

Governor's Trustee Conference

President Eli Capilouto

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Thank you Chairman Brockman. That is a very generous introduction. It reminds me of a story that occurred while I was at UAB. My mother always taught me to be quite humble in any accomplishments I ever achieved. When I learned that I would go to Harvard and be able to pursue a doctorate, I was still supervising the care of patients at the UAB School of Dentistry.

It was towards the end of the academic year and one of the patients turned to me and said, "Will you be supervising my care when I return in a couple of months?" and I said,

"No ma'am. No ma'am I'm not going to be able to do that. I'm going to be pursuing my doctorate in health policy and management."

She said, "Are you going to take your degree in Birmingham?"

And with a little too much pride, I said, "No ma'am. I'm going to Harvard."

And she looked at me and said, "You can't get into UAB?"

LAUGHTER

So I do thank Britt for his kind words, and I thank him for his leadership and the leadership of the entire UK Board of Trustees. They're having a profound impact on our campus, and the work they did before my arrival makes my job all the more pleasant and easier. I want to commend Professor Cooper and Professor Robins. You reminded me that the great teachers have a passion for what they do, and I've met countless like you on the University of Kentucky campus and I salute you today.

And my fellow Presidents who are here, I've had the chance to visit many of you on your college campuses and I want to tip my hat to you. You heard this morning in one of the presentations the reference to the book, "Academically Adrift." I've read that as well.

I was proud to learn when I came to the University of Kentucky we took those matters seriously. Just like I've seen at other universities across this state, everyone's taking it seriously. We care about our students, we care about how they learn, and more importantly, we're trying to prove the way they learn. And so I feel confident to say that in Kentucky, let us be clear we're not academically adrift amongst our colleges and universities.

I also want to thank President Bob King, and members of CPE and the CPE staff. They have welcomed me with a generosity of professionalism, and I look forward to working

with my new partners in higher education. I think they've done a wonderful job in preparing us for this conference and the dialogue we will have in the months ahead.

And then I want to thank all of you in this room. You are the stakeholders in Kentucky's future. I have traveled all over this state during the past couple of months. A few days ago I was in Western Kentucky. I met a state senator at a Cracker Barrel where we had a cup of coffee, and at the end he leaned over and looked squarely at me and said,

“Just remember one thing. These 800,000 students that are in our P-20 system, they're going to make or break this state.”

And you know that, and you're all committed to doing something about it.

Finally, I want to thank the Father of Higher Education Reform in Kentucky, Governor Patton. He crafted a compelling vision for higher education that now is a model in this country. Fifteen years ago he started asking hard questions, hard questions because he had a belief that we could be better, that we could achieve greatness. These are laudable aspirations, and it's the kind of things that attracted my wife, Mary Lynn, and me to Kentucky.

Now, the Postsecondary Higher Education Improvement Act of 1997 – it's phenomenal in its vision. But what's more impressive is the implementation. Thomas Edison said, “Vision without execution is but a hallucination.” Well, it all came true in Kentucky. Our vision, our willingness to act, to hold ourselves accountable, lead to the results that you have heard about over the last two days.

So for me, over these past months, I keep asking myself why? Why do we do this? As a newcomer, it is the question I repeatedly asked myself. I'm a data driven person. I love to plan. I want to know about the technology. I want to know about the efficiencies. I want to measure it. I want to see the outcomes. These are all important to me. But I spent the last two months trying to learn from people all over this state why we did what we did. I've spent more time listening than I have combing data and reading analysis'. And the reason I did that was because I know before you have a good bottom line; you've got to have a higher purpose.

I traveled back and forth across this state. I've met with hundreds of persons. I have met with half the general assembly. I've met with mayors of dozens of cities, school board members, teachers, volunteers, civic leaders and ordinary citizens. I've heard incredible stories that reveal the soul of our state and the soul of University of Kentucky. These stories tell me why we do what we do. They tell me our purpose.

And I'm going to share one of those with you. It's about Dr. Rankin Skinner. He's a dentist, graduate of the College of Dentistry at the University of Kentucky. His son visited him one Christmas holiday. He flew in from the west coast and on the way there he read “The New York Times.” There was a five-column article in the Times that deplored the oral health condition in the state of Kentucky. Our oral health decay rates

are twice the national average. This is just a couple years ago. Dr. Skinner's son walked in and threw the latest paper down in front of him and said, "You should be ashamed."

And Dr. Skinner decided that day not in my county I'm going to let this happen. So he started looking into the issue. How could he address this, this scourge that consisted amongst those who lived around? So he studied, he contacted his fellow practitioners, he worked with our College of Dentistry, he worked with manufacturers of new products, and he came up with a pilot program where he could just send over to school his fellow practitioners and others, and in a matter of hours apply a varnish which protects against tooth decay. These kids didn't have to come in and make an appointment with the dentist one at a time and all. And he did that and he was able to show that he could cut those decay rates which were double the national average to way below the national average.

So then he took that idea to Governor Beshear and others, and to make a long story short, recently received funding and partnership with our College of Dentistry, and State Department of Public Health, and Appalachian Regional Commission, can now take that to sixteen counties in the state of Kentucky.

That story and many others tell me again, why we do what we do. We care about each other, not just about ourselves. And that's a long tradition at the University of Kentucky.

When I got this job somebody sent me a book written by Robert Strauss that chronicled the history of our College of Medicine. Our College of Medicine is pretty young compared to other colleges. It was built as a beacon of hope for those in Eastern Kentucky.

Like all medical colleges at the time, students had become experts in treating patients one at a time, sometimes quite heroic. But unlike most curricula around the country, the University Of Kentucky College Of Medicine required its student to spend six weeks to learn how diagnose a community, to look at everybody, to see how they could work in partnership with others to solve the community's needs. That's the tradition at the University of Kentucky, and I find evidence of that everyday. I find our faculty and our staff working side by side with the communities to determine what they, the communities, see as their problems, and then working shoulder to shoulder with them to solve those problems.

And with our partners and with our communities we've achieved great success. In the recent report by the National Science Foundation on extramural funding, the University of Kentucky accounts for over \$370 million in resources that we use to solve the problems of our day. Whether it be energy security, environmental security, or food security we're on the forefront. And the problems that we solve here are applied to challenges across the globe.

When I visited with people, I was often reminded, "You know just remember one thing, you're not the University of Lexington, you're the University of Kentucky." And let me

assure everybody in this room, we've always been and always will be the University of Kentucky. All these communities that I speak about will always be ones that we hold close.

And now's the time to ask more hard questions. Governor Patton asked those hard questions 15 years ago, and as a result, the University of Kentucky received a charge to be a Top 20 research university. A lot of people have asked me as I've traveled around, "What does this take? How are we going to do it?" One way you can measure, and people often measure whether you're a top research university, is look at the National Science Foundation rankings of annual research and development expenditures across the nations universities. Some 700 universities in this country receive funding and are included in that ranking. If you look at the top 30 universities and do a correlation between funded investigators and the level of research, the correlation is very high. The more funding investigators, the higher your ranking for more research.

The 30th ranked university conducts annually \$515 million in research. The University of Kentucky is ranked 49th, with \$373 million. So what's the answer? The old answer is simple; to move forward you must recruit investigators. I've had some experience in this. If you fully cost the resources you need to recruit these investigators, you're roughly going to spend a million dollars per investigator. So if UK was to advance to the 30th position immediately, and nobody else moved, we'd need over a \$150 million dollars in new investments to do it.

Let me assure you Bob, I'm not going to be asking at our next council president's meeting for \$150 million; Okay? The returns can be terrific on that kind of investment, though.

Every star investigator usually brings in a million dollars. They employ about 10 people, from secretaries to research assistants. They buy extensive supplies in the community. It can be an economic boom. They make discoveries that are translated into intellectual property that has a market value. Emory, last year, one drove alone \$500 million of revenue for the university.

The University of Kentucky has done well in this area too. We're fourth in creating startup companies among 105 public institutions. That's a pretty good track record. But now we live in a different time. As Harvard's president, Drew Foust, has called it, it's a "new normal." It's a new reality.

In this new reality, the likelihood of increases in federal funds for research and development aren't that great. And we know from the challenges in our state and other states, the likelihood of any significant increases of state funds seems a little dim. So that old answer, come up with a good idea about education, research and engagement, and send it to Frankfort for full funding is not going to work. We're going to have to earn our way out of this one.

For funded research you've got to recruit in areas of strength and assemble groups of power to give you a presence. We may have to look abroad for our research and development funds. In places like Southeast Asia, and India, China where R and D funds are only a cent.

We're going to have to turn to philanthropy and imaginative public and private partnerships. And then we're going to have to get more efficient in the way we allocate and spend our funds on our campuses. Even after that, as we've always had to do, we're going to have to make choices. And I'm proud to point to some of the choices we have made in building strategic partnerships with most of the universities represented in this room. And I want to share some of these because we often overlook those.

The University of Kentucky and the University of Louisville collaborate on projects supported by the Department of Energy, the Department of Homeland Security, the National Science Foundation and dozens of public health agencies.

We partner with Kentucky State University in their quest to build capacity at USDA.

The relationship between Morehead State University and St. Claire Regional Medical Center allows us to train UK medical students in their third and fourth years at Morehead where they are more likely to return given experience in that rural environment.

With Western, Eastern, and Northern Kentucky University we partner respectively on engineering programs, biofuel planning and online testing to increase college readiness.

Earlier this week I had one of the more inspirational visits that I've had. I traveled to Paducah, where I went to the UK College of Engineering - it's our Paducah campus. It's really on the campus of West Kentucky Community and Technical College. So there, in partnership with Murray State and Western Kentucky, the University of Kentucky is providing mechanical and chemical engineering degrees to folks I met who would have never had access to that kind of education.

It takes a lot to put three universities together and get them to do something easily in the students' eyes, but there they have seamless advising, they get one bill, and it's tremendous support. And it's another example that when we work together and put our students first with a shared vision, we're going to have fantastic results.

So while we are going to have to be innovative and collaborative, and learn how to do those things even less expensively than we do them today, we're going to have to continue speaking honestly and directly with one another. And I certainly learned that we're not short on that in Kentucky.

Two weeks ago for our first home football game, I wanted to sense the Big Blue Nation so I decided to walk through the parking lot and meet some tailgaters. A lady came up to me and said, "Are you the new president of the University of Kentucky?" And I said,

“Yes ma’am. I am Eli Capilouto.” And she looked at me and she said, “You look a lot better in person.”

LAUGHTER

I can share some more stories. So as we approach this upcoming legislative session in the many months ahead, we’re going to have to be honest with one another. Not everybody can do everything. And the solutions of the past aren’t going to really be the solutions of the future. We’ve got to find new ways. We are caught in a whirlwind and we’ve got to adjust ourselves. We got to act strategically and invest wisely so our institutions can excel in things that they do best because the only way to move forward is to work with one another.

In one week, I’ll be gathering with the University Of Kentucky Board Of Trustees for a retreat. In great length and in great detail, we’ll discuss our shared vision for our university and how we’re going to reach those high aspirations that all of you have for us. Our board and all the boards can do better. We can do a better job answering those hard questions. We can do a better job answering the needs of all the people we serve. And we can build a brighter day for our state.

As Chair Brockman said, “None of us can do this alone,” because all of us, all of us, if we’re going to be the Commonwealth’s greatest hopes and dreams, we’re going to have to be driven by hopes and dreams that go beyond our respected colleges and universities. We have to be about our student’s dreams, we have to be about our faculty’s dreams, our staff. We’ve got to be about Kentucky’s dreams.

Thank you very much, and my wife and I cannot thank the people in this room and countless others we’ve met for the warm embrace we’ve received. Mary Lynn and I hope one day that we can reciprocate to all of you. Thank you very much.