

Minutes of the Executive Committee of the Board of Trustees
University of Kentucky
Tuesday, December 11, 2018

The Executive Committee of the Board of Trustees of the University of Kentucky met on Tuesday, December 11, 2018, in Ballroom A of the Gatton Student Center on the campus of the University of Kentucky.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Executive Committee, called the meeting to order at 8:04 a.m. Chair Brockman asked Angela Edwards, Secretary of the Board, to call the roll.

B. Roll Call

The following members of the Executive Committee answered the call of roll: E. Britt Brockman (chair), Robert Vance (vice chair), Claude A. “Skip” Berry, III, Michael Christian, and Barbara Young were present. Secretary Edwards stated that a quorum was present.

Trustees Jennifer Y. Barber, Lee X. Blonder, Cammie DeShields Grant, Robert Grossman, Michael Hamilton, David Hawpe, Kimberly McCann, Elizabeth McCoy, Dave Melanson, Derrick K. Ramsey, Sandy Shuffett, and Rachel Watts Webb were also in attendance.

C. Approval of Minutes

Chair Brockman reported that the minutes of the October 19, 2018, Executive Committee meeting had been distributed. Trustee Young moved approval of the minutes and Trustee Vance seconded the motion. The motion carried without dissent.

D. Presidential Evaluation Discussion

Chair Brockman thanked everyone for their participation in the President’s evaluation and reviewed the timeline and components involved in the survey. “Today, after a multi-month process, we are reviewing the responses from the Board of Trustees’ qualitative questionnaire that was distributed following our October Retreat. Over the last month, the responses were aggregated without attribution to respondents. Today, we will review the responses before sending them to the full Board.”

Chair Brockman began his report by highlighting numerous accomplishments over the last year that also reflected success over multiple years including: the University’s steady progress on Strategic Plan priorities, with particular attention paid to affordability, including the UK LEADS program, student success, research, and investment in diversity and inclusivity initiatives; the campus’ capital infrastructure which continues to improve, positioning UK for future success; the President’s success in UK’s fundraising enterprise, including the launch of the \$2.1 billion “Kentucky Can: The 21st Century Campaign”; a growing research enterprise evidenced by faculty recruitment, top grants, and the opening of the new research building; careful navigation through important issues, such as the Kentucky legislative session, Memorial Hall mural, and changes in Title IX regulations; the President’s continued cultivation of a culture of integrity, inclusiveness,

safety, and support across the campus; growth in UK's health enterprise, new regional medical campuses, and attaining the Rising Star Award; noticeable improvement and positive momentum with faculty morale and engagement evidenced by the positive responses from the annual faculty survey organized by the University Senate; and lastly success on all metrics in the statewide Performance Funding Model for higher education.

Chair Brockman continued by acknowledging the President's major strengths supporting these accomplishments including: the President is a visionary and ethical leader who has remained focused on an ambitious plan for UK; a talented senior leadership team; the trustworthy and respectful relationship the President has developed with external stakeholders, donors, political leaders, students, and alumni; the President is an inclusive leader, consensus builder, and skilled fundraiser; and the critical role Dr. Mary Lynne Capilouto plays on campus and in the community.

Chair Brockman recognized some suggested opportunities for improvement from the Board of Trustees survey results, including: the diversity of senior University and academic leaders and faculty, and within graduate programs; enrollment, retention, and graduation of African-American and other under-represented minority students; further engagement of faculty in important decision-making processes; and a continued focus on improving affordability and decreasing student debt.

Generally, the Board is pleased with progress on the Strategic Plan and recognized that the institution is moving in the right direction on the majority of UK's strategic objectives. Specifically, Trustees praised the University's growth in its research activity, the UK LEADS program, and the community engagement work underway across the institution. Chair Brockman noted, "In many ways, the University is maintaining its incredible sense of momentum, but the President remains honest and direct about the important work that remains." Specifically, Trustees recognized that the University must: continue to improve retention and graduation rates, with a particular focus on closing the achievement gap for African-American, under-represented minority, and low-income students; identify opportunities to improve the diversity of campus leadership, faculty, and staff; articulate a plan for graduate education; and maintain the important commitment we have made to access affordability.

Regarding the Board, Chair Brockman pointed out that multiple Trustees acknowledged the improved communication and engagement with Trustees; praised the discussion topics during Board meetings; recognized the approachable, honest, open, and professional interactions with Trustees through one-on-one discussions, campus events, and Board meetings; and the Trustees also enjoy the practice of moving the Board meetings to different venues around campus.

Some respondents expressed specific opportunities for improving Board engagement, including: more individualized engagement and discussions with the Executive Committee; more opportunity to discuss progress on the Strategic Plan; and still earlier communication about key issues facing the University.

Respondents were also asked whether they felt the President was positioning UK for success in the future. Multiple Trustees expressed a high confidence in the President's understanding of and strategic thinking about an unpredictable future for higher education. In particular, they praised: the UK LEADS program and national recognition it has received as a model for addressing unmet need; the remarkable improvement in retention and graduation rates

and research funding; our continuing focus on health disparities and the opioid crisis; improvements to the campus infrastructure; merit raises that help ensure UK remains competitive in a national recruiting environment; and, finally, the overall financial health of the University and our renewed efforts to find additional efficiencies and new revenue opportunities through the Our Path Forward initiative.

The final question provided Trustees with the opportunity to include considerations for the President. Multiple Trustees offered praise for: the President's professionalism and values-based leadership; Dr. Mary Lynne Capilouto's leadership on UK's campus; the President's engagement with and support for students; and UK HealthCare's role in state health care policy. To accelerate our success, Trustees emphasized a continued focus on: the essentiality of diverse leadership, faculty, and students; and the value of Board-level discussion and engagement on important issues facing the University. The full report may be found at: <http://www.uky.edu/Trustees/>

Chair Brockman opened the floor for any comments or questions. Trustee Grossman stated, he was "gobsmacked by the improvement of the faculty survey presented by University Senate Chair Jennifer Bird-Pollan in October; the results demonstrate the faculty's appreciation of the many initiatives the President has put forward recently and his efforts to reach out and engage with the faculty as partners." With no further discussion, Chair Brockman announced the evaluation results will be forwarded to the full Board later that afternoon.

E. Other Business

Chair Brockman introduced two discussion items concerning the Board of Trustees election timeline (ECR 1) and the Investment Committee membership (ECR 2).

ECR 1 Proposed Revision to Governing Regulations: Election of Officers and Executive Committee

Chair Brockman introduced ECR 1, which recommends that the Board of Trustees receive and vote to accept for the first reading the revision to Governing Regulation (GR) II, relating to the election of Board of Trustees Officers and at-large members of the Executive Committee. The revision is intended to ensure new Board of Trustees members are familiar with the candidates prior to the elections and the leadership terms coincide with a calendar year.

The proposed amendment addresses the Board of Trustees' election timeline. Chair Brockman stated, "Beginning in 2020, the Chair, Vice Chair, Secretary, at-large members of the Executive Committee, and Assistant Secretary of the Board of Trustees shall be elected annually at the last regularly scheduled meeting of the Board of Trustees in a calendar year and shall serve from January 1 to December 31 of the next calendar year. In 2019, the Officers and Executive Committee shall be elected at the first fall meeting of the Board of Trustees and shall serve until December 31, 2020." Trustee Christian moved approval and Trustee Young seconded the motion.

Chair Brockman opened the floor for any comments or questions. Multiple Trustees voiced their support for the proposed recommendation citing that newly appointed Trustees would have three months to become familiar with their fellow members before the election. Other Trustees voiced concern over the potential situation of a retiring Board member vacating an office for three months. General Counsel William Thro explained that a special election could take place at any

time to fill any vacancies left by retiring Trustees. The motion passed with 18 in favor and one opposed.

ECR 2 Proposed Revision to Governing Regulations: Investment Committee

Chair Brockman introduced ECR 2, which recommends that the Board of Trustees receive and vote to accept for the first reading the revision to Governing Regulation (GR) II, relating to the Investment Committee. The proposed amendment addresses the Investment Committee membership. The revision is intended to promote efficiency and continuity in the Investment Committee while ensuring significant community member input.

Chair Brockman explained the proposed revision to the Investment Committee membership is to include five voting Trustee members and up to five non-voting Community Advisory members to assist in the Committee's functions by providing specialized advice and support. Chair Brockman continued by pointing out the Community Advisory Members would be selected on the basis of their expertise in areas such as investment management and finance.

The membership of the Committee, including the Chair, shall be appointed by the Chair of the Board of Trustees in consultation with the President. The initial Trustee member appointments to the Committee shall be staggered terms in the following manner: two (2) members for three (3) years, two (2) members for four (4) years, and one (1) member for five (5) years. Trustee members appointed thereafter shall serve for three-year terms and may be reappointed. Trustee Christian moved approval and Trustee Vance seconded the motion

Chair Brockman opened the floor for any comments or questions. Trustee Grossman asked if the terms for the Community Advisory Members should be specified and limited, as well. Chair Brockman consulted with General Counsel Thro and Investment Chair Elizabeth McCoy. Mr. Thro pointed out that the University Athletics and University Health Care committees both include language that specifies their member terms of three years. Chair Brockman amended the revision to include "up to five non-voting Community Advisory members and appointed for a three-year term. These members could be reappointed". The motion carried without dissent.

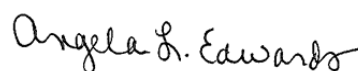
F. New Business

Trustee Blonder suggested the Nominating Committee Chair poll the Board individually and privately prior to the elections regarding their interest in serving on the Executive Committee. The Nominating Chair would then communicate to the Board any interest ahead of the elections. Trustee Young clarified that Board members would still be free to contact other members regarding their interest in serving. Chair Brockman stated he would inform the Nominating Committee Chair regarding the suggestion.

G. Adjournment

With no further business, the meeting adjourned at 8:50 a.m.

Respectfully submitted,



Angela L. Edwards, Secretary