assistant to the Provost
Ms. Kathleen Smith, Assistant Secretary
Ms. Trisha Smith, Director of Special Projects
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Vice Chair George called the meeting to order at 1:40 p.m.

II. Consent Agenda

A. Approval of Minutes

- Minutes from Board Meeting, April 14, 2011

B. From the Academic & Student Affairs Committee

- Approval of the Center for Arts & Cultural Partnership
- Approval of Resolution of Appreciation: Sana Abhari

C. From the Personnel Committee

- Approval of Monthly Personnel Recommendations (May, June)
- Approval of Revisions to 403(b) Retirement Plan
- Approval of Continuation of Dean, College of Arts & Sciences
- Approval of EVPHA

D. From the Finance Committee

- Approval of 2011-12 Operating Budget
- Approval of 2011-12 Tuition Rate
- Approval of 2011-12 Student Fees
- Approval of 2011-12 Housing Fees
- Approval of 2011-12 Meal Plan
- Approval of 2011-12 Recreation Center Fee
- Approval of 2011-12 Voluntary Health Service Fee Rate
- Approval of Revisions to the Tuition Remission Policy
- Approval of a Revised Policy to Promote Further Participation
Of Minority-Owned and Women-Owned Business Enterprises

Vice Chair George read the consent agenda. Hearing no objection, Judge Jackson made a motion, which Mr. Minnifield seconded, to approve the consent agenda. The motion passed.

III. Report of the Nominating Committee Regarding Proposed Merged Hospital Board

Mr. Fryrear explained the Nominating Committee met on May 10, 2011 to discuss a slate of nominees for the community board governing the proposed new merged academic teaching/medical care center. The Committee submitted six nominees for consideration to assure a balanced representation on the new community board. On behalf of the UofL Nominating Committee, Mr. Fryrear made a

motion, which Judge Jackson seconded, to approve the following representatives from the University of Louisville for the new community board governing the proposed new academic teaching hospital:

- Dr. Robert Hughes
- Mr. Charlie Johnson
- Mr. Robert Rounsavall
- UofL Executive Vice President for Health Affairs (David L. Dunn, M.D., Ph.D.)

The motion passed. Dr. Hughes recognized Mr. Rounsavall's dedication and leadership, along with the untiring and outstanding leadership provided by President Ramsey throughout the merger discussions.

IV. Action Item: Approval of Authorization of President to Sign Documents Relating to Merger

Dr. Hughes made a motion, which Mr. Butt seconded, to approve the

Chair's recommendation the Board of Trustees authorize President James R. Ramsey to act on behalf of the Board and the University in approving any and all documents, including academic affiliation agreement, lease, sponsorship agreement, and any other agreements needed to implement the proposed merged academic teaching hospital.

The motion passed with Trustee Scoppechio abstaining.

V. Action Item: Approval of Capital Construction Projects

The President explained because the Athletic Association Board will not meet until August 9, the Athletic Director requested the approval of the Board of Trustees for these capital projects. Board approval would allow the Athletic Department to begin summer construction of these facilities, which will be funded from Athletic Department revenues. Additionally, the Hydrotherapy Training Room exceeds institutional authorization and requires approval by the Council on Postsecondary Education (CPE). The Athletic Department has asked the CPE at its meeting later this month to consider approval of the Hydrotherapy facility. Ms. Holland made a motion, which Ms. Wood seconded, to approve

the President's recommendation the Board of Trustees approve the following capital projects to be funded and implemented by the University of Louisville Athletic Association:

Hydrotherapy Training Room (addition to the Trager Field House)	\$1,000,000
Trager Field Hockey Stadium Astro Turf	\$850,000

The motion passed.

VI. Resolutions of Appreciation

Resolution of Appreciation – Dr. Susan Harkema

President Ramsey recognized the outstanding work of Dr. Susan Harkema. The Lancet recently published an article about Dr. Harkema's exciting research. Mr. Fryrear made a motion, which Ms. Wood seconded to approve the following resolution of appreciation:

Susan J. Harkema, Ph.D.

WHEREAS, Dr. Susan J. Harkema has served the University of Louisville with distinction as Associate Professor of Neurological Surgery, Director of Research at Frazier Institute, and Rehabilitation Director of the Kentucky Spinal Cord Injury Research Center;

WHEREAS, her extraordinary scholarship has made her a leading researcher in the field of neurological rehabilitation with primary focus on the study of the plasticity of the human lumbosacral spinal cord in individuals with spinal cord injury during locomotor training.

WHEREAS, she has earned the deep respect and admiration of scientists and medical colleagues throughout the world;

WHEREAS, as recently reported in the world renowned medical journal, *The Lancet*, her work has achieved significant success with clinical therapies for paralysis;

WHEREAS, her contribution to a national coalition of clinical scientists resulted in a scientific breakthrough that allowed a paralytic patient to move his toes, ankles, knees, and hips upon command; to reach standing position using his muscular push and to remain standing while bearing weight on his legs for up to four minutes; and when aided by a harness support, to make repeated stepping motions on a treadmill;

WHEREAS, her unprecedented accomplishment resulted from her research using continual direct epidural stimulation of the patient's lower spinal cord to mimic signals the brain normally transmits to initiate movement;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Louisville hereby expresses its deep appreciation to Dr. Susan Harkema for her extraordinary leadership, her outstanding performance, and her devoted scientific investigation of the spinal cord's neural network; and

BE IT FURTHER RESOLVED, that the Board recognize Dr. Harkema as a leading pioneer in rehabilitative medical research; and

BE IT ALSO RESOLVED that a copy of this Resolution appropriately signed, be presented to Dr. Harkema with our deepest and continuing appreciation.

The motion passed. Dr. Harkema thanked the board for this recognition. She expressed her sincere gratitude for Chair Owsley Frazier's financial commitment to endow her work. Without his commitment and the unique partnership of the University and the Frazier Rehabilitation, this research could not take place. She recognized this as a very exciting time to be in Louisville with leading edge

research. Dr. Whittemore echoed his appreciation to the Board and University administration. He acknowledged the research team assembled in spinal cord injury is internationally respected.

Resolution of Appreciation – Dr. Jonathan Hodes

President Ramsey noted Dr. Jonathan Hodes was on a mission trip and could not attend the meeting. Mr. Fryear made a motion, which Dr. Hughes seconded, to approve the following resolution for Dr. Hodes.

Jonathan E. Hodes, M.D., FACS

WHEREAS, Dr. Jonathan E. Hodes has served the University of Louisville with distinction as Professor and Chairman of Neurological Surgery, as well as scientist and leading neurosurgeon in minimally invasive and microsurgical techniques of the brain and spine;

WHEREAS, his extraordinary scholarship has made him a leading clinical researcher in the field of neurological surgery with primary focus on the study of the plasticity of the human lumbosacral spinal cord in individuals with spinal cord injury;

WHEREAS, he has earned the deep respect and admiration of scientists and medical colleagues throughout the world;

WHEREAS, as recently reported in the world renowned medical journal, *The Lancet*, his work with Dr. Susan Harkema has achieved significant success with clinical therapies for paralysis;

WHEREAS, his contribution to a national coalition of clinical scientists resulted in a scientific breakthrough that allowed a paralytic patient to move his toes, ankles, knees, and hips upon command; to reach standing position using his muscular push and to remain standing while bearing weight on his legs for up to four minutes; and when aided by a harness support, to make repeated stepping motions on a treadmill;

WHEREAS, his unprecedented accomplishment resulted from their research using continual direct epidural stimulation of the patient's lower spinal cord to mimic signals the brain normally transmits to initiate movement;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Louisville hereby expresses its deep appreciation to Dr. Jonathan E. Hodes for his extraordinary leadership, his outstanding performance, and his devoted scientific investigation of the spinal cord's neural network; and

BE IT FURTHER RESOLVED, that the Board recognize Dr. Hodes as a leading pioneer in rehabilitative neurosurgical research; and

BE IT ALSO RESOLVED that a copy of this Resolution appropriately signed, be presented to Dr. Hodes with our deepest and continuing appreciation.

The motion passed.

Resolution of Appreciation – Brent Fryear

President Ramsey noted this meeting as Mr. Fryear's last meeting as a trustee. He recognized Mr. Fryear for his many contributions to the board and the University

community. In recognition of his and the board's appreciation, he read the following resolution. Dr. Selvidge made a motion, which Dr. Hughes seconded, to approve

WHEREAS, Brent Fryrear has served the University with distinction as the representative of the staff to the Board of Trustees since 2007;

WHEREAS, in his capacity as a member of the Board, he committed his energy and experience to various standing committees of the Board, including the Audit Committee, Compensation Committee, Nominating Committee, Trustees Award Committee, Personnel Committee, leading the Personnel Committee as its vice chair;

WHEREAS, he willingly served on the Board of Directors of university affiliated corporations, including the University of Louisville Research Foundation, Inc.;

WHEREAS, he demonstrated his full and loyal support to the University, thereby winning the admiration, affection, and respect of his fellow Trustees;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Louisville hereby expresses its sincere admiration and deep appreciation to Brent Fryrear for his hard work and outstanding performance as a member of the Board of Trustees from July 2007 through June 2011; and

BE IT FURTHER RESOLVED, that a copy of this Resolution, appropriately signed, be presented to Mr. Fryrear.

The motion passed. Mr. Fryrear expressed his appreciation for the opportunity to serve as staff senate chair and a trustee during the past four years. He acknowledged the outstanding leadership at the University and appreciated this opportunity as an honor and a privilege.

VII. Report of the President

President Ramsey presented a Powerpoint and video depicting the many accomplishments during the past academic year. Of those accomplishments, he referenced the

- \$3.15 Million grant from Helmsley Charitable Trust to support cancer research in the James Brown Cancer Center
- The freshman class profile has an average ACT score of 24.5; 33% scored 27 or greater; 58 were valedictorians; 33% completed college-level courses while in high school; 59.9% were outside Jefferson County; 17.4% were from out of state.
- Cardinal Singers made a triumphant return to the Far East and returned with top honors
- NIH gave more than \$1.5Million for interdisciplinary oncology palliative care education program to the School of Nursing
- Signature HealthCARE relocates to Louisville and established as an anchor tenant in Nucleus, its Center for Long Term Care and Innovation

- CII researchers received over \$2 Million from NIH for the next generation of artificial hearts/pumps
- UofL's Center for Predictive Medicine dedicated in October 2010 and received nearly \$10 Million to expand its facility
- KFC Yum! Arena opened in October 2010
- Winter Commencement held in KFC Yum! Arena
- Men's Soccer team finished season as NCAA Runner-Up
- Kentucky Pollution Prevention Center helped schools and businesses cut energy costs: 154 school districts saved \$28 per student
- Kent School of Social Work received \$4.8 Million grant to reduce teen pregnancy, disease risk
- Nursing students pass licensure exam at rate higher than national average (97% vs. 88% respectively)
- \$9.56 Million received from NIH for Dr. Bolli to head multicenter cardiovascular research network
- Faculty from Kent School of Social Work joined forces with KIPDA Rural Diabetes Coalition to reduce the prevalence of the disease in Shelby, Bullitt and Henry counties
- \$2.6 Million grant to the Office of Community Engagement to create a college-going culture among low-income, minority and potential first-generation college students
- Mayor Fischer announced innovative partnership with Nucleus on the Lifelong Wellness and Aging Initiative
- College of Business ranked in the top 10% of the nation's business schools for 2011
- UofL & Kosair Charities Autism Center created
- Nursing faculty honored for race track clinic success
- UL earned official status as a Tree Campus USA
- Entrepreneurship students (TNG Pharmaceuticals) won super bowl of business plan competition
- UL has 14 students receiving Fullbright scholarships
- Dr. Susan Harkema makes international news helping paralyzed patients
- Over 2600 graduates attended Spring Commencement in Yum! Arena
- Nursing fellowship program created for stroke care

- UL pursues partnership with Fort Knox
- UL continues to work on proposed academic teaching medical center
- HSC TIF audited and expenditures approved
- Record-breaking year for fundraising
- Andrew Fisher – stroke survivor – commended UL for stroke treatment
- Rob Summers – spinal cord injury patient walks – commended UL doctors
- Dr. Bob Knight – commended UL’s Stroke Intervention Team
- Thomas Bellingham, Jr. recognized UL’s exemplary efforts and positive impact during his tenure as a student
- Scott Brinkman commended UL for its work with autism research
- Nicole Wilkins is the first graduate of the Cardinal Covenant Program (completing her course work in three years)
- Marcus Blakeney expressed appreciation for Porter Scholarship

President Ramsey concluded his presentation by thanking the board for their support. He recognized the importance of the faculty for their outstanding teaching and staff for their dedication to their work – all underpinning for the successful learning and research environment for university students.

VIII. Report of the Chair

Vice Chair George noted the recent resignation of Trustee Mark Lynn effective July 1, 2011. Vice Chair George expressed his gratitude to Dr. Lynn for his service on the board. President Ramsey asked Dr. Lynn to attend the Board Retreat scheduled on July 13 so the board could properly thank Dr. Lynn for his dedication and service.

IX. Adjournment

Judge Jackson made a motion, which Dr. Selvidge seconded, to adjourn the meeting at 3:00 p.m. The motion passed.

Approved by:


 Asst. Secretary

**RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE CENTER FOR ARTS AND CULTURE PARTNERSHIPS**

**Academic & Student Affairs Committee – May 12, 2011
Board of Trustees – June 9, 2011**

RECOMMENDATION:

The President recommends that the Board of Trustees approve the creation of the Center for Arts and Culture Partnerships.

COMMITTEE ACTION:

Passed X

Did not pass _____

Other _____

Date _____

Asst. Secretary Katalin M. Smith

BOARD ACTION:

Passed X

Did not pass _____

Other _____

Date _____

Asst. Secretary Katalin M. Smith

RECOMMENDATION TO BOARD OF TRUSTEES

May 12, 2011 (Personnel Committee)
June 9, 2011 (Board of Trustees)

The President recommends:

That the following personnel recommendations be approved by the Board of Trustees.

ADMINISTRATION

Matthew H. Witten, M.B.A., Indiana Wesleyan University; change from Interim Chief Information Security Officer to Chief Information Security Officer, June 9, 2011. The appointment as Chief Information Security Officer is at the pleasure of the Board of Trustees.

COLLEGE OF ARTS AND SCIENCES

Rinda L. Frye, Ph.D., Associate Professor of Theatre Arts; additional appointment as Chair of Theatre Arts, July 1, 2011. The appointment as Chair is at the pleasure of the Board of Trustees.

Steven F. Kruger, Ph.D., Stanford University; Bingham Professor of Humanities, January 1, 2012 through May 31, 2012.

Alan C. Leidner, Ph.D., Professor of Classical and Modern Languages; additional appointment as Chair of Classical and Modern Languages, July 1, 2011. The appointment as Chair is at the pleasure of the Board of Trustees.

COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT

Diane W. Kyle, Ed.D., Professor, Department of Early Childhood and Elementary Education and Director of the Nystrand Center for Excellence in Education; change of additional appointment from Interim Chair to Chair, Department of Early Childhood and Elementary Education, July 1, 2011. The appointment as Chair is at the pleasure of the Board of Trustees.

SCHOOL OF MEDICINE

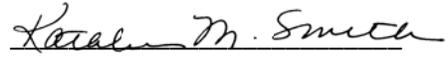
Aruni Bhatnagar, Ph.D., Professor of Medicine (Cardiovascular Medicine), Professor of Biochemistry and Molecular Biology, and Professor of Pharmacology and Toxicology; additional appointment as the Smith and Lucille Gibson Chair in Medicine, July 1, 2011. The additional appointment as the Smith and Lucille Gibson Chair in Medicine is at the pleasure of the Board of Trustees.

Susan Tate, M.D.; promotion from Assistant Professor to Associate Professor of Obstetrics, Gynecology and Women's Health and from Assistant Professor to Associate Professor of Urology, July 1, 2011, and award of tenure, August 1, 2012.

J. B. SPEED SCHOOL OF ENGINEERING

Neville Rui deGouvea- Pinto, Ph.D., The Pennsylvania State University; Professor of Chemical Engineering, with tenure, and Dean, J. B. Speed School of Engineering, September 1, 2011. The appointment as Dean is at the pleasure of the Board of Trustees.

Approved by:



Asst. Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING 403(b) RETIREMENT PLAN

Personnel Committee – May 12, 2011
Board of Trustees – June 9, 2011

Recommendation

The President recommends:

- 1) That the University amend its 403(b) Retirement Plan effective for all employees hired on or after July 1, 2011, to require three years of continuous service for employees to vest in employer contributions, with the provision that retirement-eligible service at an immediate preceding institution of higher education may be applied to the vesting period.
- 2) That the University change the matching contribution provision for employee elective deferrals, effective July 1, 2011, for all participating employees from an amount “equal to” 2.5% of base salary to an amount “up to” 2.5% of base salary.

COMMITTEE ACTION

PASSED X

DID NOT PASS _____

OTHER _____

DATE _____

BOARD ACTION

PASSED X

DID NOT PASS _____

OTHER _____

DATE _____

Katalin M. Smith

ASSISTANT SECRETARY

Katalin M. Smith

ASSISTANT SECRETARY

UNIVERSITY OF LOUISVILLE

403(b) RETIREMENT PLAN

Amended and Restated Effective July 1, 2011

PROPOSED AMENDMENTS SUBJECT TO REVIEW BY

BOARD OF TRUSTEES

PERSONNEL COMMITTEE -- MAY 12, 2011

BOARD OF TRUSTEES -- JUNE 9, 2011

PROPOSED EFFECTIVE DATE – JULY 1, 2011

[This draft reviewed for form and legality by University Counsel, April 29, 2011.]

UNIVERSITY OF LOUISVILLE
403(b) RETIREMENT PLAN
[Amended and Restated Effective ~~January 1, 2009~~ July 1, 2011]

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UNIVERSITY OF LOUISVILLE
403(b) RETIREMENT PLAN
[Amended and Restated Effective ~~July 1, 2011~~ January 1, 2009]

WHEREAS, the University of Louisville, a public institution of higher education under KRS 164.810 et. seq. and an agency of the Commonwealth of Kentucky with its principal office and place of business in Louisville, Kentucky adopted, effective December 31, 1989, each of the “University of Louisville 403(b) Retirement Plan” and the “University of Louisville Tax Deferred Annuity Plan,” (together, the “Plans”) for the benefit of its eligible employees; and

WHEREAS, the University ~~desires to consolidate~~ the Plans, and ~~to made make~~ revisions to the Plans as so consolidated to comply with final tax regulations promulgated by the Department of Treasury effective January 1, 2009; and

WHEREAS, the University desires, ~~and~~ to make certain other revisions as set forth herein effective July 1, 2011; and

WHEREAS, the Board of Trustees of the University has authorized and approved the Plan as set forth herein;

NOW THEREFORE, the University hereby adopts the University of Louisville 403(b) Retirement Plan, as amended and restated herein, as follows:

ARTICLE 1.
PURPOSE AND APPLICABILITY OF PLAN

- 1.01 **Purpose of Plan.** The purpose of the Plan is to provide Benefits to Participants upon retirement, death and Severance from Employment, upon the terms and conditions, and subject to the limitations, set forth herein.
- 1.02 **Applicability of Plan.** The provisions of the Plan shall apply only to persons employed by the University and Affiliated Organizations on and after the Effective Date, and on or after the Restatement Effective Date, as applicable.

ARTICLE 2.
DEFINITIONS

The following words and phrases when used herein shall have the meanings set forth below, unless a different meaning is plainly required by the context:

- 2.01 **Account.** The word “Account” means the account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

- 2.02 **Account Balance.** The term “Account Balance” means the value of the aggregate amount credited to a Participant’s Account under all Accounts, including without limitation, University Contributions under Article [54](#), Elective Deferrals under Article [65](#), the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, and any distribution made to the Participant or the Participant’s Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant’s death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any Account established under Article [1210](#) for rollover contributions and plan-to-plan transfers made for a Participant, the Account established for a Beneficiary after a Participant’s death, and any Account or Accounts established under a domestic relations order, as defined in Section [15.0213.02](#).
- 2.03 **Administrator.** The word “Administrator” means the University of Louisville. Notwithstanding this appointment, the Administrator may delegate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendors, or other organizations.
- 2.04 **Affiliated Organization.** The term “Affiliated Organization” means the University of Louisville Athletic Association, the University of Louisville Foundation, Inc., the University Holdings, Inc., and any other entity so designated by the Board of Trustees.
- 2.05 **Annuity Contract.** The term “Annuity Contract” means a nontransferable contract as defined in section 403(b)(1) of the Code, established for a Participant by the Employer, or by a Participant individually, that is issued by an insurance company qualified to issue annuities in the Commonwealth of Kentucky and that includes payment in the form of an annuity.
- 2.06 **Annuity Starting Date.** The term “Annuity Starting Date” means the first day of the first period for which an amount is received as an annuity whether by reason of retirement or disability.
- 2.07 **Beneficiary.** The word “Beneficiary” means the designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.
- 2.08 **Board of Trustees.** The term “Board of Trustees” means the Board of Trustees of the University.
- 2.09 **Code.** The word “Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 2.10 **Compensation.**
- (a) The word “Compensation” means an Employee’s base annual salary paid by the University for a Plan Year, including amounts deferred by such Employee pursuant to an election made under sections 125, 132(f)(4) or 402(g) of the Code, subject to the following adjustments: (i) Compensation includes supplemental pay as defined by

University policy, and (ii) Compensation shall exclude overtime or overload pay, patient fees, bonuses, shift differentials, honorariums, additional pay (“x-pay”) as defined by University policy, and other extraordinary remuneration such as employer contributions to this and any other employee pension benefit plan or employee welfare benefit plan.

(b) Except as provided in subsection (c), Compensation shall not include amounts in excess of \$200,000 (pro-rated for the Plan Year beginning and ending December 31, 1997) or such larger amount as the Secretary of Treasury may determine in a manner consistent with increases effected under Section 415(d) of the Code.

(c) For Employees who commence participation in the Plan prior to January 1, 1997, Compensation shall not include amounts in excess of \$150,000 (pro-rated for the Plan Year beginning and ending December 31, 1997), or such larger amount as the Secretary of Treasury may determine in a manner consistent with the increase effected under Section 401(a)(17)(B) of the Code.

2.11 **Contributions.** The word “Contributions” may refer collectively to University Contributions and Elective Deferrals, as the context requires.

2.12 **Custodial Account.** The term “Custodial Account” means the group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for a Participant by the Employer, or by a Participant individually, to hold assets of the Plan.

2.13 **Disabled.** The word “Disabled” means the definition of disability provided in the applicable Individual Agreement.

2.14 **Distribution Calendar Year.** The term “Distribution Calendar Year” means a calendar year for which a minimum distribution is required. In the case of distributions required before death where a Participant’s Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 (or retires, if later), the Participant’s first Distribution Calendar Year is the year he attains age 70-1/2 (or retires, if later).

2.15 **Effective Date, Restatement Effective Date.** The term “Effective Date” means the effective date of this Plan, which is December 31, 1989. The term “Restatement Effective Date” means ~~July 1, 2011~~ January 1, 2009.

2.16 **Elective Deferral.** The term “Elective Deferral” means contributions made by the University to the Plan at the election of a Participant in lieu of cash compensation.

2.17 **Eligible Employee.**

(a) University Contributions. The term “Eligible Employee” means, for purposes of establishing to receive University Contributions under Article 54, regular full-time employees (at 1.0 FTE) and benefit-eligible part-time employees (at .80 FTE or greater) of the University or an Affiliated Organization, including, but not limited to, administrators, faculty, professional/administrative staff and classified staff; provided, the term Eligible Employee for this purpose shall not include (i) house staff, (ii) post-doctoral

fellows and visiting scholars, (iii) student employees (i.e., students performing services described in section 3121(b)(10) of the Code), or (iv) any person included in a unit of employees covered by a collective bargaining agreement between employee representatives and the University unless such collective bargaining agreement expressly provides that such person is eligible for participation in the Plan. Such term shall also include any person employed by the University and authorized to participate in this Plan as a result of an early retirement/phased retirement program.

- (b) Elective Deferrals. The term “Eligible Employee” means, for purposes of establishing eligibility to make Elective Deferrals under Article ~~65~~, any person employed by the University or by an Affiliated Organization; provided, the term Eligible Employee for this purpose shall not include (i) student employees (including house staff) performing services described in section 3121(b)(10) of the Code), or (ii) nonresident aliens with no U.S. source income.

2.18 **Eligible Employer.** The term “Eligible Employer” means a two year college, a four year college or university other than the University, a non-profit research organization, Kentucky state government, or another non-profit entity which the University determines performs services substantially similar to those entities listed herein. To be considered an Eligible Employer such entity must have been the Employee’s most recent employer prior to the Employee becoming employed by the University.

2.19 **Eligibility Period.**

- (a) For purposes of determining eligibility for University Contributions under Article 4, the term “Eligibility Period” means the 12-consecutive month period during which an Employee performs services for the University or an Eligible Employer during each month, or, for those Employees employed on an academic year basis, the period constituting the academic year during which the Employee performs services for the University or an Eligible Employer during each month. In determining whether an Employee has performed an Eligibility Period with an Eligible Employer, the definition of Employee and this definition shall be applied by substituting the Eligible Employer for the University to determine if the requirements of an Eligible Employer have been met.

- (b) The term “Eligibility Period” is inapplicable to Elective Deferrals.

2.20 **Employee.** The word “Employee” means each individual, whether appointed or elected, who is a common law employee of the University or an Affiliated Organization performing services as an employee. This definition is not applicable unless the Employee’s Compensation for performing services for the University or an Affiliated Organization is paid by the University or an Affiliated Organization. Further, a person occupying an elective or appointive public office is not an employee performing services for the University or an Affiliated Organization unless (i) such office is one to which an individual is elected or appointed, and (ii) only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.

- 2.21 **Entry Date.** The term “Entry Date” means the first day of the pay period coinciding with, or if later next following, completion of an Eligibility Period.
- 2.22 **Funding Vehicles.** The term “Funding Vehicles” means the Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the University for use under the Plan.
- 2.23 **Individual Agreement.** The term “Individual Agreement” means an agreement between a Vendor and the University or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.
- 2.24 **Participant.** The word “Participant” means an individual for whom University Contributions or Elective Deferrals, or both, are being made, or for whom such Contributions have previously been made, and who has not received a distribution of his or her entire Benefit under the Plan.
- 2.25 **Participant Account.** The term “Participant Account” means the separate Account established and maintained on behalf of a Participant to reflect the Participant’s interest in the Participant’s Contract or Custodial Account.
- 2.26 **Participation Form.** The term “Participation Form” means the form prescribed by the University on which an Employee authorizes and designates the amount of Elective Deferrals.
- 2.27 **Plan.** The word “Plan” means the University of Louisville 403(b) Retirement Plan as set forth herein, and as it may be amended from time to time.
- 2.28 **Plan Year.** The term “Plan Year” means the calendar year.
- 2.29 **Qualified Military Service.** The term “Qualified Military Service” means any service in the uniformed services (as defined in Chapter 43 of Title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.
- 2.30 **Related Employer.** The term “Related Employer” means the University and any other entity which is under common control with the University under section 414(b) or (c) of the Code. For this purpose, the University shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.
- 2.31 **Required Beginning Date.** The term “Required Beginning Date” means the April 1 of the calendar year following the calendar year in which a Participant attains age 70-1/2, or in which the Participant’s actual retirement occurs if later.
- 2.32 **Roth 403(b) Contribution.** The term “Roth 403(b) Contribution” means any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Article 7 of the Plan that qualifies as a Roth Contribution under Section 402A of the Code. [Approved July 1, 2010.]

~~2.32~~2.33 **Severance from Employment.** The term “Severance from Employment” means Severance from Employment with the University and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer).

~~2.33~~2.34 **University.** The word “University” means the University of Louisville.

~~2.34~~2.35 **University Contributions.** The term “University Contributions” means the contributions made by the University for each Participant pursuant to Article 54.

~~2.35~~2.36 **Vendor.** The work “Vendor” means the provider of an Annuity Contract or Custodial Account, or any organization expressly authorized by such provider to act on its behalf under this Plan.

~~2.36~~2.37 **Valuation Date.** The term “Valuation Date” means each business day of the Plan Year.

ARTICLE 3. **VESTING**

3.01 Participants hired prior to July 1, 2011. All Account Balances and future Contributions and earnings of Participants hired prior to July 1, 2011 will be 100% vested and are not subject to the three-year cliff vesting schedule, provided herein.

3.02 New Participants hired on or after July 1, 2011. New Participants in the Plan hired on or after July 1, 2011 are subject to a three-year cliff Vesting requirement, in addition to the one-year waiting period to establish eligibility to receive University Contributions (as defined at Section 2.19. Employees who are eligible to waive the one year waiting period, may receive credit toward the three-year Vesting period for any retirement-eligible years of service at an immediate preceding Eligible Employer (as defined at Section 2.20).

For all employees hired or rehired after a break in service on or after July 1, 2011, Employer’s Contributions and earnings are fully Vested upon the earlier of : 1) completion of three years continuous service; 2) death; 3) disability as defined by Social Security; or 4) attainment of age 65. For vesting purposes, a year of continuous service includes leaves of absence regardless of pay status and leaves for military service. If a Participant subject to Vesting terminates

employment prior to becoming fully Vested, all Employer Contributions and earnings will be forfeited upon termination.

(a) Re-employment after Resignation or Dismissal. Employees who separate from University employment because of dismissal or voluntary resignation and who are subsequently re-employed by the University (regardless of the duration of the intervening separation) –are deemed to have a break in service and will be subject to the same Vesting requirements for new hires, adopted herein. Any unvested portion of the employee’s account which was forfeited upon separation will not be restored to the employee’s account.

(b) Re-employment after Reduction in Force. Employees who separate from University employment because of a reduction in force and who are re-employed by the University within 12 months from the effective date of separation are deemed to have continuous service during the period of separation. Any previous eligible service and any continuous service during the period of separation will count toward the Vesting period. Any unvested portion of the employee’s account which was forfeited upon separation due to the reduction in force will be restored to the employee’s account without earnings since the time of forfeiture, as soon as administratively possible.

3.03 Forfeitures. All forfeited Contributions and earnings shall be forfeited to the Plan and may be used to offset future Contributions to the Plan.

~~ARTICLE 3.~~**ARTICLE 4.**
ELIGIBILITY FOR UNIVERSITY CONTRIBUTIONS

~~3.014.01~~ **Date Employees Become Participants.** Each Eligible Employee (as defined in Section 2.17(a)) shall automatically become a Participant for purposes of receiving University Contributions on the Entry Date coinciding with or, if later, next following completion of an Eligibility Period.

~~3.024.02~~ **Eligibility of Rehired Employees.** An Employee eligible to receive University Contributions who voluntarily resigns from employment in good standing and is subsequently reemployed shall be eligible to become a Participant as of the date of reemployment, provided such Employee satisfies the definition of Eligible Employee as set forth in Section 2.17(a) at the time of reemployment. Solely for the purposes of this Section ~~3.02~~ 4.02, the term Severance from Employment shall include retirement. For the purposes of this Section ~~4.023-02~~, persons participating in an approved early retirement/phased retirement program will be eligible to become a Participant for purposes of this Article ~~43~~ upon reemployment.

~~3.034.03~~ **Notice of Participation.** Each Eligible Employee shall, upon commencement of participation under this Article ~~43~~, be furnished with a summary of the Plan's provisions, a form for designating a Beneficiary, and forms for electing the investment of the Participant's Accounts under the Plan.

~~3.044.04~~ **Provisions of Plan Binding on Participants.** Upon becoming a Participant, a Participant shall be bound then and thereafter by the terms and conditions of the Plan, including all amendments thereto.

~~3.054.05~~ **Change in Employment Status.**

- (a) In the event a Participant becomes ineligible to receive University Contributions because the Participant no longer meets the definition of an Eligible Employee under Section 2.17(a), but remains employed, such person shall again become eligible to receive University Contributions upon again meeting the definition of an Eligible Employee under Section 2.17(a). During the period such person does not meet the definition of an Eligible Employee under Section 2.17(a), but is still employed by the University, no further University Contributions shall be made on behalf of such Participant; provided that such person may continue to make Elective Deferrals if he or she satisfies the eligibility requirements of Section 2.17(b).
- (b) In the event a person employed by the University does not meet the definition of an Eligible Employee for purposes of University Contributions, but later meets such definition, such person shall become eligible to participate on the Entry Date coinciding with, or if later, next following upon completion of an Eligibility Period.
- (c) If a participating Eligible Employee takes an approved "leave of absence" (as determined under the personnel policies of the University) and continues to receive Compensation from the University during such period, such Participant shall continue to be a Participant and receive University Contributions.

~~ARTICLE 4.~~**ARTICLE 5.**
UNIVERSITY CONTRIBUTIONS

~~4.015.01~~ **Amount of University Contributions.**

- (a) Basic Contributions. The University shall make a Contribution to each Participant's Account for each Plan Year in which the Participant qualifies as an Eligible Employee under Section 2.17(a) in an amount equal to 7.5% of such Participant's Compensation for such Plan Year (or, for a period of participation less than a Plan Year, 7.5% of the Participant's Compensation for the portion of the Plan Year during which the Participant was eligible to participate), such percentage to be determined before salary reductions for amounts deferred by such Employee pursuant to an election made under sections 125, 132(f)(4) or 402(g) of the Code.
- (b) Matching Contributions. If a Participant makes an Elective Deferral **in any amount up equal** to 2.5% of Compensation for the same period with respect to which a Basic

Contribution under subsection (a) above is made for such Participant, the University shall make a matching contribution in an amount equal to 100% of such Elective Deferral. Matching Contributions are not available to Employees who are eligible to make “Elective Deferrals” only (as defined in Section 2.17(b)).

- (c) Other Contributions. The University may make such other Contributions as it may deem appropriate pursuant to any binding agreement to the extent that such Contribution does not contravene the provisions of section 403(b) of the Code, regulations promulgated thereunder or such rulings or notices that the Secretary of Treasury may make.

4.025.02 **Limitations on Annual Additions.**

- (a) Notwithstanding any provision of the Plan to the contrary, the “annual addition” to any Participant’s Accounts shall not exceed the lesser of (i) \$40,000 (or such larger amount as the Secretary of Treasury may determine in a manner consistent with the increases effected under Section 415(d) of the Code) or (ii) 100% of the Participant’s Compensation. The term “annual addition” means the sum of the Participant’s University Contributions and Elective Deferrals for the Plan Year, and any amounts allocated on behalf of the Participant to an “individual medical account” (as defined in Section 415(l)(2) of the Code) which is part of a pension or annuity plan maintained by the University and treated as annual additions to a defined contribution plan, and amounts derived from contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of the Participant if he is a “key employee” (as defined in Section 419A(d)(3) of the Code) under a welfare benefit fund (as defined in Section 419(e) of the Code) maintained by the University. Solely for purposes of calculating a Participant’s annual additions, the term “Compensation” means compensation as defined in Treas. Reg. section 1.415(c)-2(a).
- (b) If as the result of a reasonable error in estimating a Participant’s Compensation or under other limited facts and circumstances which the Commissioner of Internal Revenue finds justify this method of allocation, the annual addition for a Participant would exceed the amount provided in subsection (a), the excess amount shall be withheld or taken from a Participant’s Accounts in the following order:
 - (1) Elective Deferrals in excess of 2.5% of Compensation included in the annual additions and the earnings thereon, if any, shall be reduced and returned to the Participant;
 - (2) Elective Deferrals up to 2.5% of Compensation included in the annual additions and the earnings thereon, if any, shall be reduced and returned to the Participant;
 - (3) University Matching Contributions;
 - (4) University Basic Contributions.

Any amounts withheld or taken from a Participant’s Accounts attributable to University Contributions may be returned to the University.

~~4.03~~5.03 **Payment of Contributions.** All University Contributions shall be transferred to the Contract or Custodial Account selected by the Participant pursuant to Article ~~87~~ as soon as practicable following the pay period to which they are attributable.

~~4.04~~5.04 **Form of Contribution.** All Contributions shall be made in cash.

~~4.05~~5.05 **Qualified Military Service.** Notwithstanding any provision of this Plan to the contrary, University Contributions with respect to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code.

~~4.06~~5.06

~~ARTICLE 5.~~**ARTICLE 6.**
ELECTIVE DEFERRALS

~~5.01~~6.01 **Eligibility for Elective Deferrals.** Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the University or by an Affiliated Organization as an Eligible Employee (as defined in Section 2.17(b)).

~~5.02~~6.02 **Elective Deferral Election.**

(a) Pre-Tax Salary Reduction Deferrals. An Employee elects to make pre-tax salary reduction deferrals by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing it with the Administrator. An Elective Deferral election shall be made on the agreement and in the form provided by the Administrator, which shall also include the designation of the Funding Vehicles and Accounts to which Elective Deferrals are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed.

(b) Roth 403(b) Contributions. An Employee may elect to make Roth 403(b) Contributions to the Plan in accordance with Article 6 of the Plan. The Participant's election to make Roth 403(b) Contributions shall be made on the agreement provided by the Administrator which shall also include designation of the Funding Vehicles and Accounts therein to which elective Deferrals are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is file. [Approved July 1, 2010.]

~~(b)(c)~~ The Administrator may establish an annual minimum Elective Deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time.

~~5.03~~6.03 **Information Provided by the Employee.** Each Employee making an Elective Deferral in the Plan shall provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

~~5.04~~6.04 **Change in Elective Deferral Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals, or a change in the allocation of his or her Elective Deferrals to reflect pre-tax salary reduction deferrals or after-tax Roth 403(b) Contributions, the designation of Funding Vehicles, and a designation of Beneficiary. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

~~5.05~~6.05 **Contributions Made Promptly.** Elective Deferrals shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

~~5.06~~6.06 **Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals shall continue to the extent that Compensation continues.

ARTICLE 7.
ROTH 403(B) CONTRIBUTIONS
[Approved July 1, 2010]

7.01 **Roth 403(b) Contributions.** Participants may make Roth 403(b) Contributions to their Accounts under the Plan. Such contributions shall be treated as Elective Deferrals and are subject to the requirements and limitations imposed by section 402(g) of the Code. A Roth 403(b) Contribution is an Employee contribution that is: (1) designated irrevocably by the Employee as such on his or her Elective Deferral form, and (2) treated by the University as includible in the Employee's income.

7.02 **Separate Accounting Requirements.** Contributions and withdrawals of Roth 403(b) Contributions, and earnings or losses thereon, shall be credited and debited to each Participant's Account and shall be separately accounted for under each Employee's Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis for each Employee's Roth 403(b) Contributions. Except as provided in Section 6.06, no contributions other than Roth 403(b) Contributions and properly attributable earnings may be credited to each Employee's Roth subaccount.

7.03 **Deposit Requirements.** Roth 403(b) Contributions shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

7.04 **Direct Roth Rollovers From the Plan.** Notwithstanding Section 11.05 of the Plan, Participants may only make a direct rollover of a distribution of Roth 403(b) Contributions (and earnings thereon) to another 403(b) plan with Roth Contribution features; to a 401(k) Plan with Roth Contribution features, or to a Roth IRA described in

section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

7.05 **Roth Rollovers Into the Plan.** Notwithstanding Section 11.01 of the Plan, direct rollovers of Roth 403(b) Contributions and Roth 401(k) Contributions and earnings thereon from another 403(b) plan with Roth Contribution features, or from a 401(k) Plan with Roth Contribution features are permitted, provided that the Funding Vehicles selected by a Participant will accept such Roth Rollovers. Direct rollovers shall only be permitted if the transmitting plan satisfies the conditions set forth in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.

7.06 **Correction of Excess Elective Deferrals.** Excess Elective Deferrals shall be corrected by first distributing Roth 403(b) Contributions (plus earnings thereon) made during the Plan Year and then by distributing a Participant's Elective Deferrals (plus earnings thereon). However, if a highly compensated employee (as defined in Section 414(q) of the Code) experiences an excess deferral in any Plan Year, he or she may designate the extent to which the excess amount is composed of Elective Deferrals and Roth 403(b) Contributions, provided that both types of contributions were made by the Employee during the applicable Plan Year. If the highly compensated employee does not designate which type of contributions are to be distributed, then Elective Deferrals shall be distributed first, followed by Roth 403(b) Contributions.

~~ARTICLE 6.~~ARTICLE 8.

LIMITATIONS ON ELECTIVE DEFERRAL AMOUNTS

~~6.01~~8.01 **Basic Annual Limitation.**

- (a) Except as provided in Sections 6.02 and 6.03, the maximum amount of the Elective Deferrals under the Plan for any calendar year shall not exceed the lesser of:
 - (1) the applicable dollar amount, or
 - (2) the Participant's Compensation for the calendar year.
- (b) The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is \$16,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 415(d) of the Code.

~~6.02~~8.02 **Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.**

- (a) Because the Employer is a qualified organization (within the meaning of Treas. Reg. § 1.403(b)-4(c)(3)(ii)), the applicable dollar amount under Section ~~8~~6.01(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

- (1) \$3,000;
 - (2) The excess of:
 - (A) \$15,000, over
 - (B) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
 - (3) The excess of:
 - (A) \$5,000 multiplied by the number of years of service of the employee with the qualified organization, over
 - (B) The total Elective Deferrals made for the employee by the qualified organization for prior years.
- (b) For purposes of this Section 86.02, a “qualified employee” means an Employee who has completed at least 15 years of service taking into account only employment with the University.

~~6.038.03~~ **Age 50 Catch-up Elective Deferral Contributions.**

- (a) An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the calendar year.
- (b) The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under the Code.

~~6.048.04~~ **Coordination.** Amounts in excess of the limitation set forth in Section 86.01 shall be allocated first to the special 403(b) catch-up under Section 86.02 and next as an age 50 catch-up under Section 86.03. However, in no event can the amount of the Elective Deferrals for a calendar year be more than the Participant’s Compensation for the calendar year.

~~6.058.05~~ **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Article, if a Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 6.02 only if the other plan is a § 403(b) plan.

~~6.068.06~~ **Correction of Excess Elective Deferrals.** If the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferrals, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance.

~~6.078.07~~ **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the University equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the University had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

~~ARTICLE 7.~~**ARTICLE 9.**
INVESTMENT OF CONTRIBUTIONS

~~7.019.01~~ **Manner of Investment.** All University Contributions and Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

~~7.029.02~~ **Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations.

~~7.039.03~~ **Institutional Fee Billing – Investment Advisor Fees.** To the extent permitted by law and the provisions of the Funding Vehicle, the University has the power to authorize the payment of Investment Advisor Fees incurred by a Participant. Such

payment shall be directed by the Participant or by the Participant’s Investment Advisor and will be paid by the Fund Sponsor from the Participant’s Account. Such payment shall be made directly to the Investment Advisor. Under no circumstances will the Plan be liable for such payment. For purposes of this Article, the term “Investment Advisor” shall mean a person who is registered as such with the United States Securities and Exchange Commission (“SEC”) or with a state securities regulatory agency if the Investment Advisor is exempt from SEC registration requirements. For purposes of this Article, the term “Investment Advisor Fees” shall mean fees charged by a Participant’s Investment Advisor for advisory services relating to the Participant’s Account under this Plan.

~~7.04~~9.04 **Current and Former Vendors.**

- (a) The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law.
- (b) In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section ~~129~~129.02 or ~~129~~129.04), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

~~ARTICLE 8.~~ARTICLE 10.
LOANS

~~8.01~~10.01 **Loans.** Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.

~~8.02~~10.02 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section ~~108~~108.03, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the University. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

~~8.03~~10.03 **Maximum Loan Amount.**

- (a) No loan to a Participant under the Plan may exceed the lesser of:
- (1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or
 - (2) one half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).
- (b) For purposes of this Section ~~108~~.03, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this subsection (b) shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this subsection (b).

~~8.04~~10.04 **Loan Repayments For Participants in Military Service.** Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel may be suspended as permitted under section 414(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

~~ARTICLE 9~~ARTICLE 11.
BENEFIT DISTRIBUTIONS

~~9.01~~11.01 **Benefit Distributions At Severance from Employment or Other Distribution Event.** Except as otherwise specifically provided by the Plan, distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

~~9.02~~11.02 **Small Account Balances.** The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section ~~129~~.01), and provided that any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000).

~~9.03~~11.03 **Minimum Distributions.** Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in Treas. Reg. § 1.403(b)-6(e).

~~9.04~~11.04 **In-Service Distributions From Rollover Account.** If the Funding Vehicle in which a Participant has a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

~~9.05~~11.05 **Rollover Distributions.**

- (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).
- (b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

~~ARTICLE 10.~~**ARTICLE 12.**
ROLLOVERS TO THE PLAN AND TRANSFERS

~~10.01~~**12.01 Eligible Rollovers.** To the extent provided in the Individual Agreements, an Eligible Employee who is entitled to receive an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. Vendors shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan.

~~10.02~~**12.02 Plan-to-Plan Transfers to the Plan.**

- (a) At the direction of the University, for a class of Employees who are participants or beneficiaries in another 403(b) plan, the Administrator may permit a transfer of assets to the Plan as provided in this Section ~~12.02~~. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan and the participant is an employee or former employee of the employer maintaining such plan. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. § 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.
- (b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.
- (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article 6.

~~10.03~~12.03 **Plan-to-Plan Transfers from the Plan.**

- (a) At the direction of the University, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another 403(b) plan in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section ~~120~~129.03 only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose 403(b) restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).
- (c) Upon the transfer of assets under this Section ~~120~~129.03, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 10.03 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. § 1.403(b)-10(b)(3).

~~10.04~~12.04 **Contract and Custodial Account Exchanges.**

- (a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under this Plan is not permitted (referred to as an "exchange").

If any Vendor ceases to be eligible to receive contributions under the Plan, the University will enter into an information sharing agreement to the extent the University's contract with the Vendor does not provide for the exchange of information described by applicable Treasury Regulations.

~~ARTICLE 11~~ARTICLE 13
AMENDMENTS TO THE PLAN

- ~~11.01~~13.01 **Rights Generally to Make Amendments.** The University shall have the right at any time by instrument of writing duly executed to modify, alter, amend or terminate the

Plan in whole or in part. Any Benefit which has actually accrued and become payable hereunder shall not be affected thereby except as provided in Section ~~13~~14.02 below. Should the University, at any time, not be in existence as an entity, this Plan may be amended by action of a majority of the members of the Board of Trustees then surviving as such.

Right to Make Amendments Relating to Qualification of Plan. The University shall have the unlimited right to amend the Plan at any time, retroactively or otherwise, in such respects and to such extent as may be necessary to qualify it under existing laws and regulations so as to meet the requirements of the Code, and, to the extent necessary to accomplish such purpose, may be such amendment decrease or otherwise affect the rights of Participants or Beneficiaries to benefits which have actually accrued and become payable hereunder.

~~ARTICLE 12.~~**ARTICLE 14.**
**RESERVATION OF RIGHTS BY THE UNIVERSITY AND LIMITATIONS ON
RIGHTS OF PARTICIPANTS**

~~12.01~~**14.01 Plan Voluntary on Part of University.** While it is the intention of the University that the Plan shall be continued and Contributions made in each year, the Plan is entirely voluntary on the part of the University. The University does not guarantee or promise to pay or cause to be paid any benefit provided by the Plan and each Participant, Beneficiary or any other person who may claim the right to any payment or benefit under the Plan shall be entitled to look only to the Contract or Custodial Account for such payment or benefit and shall not have any right, claim or demand therefore against the University.

~~12.02~~**14.02 Plan Not Contract of Employment.** This Plan shall not be deemed to constitute a contract between the University and Participants or to be a consideration or inducement for the employment of any Participant or Employee. Nothing contained in the Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the University nor to interfere with the right of the University to discharge any Participant or Employee at any time regardless of the effect which such discharge may have upon him as a Participant in the Plan.

~~12.03~~**14.03 Indemnification.** If the University appoints an Employee or committee of Employees to represent the University as the Administrator of the Plan, the University shall, to the extent permitted by applicable law, indemnify any such Employee acting on its behalf in this capacity. Such individuals shall be indemnified from any and all liability that may arise by reason of his action or failure to act concerning this Plan, excepting any willful misconduct or criminal acts.

14.04 No Employer Liability. The University shall have no liability for the payment of benefits under the Plan provided that the applicable Annuity Contract and Custodial Account Vendors receive written direction for the payment of benefits in accordance with the Plan. Each Participant shall look solely to the Vendors of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

~~ARTICLE 13~~ARTICLE 15.
MISCELLANEOUS

~~13.01~~15.01 **Non-Assignability.** Except as provided in Section ~~1513~~.02 and ~~1543~~.03, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

~~13.02~~15.02 **Domestic Relations Order.** If a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

~~13.03~~15.03 **IRS Levy.** The Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

~~13.04~~15.04 **Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

~~13.05~~15.05 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

~~13.06~~15.06 **Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the party that made the contribution.

~~13.07~~15.07 **Procedure When Distributee Cannot Be Located.**

- (a) The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means: (i) the mailing by certified mail of a notice to the last known address shown on the records of the University or the Administrator, (ii) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (iii) the payee has not responded within 6 months.
- (b) If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the applicable Funding Vehicle shall continue to hold the benefits due such person.

~~13.08~~15.08 **Incorporation of Individual Agreements.** The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements, provided however that the Plan may not enlarge the rights of the University, the Administrator, or a Participant under the Individual Agreements.

~~13.09~~15.09 **Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the Commonwealth of Kentucky.

~~13.10~~15.10 **Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

~~13.11~~15.11 **Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the University has, as of the ____ day of _____, ~~2011~~2009, caused this Plan to be executed by its duly authorized officer.

Reviewed as to Form & Legality:

Recommended:

Glenn Bossmeyer

Date

Sam Connally

Date

Associate University Counsel

Vice President for Human Resources

Approved:

Larry Owsley

Date

Vice President for Business Affairs

**RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE CONTINUATION OF
JAMES BLAINE HUDSON AS
DEAN OF THE COLLEGE OF ARTS AND SCIENCES**

June 9, 2011 (Personnel Committee)

June 9, 2011 (Board of Trustees)

RECOMMENDATION:

The President recommends:

That the Board of Trustees approve the continuation of Dr. James Blaine Hudson as Dean of the College of Arts and Sciences.

COMMITTEE ACTION:

Passed: X

Did Not Pass:

Other:

BOARD ACTION:

Passed: X

Did Not Pass:

Other:

Katalin M. Smith
Assistant Secretary

Katalin M. Smith
Assistant Secretary

EXECUTIVE SUMMARY: FIVE YEAR REVIEW
JAMES BLAINE HUDSON, DEAN
COLLEGE OF ARTS AND SCIENCES
UNIVERSITY OF LOUISVILLE

Process

Executive Vice President and University Provost Shirley Willihnganz appointed the Decanal Review Committee which included representatives of the faculty, staff, students, alumni, community, and a sitting Dean of the University, who served as Chair. Dean Hudson provided his self assessment and vita. Using domains from the University Scorecard and key functions as outlined in Dean Hudson's job description, the committee solicited input via surveys to faculty, administrators, students, staff, alumni and community. In addition, the committee conducted personal interviews with the President, Provost and individuals in leadership positions within the College. An invitation was issued to all faculty, staff, and students giving them the opportunity to be interviewed by any committee member of their choice.

Conclusion

The committee found consistent and compelling support for Dr. Hudson's work and unanimously recommended that he be continued as Dean of College of Arts and Sciences.

Findings

Dean Hudson's overall performance was rated as positive in the areas of Education Excellence; Research, Scholarship and Creative Activities; Community Engagement; Diversity, Opportunity and Social Justice; Creative and Responsible Stewardship and Administration; Faculty Management; and Values. Progress has been made in terms of national recognition for the College and its programs, and the College has been a key contributor to the university's goal of becoming a premiere, metropolitan research university.

A partial list of the College of Arts and Sciences' accomplishments during the dean's tenure include:

- Led University efforts to obtain Phi Beta Kappa status as a national recognition of excellence
- Increased the number of international programs
- Developed collaborative programs with the School of Medicine and other units
- Increased student enrollment and credit hour production
- Enhanced the environment to support minority student success
- Strengthened the student academic advising office
- Significantly strengthened the College's outreach and community engagement efforts
- Increased the number of full-time faculty and staff
- Expanded distance education offerings
- Expanded and improved technological support for classrooms, faculty, staff and research
- Expanded and improved A&S facilities including: classrooms; common areas such as lobbies, student lounges and study areas; faculty and staff offices; and research facilities

- Broadened the base of alumni support and formed effective partnerships that have contributed to financial support of the College
- Facilitated the development and pursuit of a shared vision for the College

The review committee indicated several areas where improvements can be made, and recommended that the Dean:

- Look for more ways to support non-traditional students in regard to course scheduling and programmatic accessibility
- Consider strategies to give greater focus to resource development for faculty research, especially in the Natural Sciences
- Increase the role of faculty governance in planning and decision-making and seek venues for greater input from faculty and staff
- Consider creative technologies to communicate the activities of the College and the Dean with his various constituents
- Review the effectiveness of administrative appointments in the Dean's Office
- Help constituents better understand the importance of community engagement to the University

Recommendation to the Personnel Committee
Of the University of Louisville Board of Trustees

Personnel Committee: June 9, 2011

Board of Trustees: June 9, 2011

RECOMMENDATION:

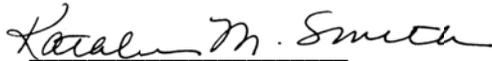
The President recommends the Board of Trustees approve the appointment of David L. Dunn, M.D. (University of Michigan), Ph.D. (University of Minnesota), as Professor of Surgery and Professor of Microbiology and Immunology, with tenure, and as Executive Vice President for Health Affairs, effective July 1, 2011; the administrator appointment is for five years, subject to removal for cause by review and recommendation of the Personnel Committee to the Board of Trustees.

Committee Action:

Passed: X

Did Not Pass:

Other:



Assistant Secretary

Board Action:

Passed: X

Did Not Pass:

Other:



Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE PROPOSED BUDGET FOR FISCAL YEAR 2011-12

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends that the Board of Trustees approve the proposed University operating budget for fiscal year 2011-12, as attached.

Committee Action:

Passed: X
Did Not Pass:
Other:
Date:

Katalin M. Smith
Assistant Secretary

Board Action:

Passed: X
Did Not Pass:
Other:
Date:

Katalin M. Smith
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION RATE INCREASE FOR ACADEMIC YEAR (AY) 2011-12

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends that the Board of Trustees approve tuition rate increases per the attached schedule for the Academic Year (AY) 2011-12.

Committee Action:

Passed: X

Did Not Pass:

Other:

Date:

Board Action:

Passed: X

Did Not Pass

Other:

Date:

Katalin M. Smith
Assistant Secretary

Katalin M. Smith
Assistant Secretary

**University of Louisville
Proposed Regular Tuition Schedule**

	Semester Rates			
	<u>2010-11</u>	<u>2011-12</u>	Change	
			<u>Amount</u>	<u>Percent</u>
Undergraduate				
Resident	4,212	4,465	253	6.0%
Nonresident	10,212	10,825	613	6.0%
Military taking courses at Fort Knox (per credit hour, includes on-line courses)	250	250	0	0.0%
Graduate				
Resident	4,572	4,846	274	6.0%
Nonresident	9,513	10,084	571	6.0%
Military taking courses at Fort Knox (per credit hour, includes on-line courses)	250	250	0	0.0%
Law (Full-time Program)				
Resident	7,800	8,268	468	6.0%
Nonresident	15,070	15,974	904	6.0%
	Annual Rates			
	<u>2010-11</u>	<u>2011-12</u>	Change	
			<u>Amount</u>	<u>Percent</u>
Medicine				
Resident	27,782	29,450	1,668	6.0%
Nonresident	42,820	45,390	2,570	6.0%
Dentistry				
Resident	23,302	24,700	1,398	6.0%
Nonresident	50,826	53,876	3,050	6.0%

**University of Louisville
Proposed Special Tuition Schedule**

	Semester Rates			
	<u>2010-11</u>	<u>2011-12</u>	Change	
			<u>Amount</u>	<u>Percent</u>
Intensive English as a Second Language (IESL)				
Full-time Day Program	4,012	4,012	0	0.0%
Urban Planning and Public Administration Programs				
Resident	5,472	5,746	274	5.0%
Nonresident	10,413	10,984	571	5.5%
Distance Education (per credit hour)				
Undergraduate	456.30	460	4	0.9%
Graduate	660.40	660	0	0.0%
Graduate - Urban Planning & Public Admin	790.40	790	0	0.0%
	1,014.0			
Law, full-time	0	1,015	1	0.1%
Law, part-time	845.00	845	0	0.0%
Fixed Price Programs (multi-semester)				
	<u>2010-11</u>	<u>2011-12</u>	Change	
			<u>Amount</u>	<u>Percent</u>
Professional MBA Cohort Program				
Resident	31,000	31,000	0	0.0%
Nonresident	31,000	31,000	0	0.0%
Full-time MBA Cohort Program				
Resident	31,000	31,000	0	0.0%
Nonresident	31,000	31,000	0	0.0%
IMBA Cohort Program				
Resident	31,000	31,000	0	0.0%
Nonresident	31,000	31,000	0	0.0%
Ed.D. Practitioner				
Resident	16,620	16,200	0	0.0%
Nonresident	16,620	16,200	0	0.0%
Certificate Program in Accounting (new)				
Resident	NA	12,900	NA	NA
Nonresident	NA	12,900	NA	NA

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RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING INCREASE AND APPROVAL OF STUDENT FEES

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and increases to existing fees listed below effective Academic Year (AY) 2011-12.

I. New Fees

- Engineering Biomedical Microfluidic \$125 per Student Lab Course

II. Increases to Existing Fees

- DMD - Postdoctoral Residency Fee Increase by \$2000 per year to \$7,000 per year

Committee Action:

Passed: X
Did Not Pass:
Other:
Date:

Katalin M. Smith
Assistant Secretary

Board Action:

Passed: X
Did Not Pass
Other:
Date:

Katalin M. Smith
Assistant Secretary

**RECOMMENDATION TO THE UNIVERSITY OF LOUISVILLE
BOARD OF TRUSTEES REGARDING RESIDENTIAL STUDENT MEAL PLAN**

Finance Committee – May 12, 2011

Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends:

That proposed changes to the current resident meal plans be approved, increasing the rates to, effective Academic Year (AY) 2011-12:

- \$930/semester for residents living in halls with kitchens and
- \$1,460/semester for residents living in halls without kitchens.

Committee Action:

Board Action:

Passed: X

Passed: X

Did Not Pass:

Did Not Pass:

Other:

Other:

Date:

Date:

Katalin M. Smith

Assistant Secretary

Katalin M. Smith

Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
REGARDING STUDENT RECREATION FEE

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends that the Board of Trustees approve a \$98 per semester student recreation fee to be applied to all new students (including graduate and professional students) and pro-rated, per credit hour for less than full-time students beginning fall 2011. The fee shall be used for construction, debt service, operations, maintenance, furniture, equipment, property, facility management and other expenses related to student recreation. Once the bond amortization payments for the Student Recreation Center (SRC) are completed, the fee would be \$48.50. The \$48.50 fee would last throughout the life of the building, as long as the building is used as a student recreational facility, to cover any programmatic costs not associated with debt service. If the function of this building strategically changes, this fee will cease. Any student who is off campus for an educational experience such as co-op in Speed School, studying abroad, or an internship will be exempt from the \$48.50 fee as long as he or she is off campus. All students who pay the fee, prior to the completion of the construction of the facility, are entitled to six months of free access per every semester the fee is paid, without access to the facility. This entitlement commences with graduation, and cannot be postponed if the student does not live in the area.

COMMITTEE ACTION:

Passed X

Did Not Pass

Other

Katalin M. Smith

Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass

Other

Katalin M. Smith

Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE VOLUNTARY HEALTH SERVICE FEE

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

RECOMMENDATION:

The President recommends that the Board of Trustees approve an increase in the voluntary portion of the Student Health fee structure from \$100 per semester to \$150 per semester, effective Academic Year (AY) 2011-12.

Committee Action:

Passed: X

Did Not Pass:

Other:

Date:

Katalin M. Smith

Assistant Secretary

Board Action:

Passed: X

Did Not Pass

Other:

Date:

Katalin M. Smith

Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION REMISSION POLICY

Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011

Recommendation

The President recommends that the University of Louisville Tuition Remission Policy be amended, as reflected in the restated policy enclosed at Exhibit A, effective July 1, 2011.

COMMITTEE ACTION

PASSED X
DID NOT PASS
OTHER

BOARD ACTION

PASSED X
DID NOT PASS
OTHER

Katalin M. Smith

ASSISTANT SECRETARY

Katalin M. Smith

ASSISTANT SECRETARY

TUITION REMISSION POLICY

POLICY

A. Tuition Remission for Employees.

1. All regular/provisional 80% FTE or above employees are eligible to take up to two courses (not counting associated labs as separate courses) up to eight six credit hours tuition free each semester, i.e., ~~six hours in the~~ spring semester, ~~six hours in the~~ summer semester, and ~~six hours in the~~ fall semester; not to exceed 18 credit hours per year. These hours may not be accumulated. The individual must be a regular or provisional 80% FTE or above employee of the university on the first day of class for the semester as determined by the Registrar to be eligible for this benefit.
2. All regular/provisional employees working at least 40% FTE but less than 80% FTE are eligible to take up to one course (not counting associated labs as separate courses) up to four three credit hours tuition free each semester, i.e. ~~three hours in the~~ spring semester, ~~three hours in the~~ summer semester, and ~~three hours in the~~ fall semester; not to exceed nine credit hours per year. These hours may not be accumulated. The individual must be a regular or provisional 40% FTE or above employee of the university on the first day of class for the semester as determined by the Registrar to be eligible for this benefit.
3. ~~Temporary Lecturers~~Contract faculty working at least 40% FTE are eligible to take up to one course (not counting associated labs as separate courses) up to four three credit hours tuition free each semester, i.e. ~~three hours in the~~ spring semester, ~~three hours in the~~ summer semester, and ~~three hours in the~~ fall semester; not to exceed nine credit hours per year. These hours may not be accumulated. The individual must be a ~~temporary Lecturer~~ contract faculty working at least 40% FTE or above on the first day of class for the semester as determined by the Registrar to be eligible for this benefit.
4. Active duty military personnel assigned to a UofL ROTC Detachment shall be construed as regular/provisional employees, as provided in paragraphs 1 or 2 above, for the purpose of employee tuition remission benefits.
5. Employee tuition remission shall include 100% of in-state undergraduate, graduate, or professional program tuition, including any tuition differential that applies to distance education courses , but excluding course fees, graduation fees, or regular student fees. Effective Fall Semester 2011, employee tuition remission shall also exclude mandatory student fees bundled in tuition. Tuition remission may be used for credit courses

offered during regular semesters (whether taken for credit or taken for audit), but may not be used for non-credit continuing education courses.

6. Effective Fall Semester 2011, in order to maintain eligibility to receive tuition remission benefits in a succeeding semester, employees must attain a course grade of "C" or better in the current semester (or a two-course GPA of 2.0 or better if attempting two courses under tuition remission in one semester, excluding any courses for which the employee pays tuition); a "Pass" if the course is graded on a Pass/Fail basis; or a statement of "Satisfactory Participation" from the instructor if a course is taken for audit.

If an employee fails to meet this course-level performance standard in one semester, the employee must enroll in, pay for, and attain satisfactory performance (as above) for at least one course in any succeeding semester to re-establish eligibility to receive tuition remission benefits in any semester following attainment of satisfactory performance. Withdrawals which do not result in a refund of 100% of tuition paid shall constitute unsatisfactory performance for the semester.

Note: This performance standard shall not apply to the first three attempts for 1st time college attendees.

B. Tuition Remission for Dependent Children.

1. Emancipated children of regular, full-time faculty and staff (at 100% FTE) appointed prior to February 1, 1966 may take courses toward their first undergraduate degree tuition-free.
2. Dependent children of regular, ~~full-time~~ faculty or staff at 80% FTE or greater may take courses toward their first undergraduate degree tuition-free provided that:
 - a. the employee was hired prior to July 1, 2011 and is a regular employee at 80% FTE or greater on the first day of class for the semester (with no continuous service requirement); or the employee was hired on or after July 1, 2011, is a regular employee at 80% FTE or greater on the first day of class for the semester; and has one year of continuous service on the first day of class for the semester.
 - b. the employee ~~must be~~ provides evidence that he or she is claiming the child for tax purposes or ~~must~~ certifies in writing that the employee is providing more than 50% of the child's support.

- c. If an employee hired prior to July 1, 2011 becomes permanently disabled, retires or dies, his or her children shall continue to be eligible for tuition remission benefits (regardless of length of service). If an employee hired on or after July 1, 2011 has five years of continuous service and becomes permanently disabled, retires or dies, his or her children shall continue to be eligible for tuition remission benefits.
3. For the purpose of tuition remission, dependent children shall be eligible for tuition remission through the end of the semester in which they attain the age of 26.

The Office of Human Resources will be responsible for verifying the eligibility of dependent children during the 1st semester in which the child is enrolled. The enrollment of a child under the tuition remission program who is subsequently determined to be ineligible shall be construed as misappropriation of university funds and subject the sponsoring employee to discipline, including dismissal, and the forfeiture of any tuition remission benefits previously received.

4. Dependent children tuition remission shall include 100% of in-state undergraduate tuition, but shall exclude course fees, graduation fees, or regular student fees. Effective Fall Semester 2011, dependent tuition remission shall also exclude mandatory student fees "bundled" in tuition and any tuition differential that applies to distance education courses.
5. Effective Fall Semester 2012, total tuition remission benefits for a dependent child (regardless of the sponsoring employee's hire date) shall be limited to 144 credit hours attempted (including credit hours transferred to UofL, if any).

Note: The children of military personnel assigned to a UofL ROTC Detachment are not eligible for tuition remission.

C. Tuition Remission for Faculty Spouses.

1. Spouses of regular status full-time (100% FTE) faculty members who were hired prior to July 1, 1978 and who have had continuous, regular, full-time employment since July 1, 1978 may take three credit hours tuition-free each semester. There is no tuition remission for spouses of regular, full-time faculty who were hired on or after July 1, 1978. Eligible faculty members as of July 1, 1992, will retain this benefit as long as their employment is at least 80% FTE or above.
2. If an eligible employee becomes permanently disabled, retires or dies, his or her spouse is still eligible for tuition remission benefit.

D. Kentucky State Waiver Program

The 1997 First Extraordinary Session of the General Assembly resulted in the creation of a faculty and staff tuition waiver program [KRS 164.020(32)] with the express purpose of promoting employee and faculty development.

According to this interim policy, any regular full-time employee of a Kentucky post-secondary public institution may, with prior administrative approval of the course offering institution, take a maximum of six (6) credit hours per term at any Kentucky public post-secondary institution. The institution shall waive the tuition up to a maximum of six (6) credit hours per term. The program applies to the waiver of tuition and does not include mandatory student fees, course and other fees, text books and other charges assessed by a course-offering institution. Tuition waivers under the program may generate taxable income under provisions of the federal tax code for graduate, professional, and doctoral level programs.

An employee, to be eligible for participation in the Faculty and Staff Tuition Waiver Program, must be classified by the employing institution as a regular full-time employee. Certification of employment shall be provided by the employing institution for each academic term in which the employee seeks to participate in the program. If employment is terminated prior to the first day of classes, an approved tuition waiver will be cancelled.

The program does not provide for credit hours over and above the six credit hours available under the university's Tuition Remission Program. Employees who use their credits at the University of Louisville either for themselves or transfer the hours to a spouse will not be eligible for any additional tuition waiver credits in excess of six hours either at UofL or another post-secondary institution.

PROCEDURE

The online form for [Tuition Remission](#) can be found on the [Bursar's Office website](#).

The President or ~~his/her~~ [the Vice President for Human Resources, as the President's designee](#), exercises authority to interpret and implement the tuition remission policy.

ADDITIONAL CONTROLLING PROVISIONS

As adopted by the Board of Trustees June 22, 1998, the University expressly reserves the right to alter or abolish the Tuition Remission benefit at any time in the future by action of its Board of Trustees except to the extent of prior contractual obligations for tuition remission to:

- i) Emancipated children of current full-time regular status faculty or staff (at 100% FTE) employed prior to February 1, 1966 for courses at the University counting toward their first undergraduate degree (as provided in Paragraph B.1 of this policy);
- ii) Dependent children of current regular status faculty or staff who were employed at 100% FTE prior to July 1, 1978, and who continue to be employed at least 80% FTE, for courses at the University counting toward their first undergraduate degree (as provided in Paragraph B.2. of this policy); and
- iii) Spouses of regular status faculty members who were employed at 100% FTE prior to July 1, 1978, who have been continuously employed since July 1, 1978, and who continue to be employed at least 80% FTE, may take three credit hours tuition-free each semester (as provided in Paragraph C.1. of this policy).

**RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING COMMITMENT TO PROMOTING MINORITY & WOMEN
PARTICIPATION IN CONSTRUCTION PROJECTS SPONSORED BY THE UNIVERSITY OF LOUISVILLE**

**Finance Committee – May 12, 2011
Board of Trustees – June 9, 2011**

RECOMMENDATION

The University of Louisville adopt the attached policy to promote further participation of minority-owned and women-owned business enterprises and to promote the increased employment of minorities and women in construction projects sponsored by the University.

Committee Action:

Passed X

Did Not Pass

Other

Katalin M. Smith

Assistant Secretary

Board Action:

Passed X

Did Not Pass

Other

Katalin M. Smith

Assistant Secretary

Policy for Minority/Women Business Enterprises in Construction Projects Supported
by the University of Louisville

In October 1996, the Board of Trustees established policy direction for minority and women participation in university construction procurement projects.

The University's goals have been and are to assure:

- The participation of minority-owned and women-owned business enterprises as contractors or subcontractors on University-sponsored construction projects reflects the availability of such enterprises relative to all providers in the Louisville Metro construction industry; and
- The employment of minorities and women by contractors or subcontractors on University-sponsored construction projects reflects the availability of minorities and women working among prevailing wage contractors in the Louisville Metro construction industry (regardless of whether contractors or subcontractors are minority or women owned business enterprises).

In order to reaffirm and strengthen the University of Louisville's commitment with respect to minority-owned and women-owned business enterprises:

1. The University will annually assess the Louisville Metro construction industry to ascertain the availability of minority-owned and women-owned business enterprises.
2. All advertisements and announcements of construction bids by the University shall include a statement of University interest in obtaining the widest possible participation of minority-owned and women-owned businesses, including a statement of the applicable University goals for participation of minority-owned and women-owned business enterprises among contractors and sub-contractors;
3. All requests for proposals on construction projects shall include a requirement that contractors identify its vendors or subcontractors that are minority-owned or women-owned or include a description of the bidder's good faith efforts to obtain quotes from such companies.
4. Evaluations of all proposals for construction projects shall include an assessment of the extent to which each proposal reflects that the participation of minority-owned or women-owned

business enterprises meets or exceeds the availability percentage of such enterprises in the Louisville Metro construction industry.

5. The University shall provide information on major contracting and subcontracting opportunities to the Tri-State Minority Supplier Development Council, Louisville Urban League, NAACP, Office of Economic Development, F.W. Dodge, Builders Exchange, Associated General Contractors of Louisville Metro, Inc., Minority Business Division-Kentucky Commerce Cabinet, Office of Equal Employment Opportunity/Contract Compliance-Kentucky Finance and Administration Cabinet, and community groups interested in minority and women's issues.
6. Contracts for construction projects shall require that the subsequent replacement of a minority-owned or women-owned vendor or subcontractor certified as part of a winning bid shall be reported to the University with documentation of good faith efforts to obtain replacements from among minority and women-owned businesses.
7. The determination of status as a minority-owned or women-owned business shall be certified by the Commonwealth of Kentucky, Tri-State Minority Supplier Development Council, or such other appropriate group recommended to the Board from time to time by the President.
8. This policy shall not be construed or applied to require a quota or set-aside of work reserved for any group or the "bumping" of any vendor or subcontractor having a legally enforceable contract with any party and failure to meet the University's goals shall not result in disqualification.

With respect to the employment of minorities and women in the construction trades industry, the University will pursue the following strategies to realize the University's goal:

1. The University will annually assess the Louisville Metro construction industry to ascertain the percentage availability of minority and women employed in the construction industry among prevailing wage contractors.
2. All advertisements and announcements of construction bids by the University shall include a statement of University interest in ensuring that the representation of minorities and women among the bidder's workforce (including its subcontractors) reflects the percentage availability of minorities and women employed in the Louisville Metro construction industry, including a statement of the applicable University goals for employment of minorities and women on construction projects sponsored by the University.
3. All requests for proposals on construction projects shall include a requirement that bidders document the current composition of its workforce (including subcontractors), including the percentage representation of minorities and women.

4. All requests for proposals for construction projects shall include an evaluation criterion to ascertain the extent to which each proposal reflects that the existing employment of minorities and women among the contractor and its subcontractors meets or exceeds the employment of minorities and women in the Louisville Metro construction industry.
5. Contracts for construction projects shall require that contractors report periodically (as specified by the University) the actual representation of minorities and women among its workforce throughout the duration of the contract and to undertake and to report to the University additional specific good faith efforts to increase the representation of minorities and women among its workforce (including its subcontractors) in the event that the continuing employment of minorities and women falls below the availability percentages specified in the request for proposal.
6. This policy shall not be construed or applied to require a quota or set-aside of work reserved for any group or the “bumping” of any vendor or subcontractor having a legally enforceable contract with any party.
7. The failure to meet University goals established pursuant to this policy shall not result in disqualification from participation in that particular procurement.

Reporting Requirements.

The President will provide an annual report to the Board of Trustees that includes:

1. the actual participation of minority-owned and women-owned business enterprises on construction projects sponsored by the University;
2. the actual employment of minorities and women among the contractors and subcontractors on construction projects sponsored by the University;
3. recommendations, if any, regarding additional strategies that may further promote the participation of minority-owned and women-owned business enterprises and to promote the employment of minorities and women in construction projects sponsored by the University.