

UNIVERSITY OF KENTUCKY ADMINISTRATIVE REGULATIONS	IDENTIFICATION AR II-1.0-6	PAGE 1
	DATE EFFECTIVE 11/15/06	SUPERSEDES REGULATIONS DATED II-1.5-1 (1/01/01); II-1.5-2 (1/01/01); II-1.0-6 (8/23/93)

THE PLANNING, BUDGETING, AND ASSESSMENT CYCLE

Part 1. THE PLANNING, BUDGETING, AND ASSESSMENT CYCLE

I. Purpose

The purpose of this Administrative Regulation is to set forth definitions, roles and responsibilities, policies, and procedures for the Planning, Budgeting, and Assessment Cycle of the University of Kentucky.

II. Definition of the Planning, Budgeting, and Assessment Cycle

The “Planning, Budgeting, and Assessment Cycle” (the Cycle) at the University of Kentucky is the comprehensive process that integrates strategic planning, budgeting, and assessment. It is the institutional tool that allows the University to marshal its resources most effectively in support of its mission and to document success in fulfilling its mission.

III. Responsibilities

A. The Board of Trustees is responsible for approving the University Strategic Plan and the annual operating budget.

B. The President is responsible for initiating development of the University Strategic Plan and annual operating budget. The President is accountable to the Board for documenting institutional effectiveness.

C. The Provost, executive vice presidents, and others reporting directly to the President have general delegated responsibility for the Cycle at all levels of their respective educational and administrative units.

D. The deans, vice presidents, associate vice presidents, and associate/vice provosts are responsible for implementing policies and procedures of the Cycle in their respective educational and administrative units.

Part 2. STRATEGIC PLANNING

I. Purpose

The purpose of strategic planning is to identify and prioritize the actions the University and its units can take to help it best accomplish the University's goals and fulfill its mission. The University's fiscal plans and resource allocations shall be aligned with the Strategic Plan. All resource allocation and budgeting activities shall follow the methodology prescribed in Part 3 of this administrative regulation.

II. Review of the University Strategic Plan and Mission Statement

A. The University Strategic Plan and the strategic plans of its units are dynamic documents and shall be revised periodically to calibrate the course of the University and its units toward the achievement of the University's mission and vision.

B. The mission statement of the University shall be reviewed in concert with any revisions of the Strategic Plan to ensure that changes in the mission of the University are reflected in the strategic plan. Changes in the University's mission might be mandated by the Kentucky General Assembly or may be developed within the University in reaction to recognized needs. The mission statement shall be reviewed at least every five years.

III. Core Components

The University Strategic Plan and the strategic plans of the units within the University shall include the following core components:

- A. mission statement;
- B. goals or objectives;
- C. strategies (units only); and,
- D. performance indicators or measures of progress.

IV. Procedures

A. The President shall initiate the strategic planning process by appointing and charging a committee to develop an updated Strategic Plan.

B. The President shall determine the timeframe to be represented by the Strategic Plan.

- C. The strategic planning process shall begin with an environmental analysis and shall also include consideration of university task force reports, long-term financial plans, and other relevant documents and studies.
- D. The committee shall inform the University community throughout the planning process and shall seek input and feedback from the University community prior to finalizing the Strategic Plan.
- E. Following the completion of the Strategic Plan, the committee shall make a formal presentation of the plan to the University leadership.
- F. Once the Strategic Plan is accepted, the President shall present the Strategic Plan to the Board of Trustees for approval.
- G. The implementation of the Strategic Plan shall include the following:
1. the assignment of responsibilities for goals and objectives of the Plan;
 2. the reevaluation by units within the University of their own strategic plans to ensure alignment with the University Strategic Plan;
 3. resource planning; and,
 4. assessments and reports of progress toward goals on a periodic basis.

Part 3. BUDGETING

I. Introduction

This part sets forth the responsibilities, policies, and procedures for the budgeting component of the planning, budgeting, and assessment cycle. Budgeting at the University of Kentucky is a process in which the plans of the University are implemented and subsequently the goals of the University are achieved. The budget process is used to establish policies, allocate resources, foster accountability, and translate plans into action. These plans include, but are not limited to, the Strategic Plan, long-term financial plans, and the six-year capital plan. This part of the regulation is presented in two sections, operating and capital.

The Kentucky public postsecondary education system is required to submit an executive budget request to the Commonwealth of Kentucky by November 15 of each odd-numbered year. The Council on Postsecondary Education (CPE) works with the institutions to develop the system budget request. Based on the request approved by CPE in November, the University prepares a formal submission to CPE and the executive and legislative branches of state government. The budget request includes both operating and capital budget requests. The capital budget request is generally based on the first two-years of the six-year capital plan.

The University's annual operating and capital budget is prepared during the winter and spring and is generally presented to the Board of Trustees for approval in June. The annual operating and capital budget reflects the enacted executive budget.

II. Operating Budget

A. Definitions

1. Funding Sources

The University's budget policies and procedures and the annual operating budget cover the following major funding sources:

(a) "General" funding means state appropriations, student fees, sales and services, fund balances, and those gifts and grants, endowment incomes, investment incomes, and county appropriations that are not restricted as to purpose by a person or an agency external to the University.

(b) "Hospital" funding means income from hospital operations.

(c) "Auxiliary" funding means income generated by self-supporting operations, including the housing and dining system.

(d) "Restricted" funding means income restricted for a specific purpose by a person or an agency external to the University.

(e) "Affiliated Corporation" funding means income associated with a corporate entity which is not a public agency and which is organized pursuant to the provisions of KRS 273 over which the University exercises effective control, by means of appointments to its board of directors, and which could not exist or effectively operate in the absence of substantial assistance from the University.

2. "Budget Savings" means savings that includes both salary savings and current expense savings.

3. "Salary Savings" means savings from a budgeted position as a result of:

(a) The position being vacant for a period of time;

(b) A portion of the salary cost of an incumbent being transferred to another fund source; or,

(c) A position being filled at less than the budgeted salary amount.

4. “Current Expense Savings” means savings that result from the under realization of budget expenses.

B. Policies

1. All budget matters shall follow the general organizational structure of the University. The Board of Trustees has final authority. All general, hospital, auxiliary and restricted funds are subject to this policy and shall be expended only for approved programs and objectives. No revenue shall be expended except upon the establishment of an expense authorization approved by the Board. The exception to this policy is the authorization of expenses from account assignments created as a result of a contract or grant agreement between the University and an outside party. The Board has delegated the authority to approve such agreements and authorize related expenses to the President. The President shall report the authorization of such expenses to the Board at its next regularly scheduled meeting.

2. The Vice President for Planning, Budget, and Policy is responsible for the development and implementation of university-wide budget policies and procedures, for the development and submission of the university's budget requests, and for the evaluation of budget implementation and achievement of program objectives. Also, the Vice President for Planning, Budget and Policy coordinates the submission of the annual operating and capital budget to the Board of Trustees and the Executive Budget Request to the Council on Postsecondary Education and the executive branch.

3. The President, Provost, and executive vice presidents are responsible for:

(a) developing strategic unit plans and managing programs subject to allocated resources in their respective areas;

(b) using assessment results in the development of plans and programs;

(c) allocating funds consistent with approved plans;

(d) operating within approved budget allocations;

(e) ensuring that expenses support established objectives;

(f) realizing estimated revenues or adjusting expenditures in order to not exceed available revenues;

(g) maintaining the integrity of revenues and expenditures by funding source;

(h) ensuring conformity with state and University rules and regulations applicable to the expenditure of funds; and,

(i) managing budget savings within their respective areas. Savings, which are nonrecurring in nature, generally shall be used for nonrecurring purposes. Savings shall be used in a manner consistent with established plans and program objectives.

4. Budget authority may be delegated to vice presidents, associate vice presidents, associate/vice provosts, deans, and directors, but the President, Provost, and executive vice presidents are ultimately responsible for their areas.

5. Funds budgeted from nonrecurring sources should be used generally for nonrecurring purposes, but may be used for recurring purposes on an interim basis with the approval of the President, Provost, or the executive vice presidents, as appropriate, and with notification of the Office of Planning, Budget, and Policy Analysis (OPBPA).

6. Overdrafts, regardless of fund source, shall be covered within each area.

7. The President, Provost, and executive vice presidents are responsible for projecting and managing fund balances generated in their respective areas.

C. Procedures

1. Executive Budget Request Calendar

The calendar for the biennial executive budget request is developed by the OPBPA. The calendar reflects the earliest possible dates for internal decisions, recognizing the scheduled actions of the Council on Postsecondary Education (CPE) and the executive and legislative branches of state government. The biennial budget request is submitted by November 15 of each odd-numbered year to CPE and the legislative and executive branches of state government. The request is based on the budget request for the public postsecondary system approved by CPE and reflects programmatic needs and contains various funding levels for operations (for example, continuation, expansion and new). The General Assembly and the Governor generally enact the biennial budget by April 15 of each even-numbered year.

2. Annual Operating Budget Calendar

The annual operating and capital budget process originates in the OPBPA. The operating budget serves as the annual financial plan for internal operations and reflects the approved budget bill. The development of the annual operating budget begins in the fall. A decision package is presented to senior leadership in the spring, which includes revenue estimates, salary proposal estimates, proposed increases in health care and fixed costs, and other expenditure budget requests. The recommended annual operating budget is presented to the Board for approval in June.

3. Revenue Generation

As part of the development of the annual budget cycle, revenue and recharge estimates are projected for all revenue-producing units. Funds allocated in the annual operating budget to the President, Provost, and executive vice presidents areas are based on estimates of revenue by source including recharges (recharges represent expenditures of one unit in support of activities of another unit). The revenue levels will be established after detailed analysis by OPBPA. Any changes during the year in the budgeted revenue amounts require submission of a revised plan of expenses. These budget revisions shall be submitted to and approved by the Board of Trustees.

4. Budget Allocations and Uses

Funds are allocated to support objectives. Funds shall be allocated to the President, Provost, and executive vice presidents according to the approved plan that is based on the budget decision package. Annual budget allocations shall reflect program and resource directives included in enacted executive branch budgets and other bills. The President, Provost, and executive vice presidents are responsible for the allocation of funds into expense categories (personal services, current expenses, and capital) in accordance with the approved plan. After review of fund allocations, OPBPA prepares the university-wide operating budget document to be submitted to the Board for approval. Individual salaries are determined according to guidelines approved by the President. The President, Provost, and executive vice presidents are responsible for ensuring that each salary authorization adheres to the approved salary guidelines. Each area is responsible for submission of the necessary documents to implement the salaries and wages according to procedures set forth by the Controller.

5. Budget Changes

Any change in the established priorities or any requested reallocation of funds that involves an alteration in priorities shall be approved in the same manner as those originally established. Requests may include the redistribution of funds or the establishment of additional expense authority and shall include a statement of the

program implication. Budgetary changes can be classified as either budget transfers or revisions:

(a) Budget Transfer - The redistribution of funds is accomplished by the use of a budget transfer document.

(b) Budget Revisions - A request to increase (or decrease) expense authority based on increased (or decreased) revenue or recharges requires a budget revision. The budget revision request shall include all pertinent information. Requests for budget revisions are evaluated by OPBPA and submitted to the Board of Trustees for approval.

6. Fund Balances.

The President, Provost, and executive vice presidents are responsible for projecting and managing fund balances generated in their respective areas. As part of the budgeting process, each area submits a plan for the use of estimated fund balances in the upcoming fiscal year. These estimated fund balance amounts are generally included in the recommended operating budget. After approval of the University's audited financial statements, OPBPA calculates the actual fund balances attributable to the over realization of budgeted revenues and the under realization of budgeted expenses for each area. If an area's actual fund balance exceeds the budgeted amount, a revised expense plan shall be submitted for consideration so as to increase the budgeted fund balance authorization.

7. Budget Implementation.

OPBPA is responsible for the implementation of the annual operating budget, as approved by the Board of Trustees.

8. Budget Evaluation.

As described in Part 4, units evaluate their effectiveness in meeting goals and objectives, including the adequacy of resources, through periodic program reviews and annual progress reports. As a result, units may request additional funding to ensure success in achieving their strategic plans. At each organizational level, unit heads should evaluate operating and capital budget requests in context of the unit's periodic program review results and annual progress reports.

III. Capital Budget

A. Definitions

Projects, equipment, information technology, and leases that shall be included in the six-year capital plan are as defined in KRS 7A.010; KRS 45.760; 164A.560; and, AR II-1.4-1.

B. Policies

1. The capital planning and budgeting process spans a two-year cycle and cumulates in the development of a six-year capital plan and a biennial capital request.
2. The six-year capital plan is submitted by April 15 of each odd-numbered year to the Council on Postsecondary Education (CPE) and the Capital Planning Advisory Board (CPAB).
3. The biennial capital request is submitted by November 15 of each odd-numbered year to CPE and the executive and legislative branches of state government. The request is based on the budget request for the public postsecondary system approved by CPE.
4. The President directs capital planning and budgeting at the University by establishing biennial priorities that support the strategic plan.
5. The Provost, executive vice presidents, and others reporting directly to the President shall, at the direction of the President, establish the university-wide priorities for the six-year capital plan and the biennial capital request.
6. The deans, vice presidents, associate vice presidents, associate/vice provosts, department chairpersons, directors, and other administrators, as appropriate, shall:
 - (a) engage in ongoing capital planning for their units and use these ongoing capital plans to guide the enhancement and maintenance of their facilities in support of their programs and operations; and,
 - (b) ensure that capital expenses are consistent with established objectives.
7. The Office of Planning, Budget and Policy Analysis shall coordinate the development and submission of the University's six-year capital plan and biennial capital request to the Board of Trustees, CPE and CPAB.
8. An institutional Capital Planning Advisory Group shall assist with the development of the capital plans and biennial capital request and shall provide technical expertise to the President. The group will work collaboratively with the

departments to ensure the development of a comprehensive six-year capital plan and biennial capital request.

9. The University's six-year capital plan shall support and be consistent with other existing plans such as the Strategic Plan, long-range financial plans, and the campus master plan.

10. Recurring expenses shall be supported by recurring revenue; therefore, all continuing costs related to capital projects such as maintenance of facilities and equipment should be included in the operating budget on a recurring basis. Before any capital projects may be initiated, the recurring costs shall be identified and adequate recurring financial support identified. Exceptions to this policy shall be approved in advance by the President, Provost, or the Executive Vice President for Finance and Administration.

C. Procedures

1. All projects in the biennial capital request shall be included in the six-year capital plan.

2. All units shall submit their capital needs for consideration every two years in accordance with the calendar and guidelines issued by OPBPA.

3. Balances remaining after plant fund accounts are closed shall be lapsed to the President, Provost, or respective executive vice president's clearing accounts or to the central clearing account, depending upon the original funding source. The President, Provost, or executive vice presidents shall have the option of reallocating balances to other approved projects or equipment items or transferring the balances to other fund groups through the budget revision request process. If the balances are to be used for physical facilities projects or equipment that has not been approved, a revised plan shall be submitted to the Executive Vice President for Finance and Administration.

4. Balances remaining from physical plant job projects under \$100,000 shall lapse to the appropriate sources.

Part 4. ASSESSMENT

I. Introduction

This part sets forth the definitions, responsibilities, policies, and procedures for the assessment component of the planning, budgeting, and assessment cycle. Assessment is used to monitor the University's effectiveness in achieving its mission, vision, and goals. The University and its

units shall demonstrate an explicit use of assessment results to facilitate resource allocation and budgeting decisions in support of their strategic plans and to ensure quality enhancement.

II. Program Review

Assessment of Educational and Administrative Units Program review is the primary vehicle for assessment of educational and administrative units and for documentation of institutional effectiveness. The purpose of program review is to improve the quality and effectiveness of teaching and learning, research, public service, and operations. It does so by systematically examining missions, goals, objectives, resources, activities, processes, and outcomes of programs and services.

A. Definitions

1. “Unit” means all organizational entities that provide educational and administrative programs or services; includes colleges, departments, schools, programs, research centers and institutes (degree and non-degree granting), and program and service centers.
2. “Unit Head” means individuals who initiate program review, receive recommendations resulting from self-study and external review committees, and negotiate the implementation plan with their supervisor; includes college deans, department chairpersons, directors, and other administrators, as appropriate.
3. “Assessment” means an ongoing process through which units evaluate and monitor the effectiveness of programs and services to facilitate decision-making and quality enhancement.
4. “Institutional Research” means the collection and analysis of data on the institution's programs, resources, and processes to support effective planning, assessment, and decision-making.

B. Responsibilities

1. The President shall establish university-wide expectations for conducting program reviews and using assessment results in planning and budgeting decisions to facilitate continuous quality enhancement.
2. The President, Provost and executive vice presidents shall facilitate program reviews to ensure linkages are made between assessment results and ongoing planning and budgeting decisions.
3. The deans, vice presidents, associate vice presidents, associate and vice provosts, department chairpersons, directors, and other administrators shall carry

out program reviews for all educational and administrative units within their areas of responsibility to ensure linkages are made between assessment results and ongoing planning and budgeting decisions.

4. The Vice President for Institutional Research, Planning, and Effectiveness shall:

(a) consult with unit heads to maintain a 5-7 year program review schedule;

(b) initiate the annual program review process;

(c) ensure availability of institutional data necessary to conduct effective program reviews, based on a periodic needs assessment;

(d) make available annual training for external review committee members;

(e) submit an annual report describing the status of program reviews and annual progress reports to the President, Provost and executive vice presidents;

(f) maintain and annually evaluate an institutional research function that works to ensure timely access to accurate, consistent data;

(g) maintain and annually evaluate an assessment function that assists units in developing valid and reliable assessment methods; and

(h) serve as a central repository for program review results and annual progress reports.

D. Institutional Effectiveness Criteria

The University and each of its units shall have:

1. A mission statement that is evaluated and updated during the program review;

2. Clear, concise, measurable unit goals and objectives that are consistent with the unit mission. These statements may reflect inputs and processes, but shall reflect outcomes. The goals and objectives of academic programs, including general education, degree offerings, and certificates, shall address the quality of student learning by describing educational outcomes for students who complete the program.

3. A description of assessment methods, including the specific evaluation techniques and criteria used to determine progress; and,
4. A process to use assessment results for quality enhancement, including linkages to future planning and budgeting.

E. Program Review Components

The program review process has four components:

1. Unit self-study.

The unit shall first prepare a self-study report that covers the time since the last review (5-7 years). The nature of the unit and its programs and services or any special focus given to the program review may require additional elements in the self study; however, the self-study shall include, as appropriate:

- (a) Program Documents: strategic plan (i.e. mission statement, goals and objectives, and criteria for measuring progress), organizational chart or structure, and annual progress reports since the last self-study.
- (b) Resources: summary information about the adequacy of budget, facilities, equipment, personnel, including faculty and staff numbers and demographics, and support from other university units essential to effective operations, such as research, engagement, development, alumni affairs, human resources, facilities management, financial units, and information technology.
- (c) Input from Affected Constituents: As appropriate, units shall collect evaluation data from faculty, staff and students who are affected by the delivery of programs and services of the unit.
- (d) Adherence to Policies and Procedures: evidence of adherence to university policies and procedures. For educational units, this includes evidence of adherence to educational policies and procedures established through the faculty governance process, including consistency in applying policies related to grading, probation, and termination; evidence of adherence to procedures on faculty personnel actions and budget request preparation that are established jointly by the unit faculty and the unit head.
- (e) Evaluation of Quality and Productivity: evidence of the quality of the collegial environment, including the climate for diversity, and evidence of

quality and productivity in instruction, research, public service, or operations, including, as appropriate, the quality of:

- i. faculty and staff employees, communications and interactions;
- ii. orientation, advising and other student services programs;
- iii. student learning outcomes;
- iv. customer or client satisfaction;
- v. business and operating procedures;

(f) Analysis of Strengths and Recommendations for Quality Enhancement: a synthesis of self-study findings resulting in a summary of strengths and recommendations for quality enhancement.

2. External Review

This component provides an external perspective regarding the quality and effectiveness of the unit's programs, services, resources, processes, and operations. Its purpose is to assure an objective, unbiased assessment of the unit. An external review committee shall:

- (a) examine the self study report;
- (b) use appropriate data collection techniques that help assure objectivity to engage in additional information-seeking, as necessary;
- (c) assess the validity of the conclusions reached in the self-study;
- (d) identify additional strengths and recommendations for quality enhancement; and,
- (e) prepare a final report.

3. Implementation Plan

The unit shall use assessment results and recommendations resulting from the self-study and the external review to develop an implementation plan (see required form at <http://www.uky.edu/Assessment/prog.shtml>) that sets the agenda for change and quality enhancement over the next 5-7 year cycle. The implementation plan, finalized in educational units by the approval of the unit faculty, results from deliberations among unit faculty, staff employees, and/or

students under the leadership of the unit head. Approval of the implementation plan by the unit head's supervisor signals an acknowledgement that unit needs will be given due consideration in future resource allocation decisions. It is the responsibility of the unit, however, to use the implementation plan as documentation of future plans and resource needs during appropriate times in the budgeting process. Following approval of the implementation plan, the planning, budgeting, and assessment cycle begins anew, as the unit:

- (a) evaluates and revises its strategic plan;
- (b) seeks funding through the annual operating budget process or from other sources; and,
- (c) develops an assessment plan (see suggested form at <http://www.uky.edu/Assessment/prog.shtml>) for the next 5-7 year cycle

4. Annual Progress Reports

This component strengthens the link between program review and subsequent planning, budgeting, and assessment activities. Each unit shall prepare an annual progress report that:

- (a) identifies goals and objectives selected for assessment during the year;
- (b) describes assessment methods and criteria for success;
- (c) presents results; and,
- (d) uses results to formulate plans for quality enhancement.

F. Program Review Procedures

1. Schedule

In accordance with Governing Regulation IX-1, a formal, structured program review is scheduled at least once every 5-7 years. The process for scheduling program reviews shall include:

- (a) Flexibility for unit heads, with input from unit faculty and staff employees, to negotiate with the President, Provost, or appropriate executive vice president at which level in the organizational structure a meaningful, effective, and efficient program review should be conducted.

(b) Notification by the Vice President for Institutional Research, Planning, and Effectiveness that the program review is about to begin. The notification shall occur approximately six months prior to appointment of the external review committee, signaling initial development of the self-study report.

(c) Opportunity to request a delay in the regularly scheduled time, not to exceed two years. The change may be requested by a majority of the faculty members of an educational unit, a majority of staff employees in an administrative unit, or an appropriate administrator. Such requests shall be in writing, include a rationale, and be approved by the President, Provost, or appropriate executive vice president.

(d) Opportunity for an off-schedule review, which may be initiated by a majority of faculty members in an educational unit, a majority of staff employees in an administrative unit, or an appropriate administrator. If the administrator to whom the unit reports disapproves of a unit request for an off-schedule review, the administrator shall provide a written explanation.

2. Type of Review

Program reviews can be either *focused* or *comprehensive*. A comprehensive review includes the entire unit and its programs and services. A focused review is a thorough study of one or more major aspects of a unit and its programs and services. The option of a focused review is dependant on a successful comprehensive review in the previous cycle.

3. Accreditation Review Substitutions

Reports from external accrediting agencies may be substituted for the program review self-study, if approved by the President, Provost or appropriate executive vice president, and the Vice President for Institutional Research, Planning, and Effectiveness has certified that appropriate critical conditions are met.

4. Preparation of the Self-Study

The unit head shall ensure broad-based involvement in the development and review of the self-study, the identification of strengths, and recommendations for quality enhancement. Upon completion, a copy of the self-study shall be forwarded to the appropriate administrator (see process flowchart and timeline at <http://www.uky.edu/Assessment/prog.shtml>).

5. Appointment of the External Review Committee

(a) For educational units, after consultation with the unit head, the administrator to whom the unit head reports shall appoint and charge an ad hoc External Review Committee (see process flowchart and timeline at <http://www.uky.edu/Assessment/prog.shtml>) consisting of six to eight members. The administrator also designates an experienced External Review Committee Chair, who should be external to the University, if possible. Additionally:

i. The college dean shall appoint review committees for academic departments after consultation with the elected college faculty council, or other appropriate college body as identified in the college faculty rules.

ii. The Provost shall consult with the University Senate Council to seek nominations prior to appointment of review committees for colleges.

iii. The appropriate dean(s) shall also be consulted prior to appointment of the review committee for colleges.

iv. The review committee for educational units shall be composed primarily of faculty members external to the unit, two of whom shall be faculty members in the same discipline or college and who are external to the University. The requirement for two committee members external to the University may be relaxed for units visited by an onsite committee in order to obtain external accreditation.

v. One or two unit representatives shall be appointed to support the external review committee. These representatives shall participate in an ex officio capacity, facilitating work of the external review committee through provision of information about the internal self-study and other relevant documentation requested by the external review committee.

vi. The committee shall include student representation, if appropriate, and may include alumni and practicing professionals.

vii. The review committee for multidisciplinary research centers and institutes shall include faculty members in the field and shall include at least one researcher knowledgeable in the field from outside the University.

(b) For administrative units, the administrator to whom the unit head reports shall appoint the external review committee and an appropriate Chair after consultation with the unit head:

i. The President, Provost, or appropriate executive vice president may be consulted in these appointments.

ii. The review committee shall be composed of faculty, staff employees, or students from outside the unit being reviewed and shall represent the stakeholders and constituencies affected by the programs and services of the unit.

iii. One or two members of the self-study committee shall be appointed to support the external review committee. These representatives shall participate in an ex officio capacity, facilitating work of the external review committee through provision of information about the internal self-study and other relevant documentation requested by the external review committee.

7. Distribution and Use of External Review Findings

Upon completion of the external review committee's investigation (see process flowchart and timeline at <http://www.uky.edu/Assessment/prog.shtml>), the review committee should meet with the unit and its leadership to discuss preliminary findings, after which the review committee shall complete a written report and forward it to the next level of administration. Upon receipt of the external review committee report, the administrator to whom the unit head reports shall:

(a) review the report for factual errors and other sensitive information;

(b) eliminate material clearly invasive of personal privacy and which may be libelous;

(c) meet with the unit head to discuss the review findings and all recommendations;

(d) make the report available to faculty, staff employees, and students and widely communicate information about access to the report among these groups;

(e) work cooperatively with the unit head and unit members to address issues and recommendations;

- (f) approve an implementation plan developed by the unit; and,
- (g) forward the implementation plan to the appropriate administrator(s) for consideration in budgetary decision-making.

III. Review of Chief Administrative Officers of The University

This part sets forth definitions, policies, and procedures to ensure a comprehensive, useful review of Chief Administrative Officers of the University.

A. Purpose

The major purposes of the review of chief administrative officers are to enhance leadership effectiveness and provide accountability in ensuring fidelity to the University's vision, mission, and values. Other purposes of the review are to promote a climate of cooperation among faculty and staff employees and their respective administrative officers; maximize effectiveness of the unit's execution of its responsibilities; and provide feedback for performance assessment and continuous improvement. Chief administrative officers reviewed under this administrative regulation are exempt from regular Performance Evaluation (PE) procedures conducted by Human Resources. The review of directors and chairs of educational units shall be exercised as provided by GR VII.B.3 and GR IX.3. Some portions of the reviews resulting from this regulation will not be disclosed pursuant to the open records law exception and AG Open Records Decision 99-ORD-137 In re: William C. Jacobs/University of Kentucky.

B. Definition of Chief Administrative Officer (CAO)

For the purposes of this regulation, "Chief Administrative Officers" at the University of Kentucky shall include the following positions:

1. President (who is evaluated by the Board of Trustees in accordance with the Governing Regulations)
2. Provost
3. Executive Vice President
4. Dean
5. Vice President
6. Associate/Vice Provost

7. Unit heads of the following: Alumni Association, Athletics, Controller, Treasurer, University Hospital, Human Resources, and Physical Plant.

8. Other unit heads as designated by the President, Provost, or executive vice presidents. In making decisions regarding the inclusion or exclusion of unit heads, the following criteria shall apply:

(a) level and scope of institutional responsibility and impact; and,

(b) unit size in terms of budget and/or personnel.

C. Types of Review

Three distinct types of review shall be used to assess leadership performance: annual, formative, and summative. When any two occur within the same fiscal year, the annual review becomes a component of the formative or summative reviews.

1. Annual Review

(a) The annual review shall be conducted for all CAOs listed in II above, except the President who is evaluated by the Board of Trustees.

(b) The primary purpose of the annual review is to provide input that will guide compensation decisions, identify areas of strength, and build on opportunities for improvement, both individually and at the unit level. By January 31 of the fiscal year, each chief administrative officer and the officer's supervisor shall have a formally scheduled interview focusing explicitly on the systematic review and assessment of the officer's job performance as it relates to the unit's progress in the previous fiscal year. The discussion shall focus on:

i. the officer's written annual report of progress in meeting previously determined measurable goals or objectives and highlights of the unit's accomplishments (officers who assume their responsibilities during the course of the fiscal year may be exempt from this component);

ii. unit plans and goals for the upcoming year; and,

iii. an assessment of leadership, management, and administrative skills, including strengths and opportunities for improvement.

2. Formative Review

(a) A formative review shall be conducted for the Provost, executive vice presidents, deans, vice presidents, and associate/vice provosts. It shall be optional for other unit heads designated as chief administrative officers.

(b) The primary purpose of the formative review is developmental. The formative review shall be a one-time occurrence carried out in the first three months of the third year in office. The supervisor of a chief administrative officer shall conduct an evaluation survey to provide the officer with constructive feedback on performance and to aid in improving leadership and administrative skills.

(c) The performance criteria shall be those delineated below in Section IV. The survey shall seek feedback from all affected constituencies, such as direct reports, faculty, staff employees, peers, students, and others external to the University, as appropriate.

(d) The Office of Institutional Research, Planning, and Effectiveness shall maintain a schedule of formative reviews, notify supervisors of upcoming reviews, and provide support for the process to ensure consistency across all units.

(e) The formative review shall culminate with a summary dialog between the officer and the officer's supervisor, identification of strengths and opportunities for improvement, and a plan of action for performance improvement.

3. Summative Review

(a) A summative review shall be conducted for the Provost, executive vice presidents, and deans.

(b) The purpose of the summative review is to provide input for establishing future performance goals and expectations and for making compensation and employment decisions.

(c) The summative review of deans shall occur at least every five years, beginning three years after the one-time formative review, or at an intervening occasion as might be initiated pursuant to the majority vote of the College Faculty (GR IX.3). Such a vote shall be coordinated by an elected representative body of that Faculty.

(d) The summative review of the Provost and executive vice presidents shall occur at least every five years, beginning three years after the one-time formative review, or at an intervening occasion as might be initiated

pursuant to the majority vote of the Faculty, in the case of the Provost, or the staff employees, in the case of executive vice presidents (GR IX.3). Such a vote shall be coordinated by an elected representative body of the Faculty or staff employees.

(e) The Office of Institutional Research, Planning, and Effectiveness shall maintain a schedule of summative reviews, notify supervisors of upcoming reviews, and provide support for the process to ensure consistency across all units.

(f) The summative review shall consist of the following:

i. a written self-assessment of performance, including measurable goals or objectives that emerged from strategic planning activities and previous reviews, prepared by the officer and submitted to the officer's supervisor;

ii. an evaluation survey adopted by the University, after consultation with the University Senate and Staff Senate, as appropriate, and affected officers, to solicit feedback from all affected constituencies, such as direct reports, faculty, staff employees, peers, students, and others external to the University;

iii. appointment of at least a five-person review committee by the officer's supervisor in consultation with the officer and with representation from affected constituencies, such as direct reports, faculty, staff employees, peers, students, and others external to the University. For educational units and academic administrators, the officer's supervisor shall appoint at least one review committee member from nominations to be provided by the University Senate. For administrative units, the officer's supervisor shall appoint at least one review committee member from nominations to be provided by the Staff Senate. As appropriate, a student representative may also be appointed from nominations to be provided by the Student Government Association. The Office of Institutional Research, Planning and Effectiveness shall provide training to review committee members to ensure appropriate coordination, standardization, and confidentiality of the review process;

iv. analysis by the review committee of the officer's self-assessment and the results of the evaluation survey; collection of additional information as deemed necessary by the committee,

including both quantitative and qualitative input from sources internal and external to the unit, as appropriate;

v. preparation by the review committee of a performance report to be submitted to the officer's supervisor and to include strengths and opportunities for improvement in specific areas;

vi. discussion of the self-assessment and performance report between the officer and the officer's supervisor and development of a summary report and plan for continuous improvement; and

vii. dissemination of the summary report and improvement plan to the faculty/staff of the CAO's domain.

D. Leadership and Administrative Skills Performance Criteria

The following criteria shall guide the assessment of CAO performance in all reviews. The Office of Institutional Research, Planning and Effectiveness shall maintain an inventory of evaluation survey items related to the criteria that includes a set of items common to all CAOs and additional items specific to CAO positions. The CAO and the CAO's supervisor may also agree upon additional, more specialized criteria and items targeting a unit's particular functions or a CAO's unique duties. Criteria for demonstrating leadership and administrative skills include, but are not limited to:

1. Leadership

(a) Developing and specifying goals, objectives and key indicators to align with the university-wide strategic plan;

(b) Implementing unit plans and strategies for achieving unit goals and objectives;

(c) Promoting innovative and creative approaches;

(d) Building and maintaining support for unit goals and objectives;

(e) Engaging in regular, evidence-based evaluations of unit performance;

(f) Establishing and maintaining open lines of communication;

(g) Representing unit strengths, achievements and needs in the wider university community and beyond;

(h) Establishing an environment of openness, accessibility, consensus-building and collegiality within the unit; and,

(i) Requiring strict, unit-wide adherence to all university anti-discrimination policies.

2. Personnel Management and Development

(a) Ensuring a work environment characterized by respect, dignity and fairness for all personnel;

(b) Recruiting and retaining the best-qualified individuals;

(c) Ensuring the unit contributes to the fulfillment and sustainability of university diversity goals;

(d) Supporting the on-going development of all unit personnel;

(e) Setting high expectations and acknowledging and rewarding demonstrated excellence;

(f) Ensuring evidence-based assessment of personnel performance;

(g) Making appropriate personnel decisions based on performance assessment results;

(h) Implementing a systematic review of current and future key positions and identifying and developing potential candidates to fill vacancies that occur; and

(i) Ensuring consistent, unit-wide compliance with all human resource policies and procedures.

3. Organizational Management

(a) Ensuring collaborative, evidence-based and timely decision making throughout the unit;

(b) Advocating for the unit in university budget and resource development/allocation processes;

(c) Ensuring consistent and timely unit compliance with all University reporting and other administrative/business requirements, policies and procedures;

(d) Allocating unit resources in support of unit goals, objectives and priorities;

(e) Engaging in and encouraging efforts to obtain external resources in support of unit goals and priorities; and

(f) Ensuring all levels within the unit are well-informed about issues, priorities, and expectations of the wider university community.

E. Accountability

The Office of Institutional Research, Planning, and Effectiveness shall maintain a web-based schedule of formative and summative reviews along with a status report on each review scheduled in any given year. The Vice President shall submit an annual report describing the status of each formative or summative review scheduled for the year to the President, Provost and executive vice presidents.

References: KRS 7A.010; KRS 164A.560; GR Part IX; GR Part II.A.6(g)