

Minutes of the Executive Committee of the Board of Trustees of the University of Kentucky, Tuesday, June 10, 2005.

The Executive Committee of the Board of Trustees of the University of Kentucky met on Friday, June 10, 2005, in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. James Hardymon, Chair, called the meeting to order at 1:00 p.m.

B. Roll Call

The following members of the Executive Committee of the Board of Trustees answered the call of the roll: James F. Hardymon (Chair), Michael Kennedy, Steven S. Reed, JoEtta Wickliffe, Billy Wilcoxson, and Elaine Wilson, ex officio member. The university administration was represented by President Lee T. Todd, Jr.

Various news media were also in attendance.

C. Approval of Minutes

Mr. Hardymon said that the Minutes of the June 21, 2004 Executive Committee meeting had been distributed and asked for a motion of approval. Ms. Wickliffe moved approval. Her motion, seconded by Mr. Wilcoxson, carried without dissent.

D. Discussion Regarding the Performance Evaluation of President Lee T. Todd, Jr.

Mr. Hardymon explained that President Todd would make his remarks regarding his management review statement that had been sent to the Board on May 2, 2005, and following the President's remarks, he would review the comments provided by the Board from the questionnaire titled The Presidency and Management. He invited the members of the committee to interrupt and ask questions at any time during the remarks.

President Todd reviewed and elaborated on the six goals set forth in the 2003-06 Strategic Plan. He pointed out numerous accomplishments and noted areas that need improvement. He talked about the challenges that he has had this past year and mentioned some new challenges that he will be facing. He feels the university is a stronger place than it was in 2004 and positioned to become an even more powerful vehicle for positive change for all Kentuckians in 2005-06. He commented about a recent Dream Tour that he and his staff had taken throughout the state and talked about the positive things that will come from this tour.

Mr. Hardymon reported that the positive comments from the Board greatly outweigh the negative comments. He cited many of the positive comments and noted that it was

indicated that President Todd needed to work on his communication with faculty, staff, and students. Professor Kennedy mentioned that walks around campus meeting with various colleges would pay great dividends. President Todd said that Frankfort had required a lot of his time; however, he would certainly enjoy spending more time on campus.

E. Discussion Regarding Consideration of Bonus for President Lee T. Todd, Jr.

Mr. Hardymon said the committee was also charged with making a recommendation to present to the Board regarding the annual bonus for President Todd. He noted that the maximum amount can be \$100,000, and based on the evaluation and materials presented, he recommended that President Todd receive the maximum amount of \$100,000. Mr. Reed made a motion to reward President Todd with a \$100,000 bonus. Ms. Wickliffe seconded his motion, and it carried without dissent.

F. President Lee T. Todd's Contract

Mr. Hardymon said that President Todd's employment contract as President expires June 30, 2006. He recommended that the Board begin reviewing the process concerning the President's contract. Mr. Wilcoxson moved approval to begin reviewing the process, and Professor Kennedy seconded the motion. The motion passed without dissent.

G. Meeting Adjourned

With no further business to come before the committee, the meeting adjourned at 2:10 p.m.

Respectfully submitted,

Elaine Wilson
Secretary, Board of Trustees

(See The Presidency and Management questionnaire and the President's Management Review Statement July 1, 2004 – June 30, 2005 at the end of the Minutes.)

The Presidency and Management

Institutional Agenda

Reflecting on the president's period of service, how has the institution progressed during this time? What can you point to that indicates the institution's health and standing have been strengthened by virtue of specific institutional goals and priorities having been met? Are any major institutional priorities being neglected?

The University is better off now since Lee Todd has been President. The President's commitment to the goal of attaining Top 20 status is very admirable in the face of the budgetary cuts from the state level. I believe that he has helped, along with the other University Presidents throughout the state, refocus state government to the needs of Higher Education.

Enrollment numbers are encouraging, as are graduation rates. The facility improvements have improved the overall appeal of the campus. Future plans stand to put the University in a position of strength in relation to the Hospital.

Academic Leadership

No comments.

General Management and Planning

What can you point to as laudable achievements in the institution's infrastructure, staffing, and information systems? Has the president formed a competent, motivated, and respected management team? Are you aware of improvements in personnel and physical-plant management? How would you describe the way institutional planning is conducted?

Throughout my year as Staff Senate Chair, numerous instances have led me to question the decisions made by the administration in the arena of staff retention and reward. The decision to close the Computer Store seemed to be done without regard for the staff of the store, regardless of what has been told to the Senate in our meetings. The lack of an official announcement (The Kernel article is not an official announcement) leads to the smoke and mirrors mentality of the entire operation.

The lack of follow through on the commitment of the Staff Senate's space in the Main Building is laughable. There was no notice of "eviction" until the day of the planned

move and the lack of communication regarding the space has been disparaging to say the least. This has been a complete and total disaster.

These two instances are the largest examples of questionable practices by his management team.

In regards to personnel management, the staff is continually asked to do more, while operating with less. Any improvement in the area of personnel management are clearly the work of Kim Wilson. Her foresight and imaginative thinking have brought numerous improvements throughout HR.

Fiscal Management and Budgeting

How well does the president understand the institution's financial condition? Has he or she helped the larger community understand it? Has there been success in meeting budgets and containing costs? Reallocating resources? Adhering to good financial (operating and capital) management practices?

This is the one area that the President has excelled in. The public response to the budget cuts from Frankfort has been exemplary.

With the exception of the Boone Center decision and the decision regarding the Computer Store, we applaud the President for all he has done in the area of fiscal management.

Fundraising

No comments.

Internal Relationships

With which of the following internal groups has the president been particularly effective and ineffective, and why: the Board of Trustees, academic and executive officers, staff, faculty, and students? What advice would you give the president concerning ineffective relationships, if any exist?

I would encourage the President to be more involved in the three major representative groups on campus: SGA, University Senate, and the Staff Senate.

The majority of Staff feel the President has them last on his list and his institutional priorities are in line with that ideal. Everything that is mentioned about the Top 20 status mentions attracting great students and retaining faculty, but no mention about staff. This area is lacking.

The lack of equality in appointments on the Provost search committee in the area of staff representation is disturbing. As is the lack of parity regarding Presidential Search Committees between the Staff and University Senates.

The President's relationship with the Board seems positive.

External Relationships

No comments.

Decision Making and Problem Solving

Please describe the president's leadership style. To what extent does he or she delegate decisions when appropriate? How would you gauge the president's ability to copy in crisis situations? Can the president make difficult decisions in timely ways? Does the Board of Trustees encourage the president to demonstrate courageous leadership and to publicly support difficult decisions after they are made? Can you give some explicit examples?

I applaud the President's leadership style. While I disapprove of some of the decisions; he has consistently shown that he hires and works with people he believes in and supports them in their decisions. He puts people in place to succeed as much as possible. The President makes the hard decisions timely, and stands by his actions.

An example would be the Computer Store. The President has placed Frank Butler in a position to make tough decisions and the President has backed Frank all the way.

Other Perspectives

Reflecting on the president's years of service, what major achievements or shortcomings come to mind? Is there evidence that the Board of Trustees and president are fully supportive of one another? What is the most important thing the president can do to strengthen his or her effectiveness? What is the most important thing the Board of Trustees can do to strengthen its effectiveness or the president's effectiveness? Any closing words?

We appreciate the opportunity to respond and look forward to another great year at UK.

MEMORANDUM

TO: Trustees

FROM: Jim Hardyman

DATE: May 2, 2005

SUBJECT: PRESIDENT'S MANAGEMENT REVIEW STATEMENT

Attached is President Todd's self review of the past year. Please review this document and consider it as you complete your annual evaluation. The evaluations are due back to me on May 24.

Thanks for your help with this process.



PRESIDENT'S MANAGEMENT REVIEW STATEMENT

Dr. Lee T. Todd, Jr.

July 1, 2004 – June 30, 2005

Two-thirds of the way through the university's three-year strategic plan, The Dream & the Challenge, the University of Kentucky is making excellent progress. We have made great strides towards our ultimate goal of becoming one of the top-20 public research institutions in the United States. We continued to build upon the momentum that our tremendous faculty, students and staff members have generated since July 2001, despite the fact that the University of Kentucky has sustained nearly \$73 million in state budget reductions. This university has shown amazing resilience and dedication during the toughest of fiscal times.

This review will concentrate on the six goals set forth in the 2003-06 strategic plan.

Goal I – Reach for National Prominence

UK continued to position itself as one of this nation's premier land-grant institutions. Our strategic plan charged the university with increasing our top-ranked programs from 10 to 15. We now have 13: Anatomy, Biochemistry, Geography, Public Finance, Microbiology, Nursing, Pharmacology, Pharmacy, Physical Therapy, Physiology, Spanish, Surgery, and Toxicology.

We have enhanced the excellence and sustainability of our clinical enterprise, as outlined in the strategic plan. UK Hospital's operating margins have increased by 6.9 percent through March 2005. Through March, year-to-date practice billings were 5 percent ahead of budget projections, and 9.7 percent ahead of last year's March totals.

The College of Medicine has also seen a tremendous spike in their sponsored projects. Through April 2005, College of Medicine researchers had brought in \$17 million more than the same period last year. In April 2004, research grants and contracts totaled \$87 million. Through April 2005 that figure soared to \$104, about a 19.5 percent increase. The College of Dentistry has experienced a similar increase. In 2003-04, the college brought in \$4.8 million in grants and contracts. So far this year, dentistry researchers have acquired about \$7.5 million.

Additional revenues and solid financial outlook allowed the university to move forward with the much-needed reconstruction of the UK Medical Center. The \$375 million project, the largest in UK history, includes a new \$250 million bed tower, as well as a \$125 million facility renovation. The project was backed by the Kentucky General Assembly during the 2005 legislative session, allowing UK to spend \$125 million of its own resources, while providing \$100 million in bonding capacity. The refurbished medical center will provide central and eastern Kentucky

counties with the type of high-quality medical services that Kentucky needs. It also will provide the community with 1,600 jobs during the peak of construction and 1,300 permanent positions after completion.

Another goal was to increase the university's endowment to \$500 million by 2006. As of March 2005, the market value of the endowment was \$524 million, up from \$399 million when the strategic plan was released.

We have also made great progress toward our \$1 billion capital campaign goal. We have currently raised \$740 million.

We continued to move forward with the \$40 million Integrated Resource Information Systems (IRIS) Project, which will combine the university's various software systems into one comprehensive system.

Goal II – Attract and Graduate Outstanding Students

One of our key indicators was to improve our middle-50 percent range on the ACT for incoming freshman to 23-28 by 2006. Last year our range was 22-27, keeping in line with many of our benchmark institutions like Ohio State University, Purdue University, University of Iowa, University of Minnesota, and University of Washington.

We surpassed another key indicator by increasing our first-to-second-year rate to 83 percent, as required in the strategic plan. We have increased that rate from 77 percent in 2003 to 83 percent today.

We were also charged with improving our six-year graduation rate to 60 percent. Our rate of 59.5 percent is the highest of any public institution in Kentucky.

We unveiled a pair of initiatives to help our students graduate in four years. Our four-year graduation contract initiative opened in a dozen majors, with hopes of expanding to more programs in the near future. We also held our first Winter Intersession during December and January.

One of the truest measures of how well this university is doing must be measured by the quality of students we are attracting. And if you look at our entering freshmen, UK has never been in better hands. Our fall 2004 freshmen class included a UK-record 3,987 students, 3,109 of which are from Kentucky. Our middle-50 high school grade point average for those students was 3.3 to 3.9.

The freshmen class had 35 National Merit Scholars; 2 National Achievement Scholars; 275 Governor's Scholars and 28 Governor's School for the Arts students. It also had 157 valedictorians.

Our students continued to compete with some of the best and brightest in the nation. Ryan Quarles, a native of Georgetown, Kentucky, received the prestigious Harry S. Truman

Scholarship in March, the 12th UK student to earn such an honor. He is the only student from a Kentucky institution to be named a Truman Scholar.

Nicholas Badre and Jason Passafiume became the seventh and eighth students chosen as Beckman Scholars since UK became a participating university in 2002. The Beckman Foundation renewed UK's participation for a second three-year period last month.

Another key indicator outlined in *The Dream & the Challenge* called for the opening of an undergraduate residence hall, designed as a 21st century living-learning community. This fall, we will open four new residence halls with seven new living-learning communities. We will have communities focused around the Arts; Civic Engagement; The Global Village; Honors Program; Interfaith; New Economy Incubator; and Wellness.

In an attempt to enhance undergraduate education, we created the Chellgren Center for Undergraduate Excellence. The center has created a cooperative environment to strengthen academic excellence at the university, bringing together such programs as the Honors Program, undergraduate research, study abroad, and a host of other initiatives.

Goal III – Attract, Develop and Retain a Distinguished Faculty

Thanks to fervent lobbying in Frankfort during the 2005 General Assembly, UK was able to secure additional operating revenues for the first time since I became university president. Not only did the monies allow us to lower our anticipated tuition increase to 12.45 percent, but it also allowed us to provide a 4 percent merit pool for faculty and staff raises. We were also able to create a "Fighting Fund" to give us leverage in retaining our top faculty.

We accomplished the strategic goal of developing institutional policies and procedures that promote recruitment and retention of faculty and staff. We developed five programs – the Dual Career Hiring Fund, Minority Recruitment Fund, Faculty Retention Fund, Provost Initiatives Fund, and Teaching Resources for Undergraduate Education (TRUE) program – to help keep our best our best minds at the university.

We also added seven more endowed chairs and six endowed professorships in 2003-04. UK now has 87 endowed chairs and 199 endowed professorships.

We continued to bolster our top-notch faculty with some strategic hires over the past twelve months. Dr. C. William Balke was named the College of Medicine's senior associate dean for clinical research. Balke was previously head of the division of cardiology at the University of Maryland. The English Department recruited a pair of elite faculty members to UK as well. Jeffrey Clymer was an assistant professor of English with a secondary appointment in the American studies department at Saint Louis University, and Michael Trask was an associate professor of English at Yale University. Both started at UK in the fall.

Goal IV – Discover, Share and Apply Knowledge

It has been another record year for University of Kentucky research. UK jumped from 31st to 28th among all public universities for FY 2002 obligations, as reported by the National Science Foundation. In addition, the Commonwealth of Kentucky rose from 33rd to 30th in the state rankings. Kentucky was the only state in the nation to improve by three places. Kentucky received a total of \$191 million in federal awards, \$132 million of which were UK awards.

The number of postdoctoral scholars studying at the university continues to soar. UK now has 295 such scholars, up from 284 last year and 232 two years ago. Our goal was to attract 275 by 2006.

UK researchers continue to show their ability to compete for research grants and contracts. UK faculty and staff brought in \$238 million in 2003-04 and are way ahead of last year's pace this year. Through April 2005, UK researchers have brought in \$235 million, a 14.7 percent increase over the same period last year.

We continued to enhance the university's relationship with our federal legislative delegation. Those efforts allowed the university to receive \$27 million in federal earmarks, up from \$5.4 million just a few years ago.

We also opened the Biomedical Biological Sciences Research Building (BBSRB), which will help us expand research in the promising fields of neuroscience, genomics and proteomics. When full, the building will house 350-400 faculty, technical staff and postdoctoral students. The building will house \$20-25 million in external funding.

Goal V – Nurture Diversity of Thought, Culture, Gender and Ethnicity

In January, we announced the development of a Diversity Task Force. Led by our Commission on Diversity, the task force – comprised of deans, administrators, faculty and students – is charged with developing a comprehensive, university-wide diversity plan to create a diverse workplace and learning community. We hope the plan will not only serve as a template for encouraging inclusiveness and openness across the campus community, but as a resource to companies and organizations across the Commonwealth.

Our commitment to recruiting African American students surged in fall 2004, with 256 African American students in the freshmen class, up 20 percent over the previous year.

We continue to diversify our faculty and staff. Dr. William Turner was named Vice President for University Initiatives. Barbara Jones became the University of Kentucky's first female General Counsel. Lori Gonzalez was named Dean of the College of Health Services. Six of the university's 18 deans are female.

Goal VI – Elevate the Quality of Life for Kentuckians

We helped deliver the Belcan Engineering Design Center to downtown Lexington. Belcan Corporation of Cincinnati will be hiring 300 engineers and providing internship opportunities to UK students, as they design helicopters for Sikorsky Aircraft. The project is a boon for UK engineering students and downtown Lexington.

Our land-grant mission extends across the state. To that end, this university continues its emphasis to improve the quality of life for all Kentuckians.

UK launched an initiative to work with Large-Scale Biology, a bio-pharmaceutical company with a research facility in Owensboro. UK worked with the Kentucky Office of New Economy to secure a \$3 million grant, which will be used to develop plant-made pharmaceuticals (PMPs).

In December, we announced the Kentucky Alliance for Drug Endangered Children, another Health Education through Extension Leadership (HEEL) program. The program will help health professionals across Kentucky to identify and treat young people who have been exposed to methamphetamine production. Considering that for every meth lab found, 10 to 15 remain undiscovered, the numbers are staggering. Our expectations for this alliance are to increase education and to equip community service providers to be able to respond quickly and appropriately to protect and ensure the safety of these children.

The university became the first state in the nation to hire a Fine Arts Extension Agent, when it did so in Pike County.

We took another step to battle the rural drug program across Kentucky with the College of Law Rural Drug Prosecution Assistance Project. Thanks to a federal earmark from U.S. Senator Mitch McConnell, the project will help Commonwealth attorneys, U.S. attorneys, the Kentucky Attorney General's Office, and Circuit Court judges by providing students as summer interns with these officers in the fight against illegal drugs. The program will also provide salary grants and tuition remissions for graduates to work with the legal and judicial system.

We are working to improve environmental and economic conditions throughout the state, as well. Through a \$9 million Department of Energy grant, we are working in Carroll County to turn environmentally-negative and costly power plant ash into a saleable byproduct that can be used in concrete. We are the only university in the nation to receive a Clean Coal Power Initiative grant.

In May 2005, we will graduate our first group of Robinson Scholars, our historic and important commitment to improving education in Kentucky's Appalachian region.

The university has made a concerted effort to improve safety on campus. Last fall, we announced eight new safety initiatives to improve women's safety. As part of the plan, we created UK Women's Place, a central point of contact for coordinating victim services, education and prevention programs, training, and other efforts related to improving the safety and well-being of UK's women.

In April, we launched the Pedestrian Awareness and Safety (PAWS) campaign in response to the recent increase in the number of pedestrian and motor vehicle collisions on and near campus.

Athletic Improvements

The NCAA certification process was almost flawless and received extremely high marks from the review committee and site visit team. This program is conducting its business in a professional manner, advancing the opportunity for every UK student-athlete to compete at the highest level and moving UK Athletics in a positive direction. This is what I asked Mitch Barnhart to do when he came here and he and his staff are absolutely exceeding that expectation.

For the first time in the history of spring athletics, UK captured three Southeastern Conference (SEC) titles. Men's basketball continued their stellar SEC play with our 43rd SEC championship. Women's tennis – a young team featuring seven sophomores – won their first SEC title this spring. The UK men's golf team also captured their first SEC championship.

Other Highlights

We were proud to open the doors on a renovated and refurbished Main Building last fall. The building has been a wonderful addition to the north end of campus. With two new classrooms and the Welcome Center on the plaza level, the Main Building is a vibrant place filled with visitors, guests and students. We have heard quite a few positive remarks about the building's openness.

During the legislative session, we received \$40 million in state bonds to construct a Biological Sciences/Pharmaceutical Complex. We received \$8.5 million in state economic development funds to improve our Livestock Disease & Diagnostic Center at Coldstream Research Center. Our cancer research efforts received a boost with a half-cent tax on tobacco.

We created the Office of Institutional Advancement, led by long-time university administrator Terry Mobley. Uniting the offices of development, alumni affairs and external affairs functions into one office provides enormous opportunity to build on the synergy of these three groups as we work to enhance our development efforts and strengthen our partnerships throughout the Commonwealth and beyond.

One of the first results of this synergy is The Dream Tour. This outreach effort will take UK to ten different communities around the Commonwealth in May and June. Deans, faculty, staff and students will join this bus tour to help the citizens across the state realize that UK is the catalyst for change in the Commonwealth.

I continued to position the university as one of the nation's leading institutions of higher learning. During the past year, I received several national appointments. I serve on the National Association of State Universities and Land-Grant Colleges (NASULGC) board and was asked by NASULGC to represent the organization on the American Council on Education's (ACE) Board of Directors. I was also appointed to the 10-member Science and Mathematics Education Task Force, a national committee that reports to the Secretary of Energy. I am now also a member of

the National Science Foundation (NSF) Education and Human Resources Committee, which advises on strategic issues involving science and engineering education and other human resources issues. Finally, I became a member of the national Council on Competitiveness.

I unveiled a series of white papers called "Issues, Ideas and Ideologies" this year, in an attempt to promote and publicize some of the university's innovations. The papers are sent to colleagues and thought leaders across Kentucky and the nation.

Conclusion

I have never felt better heading into a new fiscal year since I accepted this position in July 2001. We certainly have challenges ahead of us, including finding a replacement for Provost Mike Nietzel and continuing the momentum and solidarity he built across campus. But we have such a strong student, faculty and staff base that is prepared to lead us to our greatest goal of becoming a top-20 public university. The University of Kentucky is a stronger place than it was in 2004 and positioned to become an even more powerful vehicle for positive change for all Kentuckians in 2005-06.