

Minutes of the retreat of the Board of Trustees of the University of Kentucky, Saturday and Sunday, October 1 and 2, 2011.

The Board of Trustees of the University of Kentucky began its retreat at 10:00 a.m. (Lexington time) on Saturday, October 1, 2011 at Donamire Farm, 4151 Old Frankfort Pike, Lexington, Kentucky and concluded its retreat on Sunday, October 2, 2011 at the Boone Center, 510 Rose Street, Lexington, Kentucky.

A. Members Present

The following members of the Board of Trustees were present: C. B. Akins, Sr., William C. Britton, E. Britt Brockman (chair), Sheila Brothers, Jo Hern Curriss, Micah Fielden, Oliver Keith Gannon, Carol Martin “Bill” Gatton, Pamela T. May, Terry Mobley, Joe Peek, Erwin Roberts, Charles R. Sachatello, C. Frank Shoop, James W. Stuckert, Irina Voro, and Barbara Young. Billy Joe Miles was absent during the morning session; however, he arrived in the afternoon. William S. Farish, Jr. and Sandy Bugie Patterson were absent.

The university administration was represented by President Eli Capilouto, Provost Kumble Subbaswamy, Vice President for Health Affairs Michael Karpf, Vice President for Facilities Management Bob Wiseman, and Chief of Staff Bill Swinford.

The university faculty was represented by Chair of the University Senate Council Hollie Swanson.

Members of the news media were also in attendance at various times throughout the retreat.

B. Chair Britt Brockman – Overview of Agenda and End-goals

Dr. Brockman welcomed the Board members and thanked them for attending the retreat. He also thanked Don and Mira Ball for the use of their fine facility.

Dr. Brockman reflected on President Capilouto’s interview during the presidential search. The Board asked President Capilouto what he would do in his first 92 days of presidency, and President Capilouto replied that he would listen. Dr. Brockman reported that President Capilouto has done this by visiting with numerous individuals and groups on campus and throughout the state.

Dr. Brockman said that this is a pivotal moment for the Board of Trustees. The title of the agenda for the retreat is “Continuing Our Ascent.” The Board needs to engage in deep and broad conversation throughout the two-day retreat. While he is proud of the independent minded members, he asked that they not steer off of the agenda. He encouraged them to engage in open dialogue and said that everyone needs to be involved. There is a method to the retreat agenda, and the Board needs to trust in President Capilouto. President Capilouto has developed an agenda to move the University of Kentucky and the state forward. He then recognized President Capilouto and asked him to begin his presentation.

C. President Eli Capilouto – How Retreat is Designed to Achieve End -goals

President Capilouto thanked everyone and reiterated that there is a method to the agenda process. He said the goal for Saturday is to listen and interpret data. He asked the Board to think independently and give their objective views. The goal on Sunday is to give advice, direction, and talk about the challenge. The issue of a flagship university would be discussed as well as renewing and rebuilding the core of the campus. He reviewed the agenda for the retreat and then asked Provost Subbaswamy to talk about the Strategic Plan and Top 20 Business Plan.

D. Provost Kumble Subbaswamy – Progress to Date

Provost Subbaswamy gave a PowerPoint presentation about both plans. He provided information on what it means to be a Top 20 institution and the idea of the Business Plan. The Top 20 plan shows where the University began, where it is currently, and its goals for the future. He reviewed various measures in attaining Top 20 status and talked about the gaps between UK and the Top 20th. He also discussed the University's trends vs. projections in the Top 20 Business Plan. The conclusion of his presentation follows:

- There has been good progress made in undergraduate recruitment and retention, but the gap with Top 20 is growing.
- There has been much progress in diversity.
- Faculty salaries relative to Top 20 benchmarks have fallen slightly.
- Enrollment growth is behind the Top 20 Business Plan projections.
- Despite improvement, research expenditures from Federal sources trail Business Plan growth and Top 20 peers.
- There is a vast and growing gap between projected and actual state funding.

Throughout Provost Subbaswamy's presentation, the Board engaged in discussions seeking answers to questions about some of the goals and clarification on some of the information.

E. President Eli Capilouto – Perspective on the University Current Status

President Capilouto thanked the University staff and Mr. Messina for their good work in assisting with the Board retreat. He began his PowerPoint by presenting five questions:

1. What are the 21st Century implications for UK's status as a flagship and land-grant university?
2. What does the Top 20 quest signify for the University today?

3. How can the University enhance its culture of academic excellence?
4. How should UK continue to elevate the quality of incoming students?
5. Should the University increase the number of non-resident students and how will this affect resident students?

He provided contextual data about students and presented a chart showing educational trends which included the “New Normal”: federal support, state appropriation, and tuition revenue. Through a series of charts, he presented responses to the “New Normal” and elaborated on each chart, which included discussions about an increase in personnel, a focus on administration cost, student retention, in-state and out-of-state enrollment, transfer students, ways to grow revenue, scholarships, student housing, adult on-line course offerings, tuition and fees, grants, summer programs for gifted students, and partnerships with other institutions.

President Capilouto concluded the PowerPoint presentation with the following questions:

1. What are the implications for the University of Kentucky?
2. How will the University further strengthen the undergraduate population?
3. How will the University strengthen the undergraduate experience?

The Board asked questions and participated in discussions throughout this presentation.

F. President Eli Capilouto – Perspective on University’s Current Status

President Capilouto presented another PowerPoint presentation regarding a summary of what he learned from meeting with Board members, faculty, staff, students, donors, and legislators. He talked about the legislative climate and said that the state is committed to having more Kentuckians with college degrees. The Board had a very lengthy discussion about the legislative climate and offered suggestions about improving the relationship and work between the legislators and the University. Mr. Mobley pointed out that the University has a plan in place and said that the University needed to activate the program and the process to do it.

G. Chair Hollie Swanson – University Review Committee

Dr. Brockman introduced Dr. Hollie Swanson, chair of the University Review Committee. He noted that Dr. Swanson was a member of the Presidential Search Committee, and because of her efforts, the University of Kentucky was able to recruit President Capilouto. He asked Dr. Swanson to give her report on the Committee’s work.

Dr. Swanson thanked the Board for the opportunity to give the Committee’s report. In forming the Committee, they looked for people who would work collaboratively but give strong opinions. She saw the work of the Committee to be about painting a picture of the University and said this body of work represents twelve facets as the overall goal of the Committee’s work.

Her PowerPoint presentation consisted of the following items, which included the question about the meaning of a flagship and land-grant university:

- a. Strengths
- b. Challenges
- c. Improvement directions and areas of distinctiveness
- d. Selection of benchmarks
- e. Research expenditures
- f. Quality of undergraduates (ACT scores)
- g. Undergraduate retention rates
- h. Six-year graduation rates
- i. Recommendation for action
- j. Facilities
- k. A look at the University of Minnesota (Six-year Graduation Rates) and recommendation for action
- l. Faculty salaries and recommendation for action
- m. Recommendations for planning

Dr. Swanson concluded her report with five defining questions:

1. What are the 21st century implications for UK's status as a flagship and land-grant university?
2. What does the Top 20 quest signify for the University today?
3. How can the University enhance its culture of academic excellence?
4. How should UK continue to elevate the quality of incoming students?
5. Should the University increase the number of non-resident students? How will this affect resident students?

The Board continued to engage in thought-provoking questions, suggestions, and ideas throughout Dr. Swanson's presentation.

H. Vice President Bob Wiseman - Current Status of University Facilities

The next PowerPoint presentation was given by Mr. Wiseman. It included the current state of facilities and a brief overview of the buildings on campus. He talked about where the University should be putting its funding and whether it is best to renovate older buildings or build new ones. He focused on certain buildings needing repair and replacement and gave comparisons of buildings at other universities. Mr. Wiseman noted that the average age of buildings is approximately 48 years and 44 percent of the buildings need to be fixed or replaced. The University is spending \$6 to \$7 million a year on repair, and there are not any funds available for capital renewal.

At the conclusion of Mr. Wiseman's presentation, Mr. Fielden said that students, in general, feel neglected. Some of the best and brightest students are going to other universities. If UK wants the best students, it will have to give them the best facilities.

I. Current Strengths and Challenges

Dr. Brockman introduced Richard Messina, Huron Consultant, and asked him to give his presentation about strengths and challenges.

Mr. Messina said it was a pleasure to be a participant in the retreat, and he was delighted to hear the engagement of the Board. He asked the Board to give him a short list of high level challenges at this session and said the list would be narrowed to the top challenges on Sunday. The Board members provided the following list:

- Shrinking the financial pie
- Mission/vision/goal – differentiate/clear identity
- Infrastructure
- Non-state sources for dollars
- Program evaluation and resource allocation
- Governance – lessons learned
- Increase student quality (faculty, too) (staff) without decreasing student numbers
- Marketing UK brand/impact on Kentucky
- Increasing effectiveness and efficiency through quality people – recruiting, retention (development)
- Building undergraduate community
- Best leverage extension offices
- Working more effectively with political system
- How to increase research funding – state, companies
- Mission/vision/goals – finance
- Academic summer camps
- UK role in improving student preparation (in collaboration with other institutions)
- Student experience – new ideas
- Placement
- Measures and metrics
- Alumni development and contributions
- Improving diversity and inclusiveness
- Honors program – talented students – recruiting and retention
- Technology changes and impact on academics and infrastructure
- Engaging and empowering faculty and staff
- Balance – athletics, medical center, academics – leverage athletics dollars – policy discussion at Board level
- Scholarship Funds – important differentiator
- Big challenge – moving quickly to implementation
- Administration size as part of effectiveness and efficiency

Retreat adjourned

Dr. Brockman thanked the Board for their interaction and input on the first day of the retreat. He said he looked forward to another productive day on Sunday and reminded the Board

of the dinner that evening at Maxwell Place. On a motion made by Ms. Brothers and seconded by many, the retreat adjourned at 5:13 p.m.

Sunday, October 2, 2011

The Board of Trustees of the University of Kentucky began its retreat at 9:00 a.m. on Sunday, October 2, 2011 at the Boone Center, 510 Rose Street, Lexington, Kentucky. The morning began with a two-hour tour of selected buildings on campus led by Mr. Wiseman.

J. Members Present

The following members of the Board of Trustees were present: C. B. Akins, Sr., William C. Britton, E. Britt Brockman (chair), Sheila Brothers, Jo Hern Curris, Micah Fielden, Oliver Keith Gannon, Carol Martin “Bill” Gatton, Pamela T. May, Billy Joe Miles, Terry Mobley, Sandy Bugie Patterson, Joe Peek, Erwin Roberts, Charles R. Sachatello, C. Frank Shoop, James W. Stuckert, Irina Voro, and Barbara Young. Dr. Akins was absent at the beginning of the day; however, he arrived later. William S. Farish, Jr. was absent.

The university administration was represented by President Eli Capilouto, Provost Kumble Subbaswamy, Vice President for Health Affairs Michael Karpf, Vice President for Facilities Management Bob Wiseman, and Chief of Staff Bill Swinford.

The university faculty was represented by Chair of the University Senate Council Hollie Swanson.

Members of the news media were also in attendance.

K. Chair Britt Brockman’s Opening Remarks

Upon returning from the tour, Dr. Brockman called the retreat to order at 11:30 a.m. and asked President Capilouto to begin day two of the retreat.

L. President Eli Capilouto – Review and Discussion of Day 1

President Capilouto thanked the Board for a productive day on Saturday. He said that he listened intensely, and he would like to rephrase the question posed during the Saturday retreat: “Are we a land-grant or flagship university?” He stated that the University of Kentucky is a land-grant and flagship university, and the University is not about to abandon the land-grant tradition. He asked the Board to reject the tyranny of “or” and embrace the genius of “and.”

President Capilouto gave the history of land-grant universities, talking about the Morrill Land-Grant Act of 1862, the Hatch Act of 1887, and the Smith-Lever Act of 1914. He then provided some information about the historical roots of the term flagship, noting that in the 1960s the term came into a more prominent use. He emphasized that the University of Kentucky is both land-grant and flagship, and it is time to redefine in the 21st Century in a powerful way to deliver unique value to the Commonwealth. The University of Kentucky is unique in three

areas: engagement, research, and education. He reiterated that it is not the tyranny of “or.” It should be the tradition to embrace the genius of “and.”

M. Michael Karpf’s Remarks

Dr. Karpf spoke on the analogies of undergraduate education and the Medical Center and talked about financial planning. He referred to the hospital and said it went through a process to make sure all areas work together. In a study done by Kaufman Hall, an independent consulting firm that offers integrated, strategic, capital, and financial advisory services for health care, it was noted that in terms of resources it would take talented people to become a major medical center to serve Kentucky well. In order to transform the University to where it needs to be, it will take a lot of money and resources.

Dr. Karpf noted that the hospital project brought workers from all over Kentucky to the University. He said that it is important to understand, focus, plan, and put it together. This is one thing that has worked very well. Undergraduate education is going through the same process that the hospital previously went through. The University of Kentucky has a special mission in the state, and getting the University to the next level will have a major impact on the economy of the state.

N. Richard Messina – Priorities/Next Steps in Advancing the Institution

Mr. Messina distributed a list of categorized comments and challenges provided by the Board members at the retreat on Saturday and received input from the Board. The list follows:

Undergraduate Education

1. Strengthen Student Population
 - Quality
 - Aggressive marketing/leveraging UK brand
 - Outreach to elementary and secondary schools
 - Scholarships

2. Strengthen Student Experience
 - Facilities and infrastructure
 - Technology
 - Sense of community
 - Academic program quality
 - Placement
 - Diversity and inclusion
 - Honors Program

Financial Resources

Constrained traditional resources (state appropriations, federal research funds)
Creative approaches
Effective work within political system
Increased alumni and friend support
Increased efficiency of operations/assessment and accountability/transparency

University Innovation for 21st Century Learning

Unique value to the Commonwealth
Differentiation based on strengths
Learning organization
Building on research capacity
Balance among mission elements
Leveraging Extension offices

Human Capital

Engage and empower faculty and staff
Professional development
Compensation
Shared governance

An in-depth discussion followed, and the following items were added to the list:

Economic impact

Transfer students

Academic summer experience (Duke)
Enrichment programs
Measurement

Building communities – socialization
Diversity and inclusion – human capital

Financial incentives
Budgeting – approaches

Technology driving redesign of teaching and learning

Dr. Brockman said the list is a mandate and design for President Capilouto to carry forward. He said it is time to think big about changing things. He commended Mr. Wiseman for doing the best job he can with the resources available. He also commended Mr. John Herbst,

Student Services Director, for the good job he is doing in the Student Center building. He talked about the possibility of visiting other campus facilities.

President Capilouto said the first goal for the University is the students.

Mr. Miles agreed that it is time to turn things around and show that it is good to raise capital income that would help everyone in Kentucky.

In conclusion, the Board gave President Capilouto guidelines to begin the process of transforming campus. Below are the two priorities that he is to focus on in this transformation:

1. Enhance and expand the undergraduate educational experience in terms of student quality, academic programming, and opportunities for more Kentuckians and students from other states and backgrounds to learn and grow at the University.
2. Renew and rebuild the core of the nearly 150-year-old campus.

President Capilouto said that there has got to be creativity to have strong affects for the University across the state. He said he would depend on the Board for further advice. The big picture is about the state and not just the campus. He said he was extremely excited about the outcome of the retreat. He would inform the campus, legislators, and others and start implementing key elements that he had heard at the retreat. He hoped to report back to the Board in October.

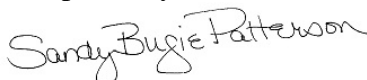
O. Motion to Adopt Guidelines

Ms. May suggested that there be a motion to adopt the guidelines that have been presented for the Board's expectations of President Capilouto over the next five years. Dr. Brockman concurred and asked for a motion to adopt the guidelines and authorize President Capilouto to proceed. Mr. Stuckert moved that the motion be adopted. Mr. Gatton seconded the motion, and it carried without dissent.

P. Retreat Adjourned

Dr. Brockman thanked everyone for attending the retreat, and the retreat ended at 2:00 p.m.

Respectfully submitted,



Sandy Bugie Patterson
Secretary, Board of Trustees