

Minutes of the Executive Committee
of the Board of Trustees
University of Kentucky
Friday, June 19, 2015

The Executive Committee of the Board of Trustees of the University of Kentucky met on Friday, June 19, 2015, in the Board Room on the 18th floor of Patterson Office Tower.

A. Meeting Opened

Dr. O. Keith Gannon, chair of the Executive Committee, called the meeting to order at 8:00 a.m. and asked Secretary Sheila Brothers to call the roll.

B. Roll Call

The following members of the Executive Committee answered the call of roll: O. Keith Gannon (chair), Barbara Young (vice chair), C.B. Akins, Sr., E. Britt Brockman, and Mark Bryant were present. Secretary Brothers reported that a quorum was present.

Members of the Board of Trustees also in attendance included: James Booth, William Britton, Angela Edwards, Bill Gatton, Cammie Grant, David Hawpe, Kelly Holland, Jake Ingram, James Stuckert, Robert Vance, and John Wilson.

President Eli Capilouto, General Counsel Bill Thro and members of the media were also in attendance.

C. Approval of Minutes

Chair Gannon stated that the minutes of the May 8, 2015 Executive Committee meeting had been distributed. Trustee Bryant moved approval and Trustee Akins seconded the motion. It carried without dissent. Trustee Bryant moved approval of the June 2, 2015 Executive Committee meeting minutes and Trustee Young seconded the motion. It carried without dissent.

D. ECR 1 Presidential Evaluation

Chair Gannon introduced Dr. Carol Cartwright, the consultant from the Association of Governing Boards and explained that she would share her Report on Comprehensive Presidential Evaluation.

Dr. Cartwright explained that the investment made in the comprehensive review of President Capilouto would be a great benefit to the University in the future. The major purpose of the review was to assess the President's strengths and opportunities for growth. She suggested that as the University is at a very important point in its transformation, it would be an ideal time to use the results of the President's review to think strategically about future goals.

Dr. Cartwright continued that many of the individuals interviewed also commented about the pivotal time in the University's transformation, recognizing the significant investments made in the physical infrastructure of the campus, along with programmatic discussions and decisions.

Dr. Cartwright mentioned that at the May 8, 2015 Executive Committee meeting, she shared with the Committee a description of the process and the sources of information that were used in the review. The individuals interviewed represented a broad array of stakeholders.

Dr. Cartwright explained that in analyzing the information from the interviews and surveys, it was her responsibility to find the major points of consensus and by its nature, overall patterns would emerge. The final report included detailed information of President Capilouto's self-evaluation, which she added is also an excellent report of the achievements of the strategic goals set by the Board of Trustees.

The one-on-one interviews provided information on multiple dimensions of presidential leadership. All members of the Board, direct reports to the President, fourteen academic leaders, six members of the administrative staff, six leaders of the Staff Senate, six undergraduate student leaders, five graduate student leaders, and twelve individuals consisting of donors, alumni, government officials, and community leaders were interviewed. In total, 80 individuals were interviewed during the process.

During the interviews, Dr. Cartwright stated that she probed various areas of presidential leadership. Regarding vision and strategy, interviewees indicated they felt President Capilouto had a vision that was being implemented in parts and stages. Many inferred a vision, but were not sure of the holistic nature. Dr. Cartwright suggested that the Strategic Plan might be the vehicle to show an overarching vision and how the various action plans work together to contribute to the whole.

The interviews indicated that a consensus exists that the right administrative team is in place to carry out the vision. Interviewees agreed that the President has a strong passion for diversity and inclusion; though some frustration exists concerning the pace of progress in this area.

Dr. Cartwright shared that it is the president who must set the overall academic tone for the campus. It is clear to those interviewed that the President is setting the bar high and is raising expectations of the undergraduate experience and student success. Interviewees believe the President is putting academics first and moving in the right direction to take the institution to a higher level. Some questions were raised about the balancing act between the academic side of the student experience and the student life aspect. There was a desire to make sure those two components of the overall student experience are in good balance. There were also concerns to make sure the balance among undergraduate, graduate, and professional programs exist. The draft of the Strategic Plan provides the opportunity to address these concerns.

Dr. Cartwright stated that individuals felt that the increased focus on the undergraduate mission had achieved the goal of improving enrollment, both in quality and quantity. Dr.

Cartwright explained that those interviewed want to make sure that the consequences of increased enrollment are addressed along with the positive aspects. With increased enrollment comes an increase in revenues, but also an increased demand of physical space and faculty resources.

Dr. Cartwright shared that management was a topic probed in the interviews because strong leadership depends on effective management. President Capilouto is someone who is regarded as a strong manager and is not afraid to make difficult decisions. He is regarded as steady and calm when there are controversial issues. His management style was described as process oriented and most individuals believed that is very valuable. The management process of the institution was described as not always as streamlined as it could be and there are sometimes too many layers. Many of those interviewed encouraged President Capilouto to enlarge the circle of those he consults. This ensures that the President is tapping into the talent in the organization and individuals who have key positions do not become marginalized.

Dr. Cartwright stated that many individuals within the University have significant financial responsibilities, but it is the president who must set the framework and the principles for financial sustainability and stewardship. President Capilouto is regarded as someone with strong financial skills and good business acumen. He has set priorities, then backed them with resources. Dr. Cartwright stated that there is anxiety about a new budget model. People feel as if the institution has been in limbo because the development of a new budget model was started and then put on hold. There are still many questions about the new model and how it will work.

Dr. Cartwright shared that there is a very significant degree of agreement that President Capilouto is a good fund-raiser, advocate, and ambassador for the University of Kentucky. He is seen as especially effective in small groups and is gaining comfort and confidence in very large public gatherings.

Dr. Cartwright explained that Board relations and governance were topics also probed in the interviews. There is a consensus that the Board of Trustees is pleased with the President's performance and respects him as a very strong leader. Board members appreciate that the President has been diligent in meeting with them in their home areas. The Board believes it is important to have an appropriate balance between the formalities that are necessary to accomplish Board business and opportunities for more informal and strategic discussion. Many believe good relations exist between the Staff Senate and student governance groups. The relationship with the faculty-led University Senate is improving, as suggested by the ratings from the faculty survey.

Dr. Cartwright explained that the interviews included a discussion of the personal leadership characteristics of the President. President Capilouto was consistently described as compassionate and caring. The most notable successes over the past four years were found to be the transformation of the campus physical infrastructure and the increased attention to undergraduate education. Other areas of perceived success include fund-raising, not only in terms of dollar amounts raised but the environment of trust that has been created.

Dr. Cartwright shared with the Committee suggestions made by the interviewees for areas of improvement. Many suggestions focused on communication and consultation. Many are interested in seeing the circle of influence around the President expanded to include additional diverse perspectives. Many also want to ensure that consultation is a two-way process, a dialogue, which engages discussion over strategic issues. As the University is at a pivotal point in its transformation, it is important to engage the University community to ensure investments are used most effectively.

After analyzing the information collected in the review and as a former president, Dr. Cartwright was asked to share her personal observations. She recommended the importance of the pivotal juncture in the transformation of the University of Kentucky. She suggested thinking strategically about how to build on the foundation created over the past four years. Dr. Cartwright also recommended expanding the circle of those around the President who influence decisions, to ensure that diverse perspectives are considered and that the talents of many leaders are included. She offered that using discussions about the Strategic Plan to communicate the over-arching vision would be very beneficial. She recommended accepting the communications challenge of the detailed objectives and action plans of the Strategic Plan and addressing it with great intentionality.

Another recommendation was to consider an annual “State of the University” address as a way of communicating to a broad group of stakeholders the year in review and lay out the agenda of the coming year. Finally, she encouraged the continued efforts at strengthening the Board-President partnership by maintaining dialogue about the ideas generated during this review.

Chair Gannon thanked Dr. Cartwright for her professional and thorough review and recommended that the Board of Trustees accept her evaluation report of President Capilouto. Based on the results of the review, he also recommended that the Boards engage a consultant to review President Capilouto’s compensation.

Chair Gannon asked for a motion to accept ECR 1 Presidential Evaluation and Compensation Review for discussion. Trustee Bryant moved acceptance of ECR 1 and Trustee Akins seconded the motion. Chair Gannon opened the floor for discussion.

Trustee Bryant thanked Dr. Cartwright for the time she committed to the review.

Trustee Akins added that working with Dr. Cartwright had been a pleasure and she had fostered the right atmosphere to conduct the review. He stated that the implementation of the suggestions and recommendations made by Dr. Cartwright will better the University.

Trustee Brockman said in his opinion it was a review not only of the President’s performance but to some extent a review of the Board’s performance as well.

Vice Chair Young shared that the review was an affirmation of the Board’s instincts that President Capilouto is very unique and he brings people together in a very focused and caring way. The hard decisions he had to make, though not always popular, seem to be accepted by the

campus community.

Chair Gannon added that the review had been a highly professional “best practices” process and he was delighted with the review and how it was conducted.

Chair Gannon moved the question and it passed without dissent. (See ECR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

E. Strategic Plan

Provost Tim Tracy provided an overview of the Strategic Plan and next steps.

Provost Tracy identified five strategic objectives that are important to the future of the University. The first targeted objective is undergraduate education. This includes being the University of choice for qualified undergraduate students. The second objective focuses on research and scholarly work. This objective calls for expanding scholarly work and cutting-edge research to focus on the most important challenges of the Commonwealth. The third objective is to improve the quality and distinctiveness of graduate programs. The fourth objective is to promote community engagement by leveraging contemporary technology to advance the public good and to foster the development of citizen-scholars. The final objective is to strengthen the diversity and inclusion of the University community through recruitment and retention.

Provost Tracy then outlined a set of next steps to be taken. He explained that the Committee is currently drafting key metrics for each of the five objectives. Not only will key metrics be measured but a set of secondary metrics will be developed to provide additional granularity. Implementation plans for each objective will be developed over the summer.

Trustee Brothers asked about the time frame for the Strategic Plan. Provost Tracy stated that it was a five year plan, from 2015-2020.

Trustee Young asked when periodic reviews would occur. Provost Tracy explained that an extensive discussion with the Board would occur annually to monitor progress and processes. Trustee Young then asked about the nature of the goals; if they would be ambitious and always calling for improvement. Provost Tracy answered that the goals set would be ambitious, but appropriate. If goals are reached, the question would be asked how the University could strive higher.

Trustee Vance asked if five year plans can be made annually. Provost Tracy explained that every year there will be an evaluation. In 2020, five one-year evaluations will have been received and can be evaluated to see how to move forward. Whether it will be a five-year plan or progressive plan had yet to be decided.

Chair Gannon offered a few comments. The Board had had the opportunity to review the Strategic Plan. It is clear that tremendous deliberation had gone into the Plan and there is great optimism among the Board about the goals that have been identified and the strategies to achieve them.

Chair Gannon mentioned that in October at the annual retreat, the Board will make the University's Strategic Plan the focus of discussion. In past years, Board retreats have served as a time for discussion and reflection about the University's needs. At this retreat, the final draft of the Strategic Plan will be available.

Trustee Gatton asked if the University is looking ahead to the next 20-40 years concerning land requirements and the plan to accommodate University's need to expand. Trustee Brockman offered that the increase in online education could affect the need to expand the University.

President Capilouto commented that the University does have a land constraint within the city and has signed a long-term agreement regarding the land. The University has valuable resources outside the central campus such as Coldstream Research Park that could affect expansion.

Trustee Vance asked how much growth can be expected with internet courses and on-line education. Provost Tracy answered that the University currently offers a number of online courses, programs, and degrees. The University, as part of the Strategic Plan, is looking to expand that appropriately and significantly. There is also a hybrid model that allows students to take part of a course online, reducing the amount of time spent in a traditional classroom.

Trustee Vance asked if it is possible for students of other in-state institutions to take online classes from the University of Kentucky towards their degrees. Provost Tracy explained that the University has transfer agreements with the Kentucky Technical and Community College System (KCTCS).

With no further business, Chair Gannon moved adjournment. It was seconded by Trustee Akins and the meeting adjourned at 8:52 a.m.

Respectfully submitted,



Sheila Brothers, Secretary