

ECR 1

Chairman, Board of Trustees
June 19, 2015

Members, Board of Trustees:

PRESIDENTIAL EVALUATION AND COMPENSATION REVIEW

Recommendations: that the Board of Trustees 1) accept the evaluation report of President Eli Capilouto's performance by consultant Dr. Carol Cartwright of the Association of Governing Boards (AGB); and 2) engage a consultant to review President Capilouto's compensation.

Background: President Eli Capilouto's Employment Agreement (Section E) requires an annual performance evaluation in accordance with the Governing Regulations of the University. At its March 2015 meeting, the Board of Trustees approved ECR 2, which outlined the 2014-15 process for evaluating the President's performance. It authorized the Chair of the Board of Trustees to enter into negotiations with AGB for a contract for the services of Dr. Carol Cartwright to serve as facilitator for President Capilouto's evaluation. The review was intended to be a comprehensive assessment of the President's last four years and was therefore significantly broader in scope than the previous annual assessments.

Dr. Cartwright's report reflects the input from the Board of Trustees; the President's self-evaluation; and qualitative and quantitative input from representatives of the senior administration, faculty, staff, students, alumni, donors, policy-makers, and community members. The Executive Committee recommends acceptance of this report.

In response to the very positive evaluation of the President's performance by the various constituencies and the recommendation of the ad hoc Presidential Compensation Committee in December 2014, the Executive Committee recommends the engagement of a consultant to review President Capilouto's compensation.

Action taken: Approved Disapproved Other _____

UNIVERSITY OF KENTUCKY
COMPREHENSIVE PRESIDENTIAL
REVIEW OF PRESIDENT ELI CAPILOUTO
JUNE 12, 2015

CAROL A. CARTWRIGHT,
SENIOR CONSULTANT, AGB

SUBMITTED BY THE

Association of Governing Boards of Universities and Colleges

PREPARED FOR THE

University of Kentucky
Board of Trustees

Report to the University of Kentucky Board of Trustees

Comprehensive Presidential Review

Prepared by Carol A. Cartwright, Ph.D., AGB Senior Consultant

June 12, 2015

Introduction

The University of Kentucky Board of Trustees has an established practice of conducting an annual review of presidential performance. This year, after nearly four years of President Eli Capilouto's leadership, the board decided to follow a recommended best practice and conduct a more comprehensive review. This report of that comprehensive review is organized as follows:

1. Background and purpose
2. Sources of information and process for the review
3. Progress on strategic goals
4. Results from the board's Quantitative Survey
5. Results from the Senate Council's Annual Evaluation of the President
6. Results from interviews
7. Summary and recommended next steps

Overall, the results from all sources are very positive. President Capilouto receives high marks for his leadership of the university. A recurring theme emerged from the multiple sources of information used in the review: the university is at an important pivot point in its transformation. The term "transformation" was used frequently by those interviewed as they noted that significant investments have been made in improving the campus physical infrastructure and in the programmatic planning that accompanies those investments. Looking to the future, they urged a continued focus on questions regarding the most effective uses of the investments. The current discussion of a draft of a new strategic plan is an ideal opportunity to consider these questions.

Background and Purpose

The University of Kentucky issued a Request for Proposal (RFP) for Presidential Evaluation Services in January, 2015. Following the board's and the university's review processes, the Association of Governing Boards (AGB) was selected as the consultant in March, 2015. AGB is a recognized leader in developing and implementing best practices for presidential assessment.

Dr. Carol A. Cartwright, AGB Senior Consultant, was engaged to perform the comprehensive review of President Eli Capilouto for the Board of Trustees. The board adopted a formal resolution which sets forth the expectations for the review on March 16, 2015.

The overall purpose of the comprehensive review was to assess the president's strengths and opportunities for growth. As is typical for comprehensive reviews, the process produced a variety of other beneficial outcomes for both the board and the president. In addition to an examination of President Capilouto's leadership on multiple dimensions over the past four years, this report provides an assessment of the achievement of significant strategic goals developed in board retreats from 2011 through 2014. It also provides a foundation for setting and re-setting goals for the future, increases knowledge about the work of the president and the complexities of the presidency, and provides information to strengthen board-president communication and partnership.

Sources of Information and Process for the Review

The Executive Committee of the Board of Trustees was designated as the performance review committee. On March 31, 2015, Dr. Cartwright met with Board Chair Dr. Keith Gannon and committee member Dr. C. B. Akins to make final decisions about the process and timeline for the review. In addition to the timeline, decisions were reached about documents to be used in the review (Attachment A), individuals to be interviewed (Attachment B), guidelines for the interviews (Attachment C), and the use of a board-developed Quantitative Survey that had been used in prior years.

Drs. Gannon and Akins also discussed their expectation that an annual review of presidential performance by the Senate Council would be forwarded to Dr. Cartwright and incorporated in her analysis and report. On March 31, Dr. Cartwright also met with President Capilouto to discuss the overall review process and expectations for his self-evaluation.

The sources of information used in this comprehensive review are:

1. Background documents about the university, its history, policies and recent accomplishments;
2. Board expectations from four board retreats from 2011 through 2014;
3. President Capilouto's self-evaluation about progress on strategic goals;
4. Board Quantitative Survey;
5. Senate Council Annual Evaluation of the President; and
6. Interviews of a large and diverse group of stakeholders.

University staff assembled background documents during the first two weeks of April. On-site interviews were conducted by Dr. Cartwright from April 13 through April 15 and from May 5 through May 8, 2015. A few follow-up interviews were completed by phone during the following week.

The board's Quantitative Survey was sent to 78 individuals who were interviewed, and 47 surveys were submitted and analyzed in mid-May. Results of the annual faculty survey conducted by the Senate Council were provided on May 12, 2015. Results of the Quantitative Survey are presented in Attachment D and results of the Senate Council survey are presented in Attachment E. The results of both surveys will be described in greater detail in other sections of this report. They are generally consistent with information provided in the interviews. President Capilouto submitted his self-evaluation on May 13, 2015 (Attachment F).

Dr. Cartwright provided an update on the process of the review at the Executive Committee meeting on May 8, 2015. A confidential briefing and discussion about preliminary results of the comprehensive review was presented to the Executive Committee and President Capilouto on June 2, 2015.

Progress on Strategic Goals

Significant progress has been made on the strategic goals developed during four board retreats from 2011 through 2014. However, the achievement of two important goals is behind schedule and the delay likely impacted some of the results that are described in other sections of this report.

Following President Capilouto's appointment in 2011, he commenced on a listening tour and commissioned a University Review Committee to advise him about the university's most urgent priorities during his first year as president. Their findings were the subject of the 2011 board retreat.

The minutes of that meeting reflect a rich and robust discussion about the major strengths and challenges of the University of Kentucky, and they resulted in adoption of board guidelines for President Capilouto to begin the process of transforming the campus.

The focus of the transformation was on enhancing and expanding the undergraduate educational experience and renewing and rebuilding the core of the campus. Significant progress has been made in both areas, with the most notable being the transformation of the infrastructure of the campus and the increase in undergraduate enrollment. These achievements are recognized throughout the university. For example, faculty survey data indicate that the president has been effective in building campus infrastructure (89.7% agree or strongly agree) and that he has been effective in supporting undergraduate education (77.9% agree or strongly agree). Almost every individual interviewed noted these two significant achievements—campus infrastructure and undergraduate education-- as well.

The 2012 board retreat discussion built on the progress during the first year. Guidelines were adopted that continued the emphasis on undergraduate education and campus infrastructure and added new areas of emphasis. Progress has been made on strengthening mechanisms for faculty and staff recruitment, rewards and retention and on assessing the environment for research and creative scholarship. A master plan for the campus has been developed and work is underway on technology-based content delivery.

Expectations to develop and introduce a values-based financial model and to ensure that individual units develop strategic plans in alignment with the university's overall planning process were partially achieved. Work on these initiatives was started and then stopped due to turnover in the provost position.

Proposed goals for the university's next strategic plan were the subject of the 2013 board retreat. The April 29, 2015 draft of the new strategic plan is organized around these board-approved goals with one exception. The goal about developing a strong and sustainable UK infrastructure was eliminated from the planning process in light of the significant achievements in this area during the past few years.

The expectation was that the new strategic plan would be ready one year ago. However, due to the turnover in the provost position, the planning process was interrupted. With the appointment of Dr. Tim Tracy as provost and stability in that position, the planning process was re-started in the 2014-15 academic year. The development of new budget models will move forward once the strategic plan is adopted.

The 2014 board retreat concluded with an expectation for a focus on research in areas where the needs of Kentuckians and the Commonwealth are most pressing and where the university can continue to compete successfully for external research support. Significant progress was made with the approval of funds for the new research building and the plan to fund and program the Academic Science building.

Questions remain about a commitment to scholarly work in areas other than health and science. In addition, with the emphasis on undergraduate education in recent years, questions remain about a commitment to graduate and professional education. Faculty survey data support these mixed views and questions. When asked about the president's support for graduate education, 37.7% agree or strongly agree and 37.5% disagree or strongly disagree. Opportunities to address these concerns are reflected in the draft of the new strategic plan.

President Capilouto's self-evaluation provides additional details about the achievement of strategic goals and other significant university achievements, including those of UK HealthCare, during the past four years.

Results: Board Quantitative Survey

The board developed a Quantitative Survey and used it as part of the annual evaluation of the president in the past few years. The survey was sent to all of those interviewed in this comprehensive review except for two individuals who were added later to the interview schedule. Of the 80 individuals interviewed, 78 received the survey and 47 responded (60% response rate).

Seven areas were assessed: strategy and priorities, leadership, organization and team, relationships with constituencies, financial management, fundraising, and future considerations. A seven-point scale ranging from 1 = strongly disagree to 7 = strongly agree was used in the survey. Attachment D displays results for 2014 and 2015.

All but one of the 21 items received a rating of 6 (agree) or better. That item is about the president engendering a “feeling of inclusion from all constituencies that encourages and invites active individual participation in guidance and governance” and it received a rating of 5.6 (the same as 2014). With very few exceptions, scores for 2015 are more positive than those for 2014.

Results: Senate Council Survey

The Senate Council surveyed all full-time faculty in April, 2015. A total of 2631 faculty in all title series received the survey and 691 responded (26.3% response rate). The Senate Council provided a report (Attachment E) which displays the response rate by college and by title series. Results are compared to those from the 2013 and 2014 surveys.

Sixteen questions were posed and respondents rated the items on a five-point scale ranging from 1 = strongly disagree to 5 = strongly agree. A summary of the changes from 2014 to 2015 follows. Presidential effectiveness in:

Communicating his plans for the future of the university--66% agree or strongly agree compared to 68% in 2014;

Generating resources to implement the university mission successfully--65.1% agree or strongly agree compared to 50.7% in 2014;

Listening to faculty concerns--40.7% agree or strongly agree compared to 34.5% in 2014 with 25.1% neutral (neither agreeing nor disagreeing);

Involving the faculty in decision making--40.7% disagree or strongly disagree compared to 47.8% in 2014 with 25.3% neutral;

Engaging the faculty in shared governance--38.2% strongly disagree or disagree compared to 48.9% in 2014 with 26.1% neutral;

Building campus infrastructure--89.7% agree or strongly agree compared to 83.4% in 2014; in 2015, 53.6% strongly agree with this statement;

Building faculty morale--40.1% disagree or strongly disagree compared to 54.2% in 2014 with 27.6% neutral;

Fostering confidence in the future of UK--55.2% agree or strongly agree compared to 39.8% in 2014;

Fostering a campus environment that is diverse and inclusive--58.9% agree or strongly agree compared to 47.1% in 2014 with 24.6% neutral;

Maintaining productive relationships with external constituencies--59.5% agree or strongly agree compared with 54.4% in 2014 with 33.8% neutral;

Supporting undergraduate education--77.9% agree or strongly agree compared to 74.3% in 2014;

Supporting graduate education--37.5% disagree or strongly disagree compared to 48.6% in 2014 with 24.9% neutral;

Supporting professional education--46% agree or strongly agree compared to 36.8% in 2014 with 35.1% neutral;

Supporting the research mission--48.4% agree or strongly agree compared to 35.7% in 2014 with 20.9% neutral.

Supporting the service mission--51.8% agree or strongly agree compared to 43.2% in 2014 with 34.7% neutral; and

Restructuring the administration to be cost effective--40.6% disagree or strongly disagree compared to 47.9% in 2014 with 36.1% neutral.

The overall pattern is that responses are somewhat more positive (or in some cases, less negative) between 2014 and 2015.

Results: Interviews

Interviews provided information on multiple dimensions of President Capilouto's leadership. This section of the report is organized around seven areas of leadership approved during the planning process as areas to be probed during the interviews: vision and strategy, academic leadership, management, financial leadership, external relations, board relations and governance, and a summary category about personal leadership characteristics, notable successes and suggestions for improvement.

Eighty interviews were conducted. All members of the Board of Trustees participated in the interviews as did all direct reports to the president. In addition to the provost, 14 academic leaders (deans, chairs and faculty) were interviewed. Six members of the administrative staff, six leaders of the Staff Senate, six undergraduate student leaders and five graduate student leaders participated. In addition, 12 donors, community members and government leaders were interviewed.

Individuals who participated in the interviews were assured that their comments would be confidential. With very few exceptions, everyone had opinions about all of the categories and seemed comfortable and candid during the interviews. The sections that follow present the major points of consensus from the interviews for each area and, where appropriate, offer suggestions for future action.

Vision and Strategy

Individuals were asked about major goals and institutional vision and invited to share their perceptions of how well the vision is being communicated, embraced and implemented. They were also asked if the right team is in place to accomplish the vision and how diversity is represented in major goals and institutional vision.

Most of those interviewed believe that the president has a vision and is systematically implementing that vision. They see what is happening at the university and infer the vision from the results. They think the vision is clear because they see visible evidence.

Many noted that they were impressed with significant improvements in a very short period of time. Others referenced the “pivot point” theme introduced at the beginning of this report—that the vision should include bold ideas for the future based on the significant achievements and investments made in the past four years.

It is worth noting that many of those interviewed do not see a holistic vision. They see specific goals and parts of a vision, but do not see how the parts add to something bigger. Many believe that the president has chosen to share the vision in stages.

Perhaps the overall vision is not as clear because the strategic plan is delayed. The plan includes a vision statement which could become the touchstone for continuing conversations and references to the overall vision. Discussion of the strategic plan is an appropriate way to enhance communication about vision and strategic goals.

Best practices in governance are based on a strong board-president partnership and a shared set of values and shared vision and strategic agenda. The environment is ideal for this partnership to be strengthened based on the respect that the board has for the president and the interest expressed by board members to be engaged in thinking about the opportunities and challenges facing the university in the future. Discussion about the proposed new strategic plan is a productive opportunity to build this partnership.

Asked if the president has the right team in place to accomplish the strategic goals, the responses suggest that it took some time but that the current team is strong. As might be expected, some concerns were expressed about the lack of diversity in the senior team. There is strong interest in inclusive approaches, especially in terms of diversity of thought and fresh perspectives. To be effective, a team needs to spend quality time together and the talents of a broad group of leaders need to be tapped.

Regarding the issue of diversity and inclusion, President Capilouto is seen as a strong advocate and someone who is very committed to making progress. Faculty survey results are consistent in that 58.9% agree or strongly agree that the president has fostered a diverse and inclusive campus environment—an improvement from 47.1% in the prior year.

President Capilouto receives high marks for his management of some sensitive incidents. The appointment of a new vice president for diversity is seen as an important decision in terms of selecting the right person as well as assuring that he or she has power and resources to make a difference.

Academic Leadership

Interview questions about academic leadership were posed with the acknowledgement that many within the university have academic leadership (provost, deans, chairs, and faculty), and that the president sets the overall agenda and “tone at the top” about academic goals.

The president is viewed as setting the bar higher for students and raising expectations about their success. He is widely regarded as passionately committed to students. Some have questions about the balance between academic programs and student life when considering the student experience. For example, some believe that there are missed opportunities in the new residence halls for vibrant academic learning communities.

With regard to academic priorities, President Capilouto sent a strong message about “academics first” with the way he managed the Rupp Arena initiative and his leadership in securing funding from the athletics department for the Academic Science building.

Academic leaders believe the president is moving in the right direction and taking the university to a higher level. As is to be expected when a new strategic plan and new budget model are under discussion, questions were raised about whether some academic areas are more important than others, and the new budget model is seen as a “test” about this balance.

Enrollment growth is regarded as very positive for the university, especially in terms of revenue growth. With growth comes the need for some investments and a clear analysis of consequences. These are areas where academic leaders—deans, chairs, faculty—might be brought into discussions with the university’s senior leaders. For example, more Honors students creates a need to invest in Honors curriculum and a process for developing the criteria for Honors faculty, and increased numbers of students requires analyses of resources to serve those students.

Management

Strong leadership is intertwined with effective management. President Capilouto is regarded as a strong manager—as someone who knows how to make things happen. He is described as clear and focused, data-driven, and deliberate and thoughtful in decision-making. He is regarded as someone who is not afraid to make a difficult decision and as steady and calm when dealing with controversial issues.

The president is also described as having a management style that is very process-oriented. This style is seen as appropriate and effective but as occasionally lengthening the time to get to a decision. There is a careful balance between assuring good process and making timely decisions.

Many of those interviewed described the overall culture at the university as “clunky” and feel that the president is sometimes hampered by long-standing practices of decentralization and by some governance structures.

Most of those interviewed urged the president to create a larger circle of those with whom he consults. He is described as a good listener who would benefit from more two-way conversation with key internal groups. As a general management principle, broader input and more debate results in better decisions.

Financial Leadership

Questions for this area of leadership were posed with the acknowledgement that many other university leaders have significant financial responsibilities, but that the president has to set the tone about the framework and principles for financial decisions. The president also has important communication responsibilities about financial management and sustainability.

President Capilouto is regarded as having strong financial acumen. He understands financial data and new business models and is a good steward of the university's financial future. He has set major priorities and backed them with resources. For example, the residence halls and dining partnerships and the funding for the new research building are widely regarded as major accomplishments.

Those interviewed were asked about the president's effectiveness in discussing financial issues. They believe that communication about financial matters is appropriate and the president has sent clear messages about the need to be more self-supporting in the future.

There is considerable anxiety about a new budget model. There is a feeling that the campus has been in limbo for two years because a new model was being developed and then that initiative was shelved. Now, as a new strategic plan nears completion, a new budget model will be developed. Questions remain about what it will be and how resources will be allocated to the priorities in the plan. As many said during the interviews, "The real message about priorities will come with budget allocations under the new model." As soon as the expectations and the overall framework for the new budget model are developed and communicated, the focus will likely shift to productive discussions about the details of proposed models.

External Relations

Those interviewed were asked about the president's effectiveness in developing relationships with external stakeholders. President Capilouto is viewed as a very good fundraiser and ambassador for the University of Kentucky. He is seen as forthright, persuasive, understated and someone who does not need to promote himself. These impressions occur in all constituent groups—donors, alumni, parents, prospective students, legislators and community and business leaders. Excellence in this area is across the board. The president's spouse is valued and respected as a strong partner working with him on behalf of the university.

President Capilouto is regarded as especially effective in small, intimate groups where his passion shines through. He has deep convictions and his sincerity is obvious in small groups. He is also viewed as gaining confidence in large gatherings where it is appropriate for a president to take a larger public role on behalf of the university.

Everyone gives the president high marks for excellent relations with constituent groups, but there are some who question whether there might be lingering perceptions regarding connections with various leaders in Lexington. There were references that some in the city see the university as a "distant island". Perceptions may not be the reality, and this issue should be explored and addressed.

Board Relations and Governance

Overall, those interviewed reported that they believe the board is pleased with the president's performance and that he is respected. The belief is that he is focused on the right things and there is appreciation that he is working to raise the quality of the university.

Board members appreciate that President Capilouto has worked diligently to build relationships with every member, including meeting with individual members in their home communities.

Like most governing boards, the University of Kentucky Board of Trustees is interested in finding the appropriate balance between the formalities of accomplishing board business and opportunities for deeper discussion. Board members are eager to engage in discussions about national issues that may impact the university. They want dialogue about the strategic agenda and want to be engaged at the appropriate strategic level.

Regarding relationships with governance groups, those interviewed described good working relations with the student government and staff governance group and an improving relationship with faculty governance. Faculty morale has improved according to those interviewed and this is affirmed in the faculty survey.

The university is fortunate that many opportunities exist to engage board members in discussions about its own strategic agenda as well as national higher education issues. The October board retreats are valued and other opportunities such as committee agendas and education sessions at board meetings could be explored to strengthen the board-president partnership.

Interview Summary

The final area probed in the interviews involved questions about the president's personal leadership style and characteristics, ideas about his most notable successes and suggestions for the future.

The personal characteristics of an institution's leader are important because the individual is the public face of the institution and many people view the institution through the lens of these characteristics. The words used most frequently to describe President Capilouto are:

Compassionate and caring, sincere, genuine, good person, kind-hearted;

Unassuming, humble, understated;

Principled, values-driven, honest, ethical, trustworthy;

Smart, intelligent, data-driven, analytical; and

Deliberate, measured, cautious, goal-driven, determined, and process-oriented

President Capilouto's Self-Evaluation (Attachment F) provides detailed descriptions of achievements during his four-year tenure. Individuals who were interviewed were asked to name two or three of the most significant achievements during the four year period. Almost everyone noted the transformation of the campus infrastructure and the increased attention to undergraduate education.

The word "transformation" was used frequently when describing the details of the physical changes. Specific references were made to new residence halls, dining, bonding authority, legislative support for the research building, Academic Science building and funding from athletics, and the new student center.

Comments about increased attention to undergraduate education included references to increased enrollment, quality and financial benefits. The president was described as someone who is genuinely and passionately interested in and committed to students. His goals and focus on building an environment for student success were noted, and were often linked to the physical improvements that benefit students such as residence halls and the student center.

Other items described as significant success stories included: academic priorities prevailed in the discussion about Rupp Arena; overall financial improvement and stabilization; fundraising and the environment of trust and stewardship created with donors; and improved faculty morale.

Individuals who were interviewed were reminded that this comprehensive evaluation was being conducted in the spirit of continuous improvement, and they were invited to make suggestions about any area of improvement for the university.

Many of the suggestions were about consultation and communication. This advice was to expand the circle of influence, keep lines of communication open, and ensure that consultation is a two-way process. Suggestions about more debate and more engagement with a broader group were plentiful. Other ideas focused on more transparency and clarity about the long-term vision.

A significant number of comments expressed pride in the transformation of the campus infrastructure while also raising interesting questions about wise long-term use of the investments. Many remarked that building new facilities is one thing but engaging the university community to ensure that they are used effectively is another. Questions such as "Are we up to this new challenge?" and "We have laid the foundation. Now what?" were posed and many expressed awareness that those who have funded the new infrastructure will hold the university accountable for making the most effective use of the investment. This is the "pivot point" theme introduced earlier.

Other points of agreement regarding advice for the future included: analyze the consequences of increased enrollment and allocate resources accordingly; improve diversity and take special care in appointing a new vice president for diversity; leverage the partnership with the community and consider opportunities for entrepreneurship with the city.

Many of those interviewed expressed pride in the university's accomplishments and progress to date and recommended that the president should stay the course and keep doing what he has been doing. Several also noted that the demands of the presidency are intense and require careful consideration about managing schedule and time demands while also achieving health and life balance.

Summary and Recommendations

Overall, the evaluation of presidential leadership from many sources—the board Quantitative Surveys distributed to those who were interviewed, Senate Council surveys, interviews, the president's self-evaluation and achievements documented in reports from prior years--shows a strong and respected president who is given high marks. Even when people had something critical to say, they prefaced their comments with statements such as "he is the right president for this time" and noted overall approval of his leadership.

After four years of President Capilouto's leadership, the University of Kentucky can take great pride in the accomplishments described in this report. The transformation has been on a scale that most thought was not possible, especially in a relatively short period of time. This pride was tempered with observations that more very hard work on using the investments wisely is ahead. The university is at a very interesting point in its transformation and the partnership between the board and president will be even more important going forward.

Discussions with a broad group of stakeholders might focus on this key idea of the consequences of the changes that have occurred and the most effective use of the investments. These discussions should acknowledge the work that has already been accomplished and be oriented toward future opportunities. Debate about the current draft of the strategic plan could be placed in the context that this is an important pivot point in the vision and future of the university.

When completed and approved, the roll-out of the new strategic plan would be an ideal opportunity to lay out the entire vision--the overarching compelling ideas--and identify stages and timelines for implementing specific action plans. It is well understood that an ambitious plan cannot be accomplished all at once, and there is considerable interest in seeing how the parts are connected and understanding how everyone can be part of creating the future.

An opportunity to tie the accomplishments of the past with new challenges and opportunities would be to institute an annual State of the University address which would be open to everyone in the university and broader community. Ideally, the address would occur fairly early in the fall semester.

The major parts of the speech could be a celebration of prior year accomplishments and a description of the agenda for the new academic year linked to the larger context of the vision and new strategic plan. This would be an opportunity to enhance communication and build deeper understanding about the vision among a large group of university and community members who are vitally interested in the success of the university. It is also a “grand public stage” that showcases presidential leadership and the board-president partnership.

The value of a comprehensive presidential review is enhanced by longer-term dialogue about the process and results between board members and the president. Rather than viewing this report as a “one-time” event, the findings and ideas presented in the report might become the basis for on-going discussions and the development of agenda items about the future of the University of Kentucky.

Attachment A

University of Kentucky Comprehensive Presidential Review

List of documents to be used in the review

1. Prior evaluation reports
2. Leadership profile used in the search when President Capilouto was appointed
3. President's current letter of appointment or contract
4. President's Board-approved goals for past 4 years
5. Statements of vision, mission, strategic goals—expectations for planning process
6. Executive summary of most recent institutional accreditation report
7. Selection of key speeches by the president—focus on impact of achieving goals
8. Selection of recent media articles and press releases
9. Recent copies of alumni magazines, fundraising literature, and other publications relevant to established goals and achievements

Attachment B

University of Kentucky Comprehensive Presidential Review

List of groups to be interviewed in the review

1. All member of the Board of Trustees (20)
2. All direct reports to the president (11)
3. Members of the administrative staff (6)
4. College deans (7)
5. Academic department chairs (3)
6. Faculty leaders—from University Senate (4)
7. Staff Senate leadership and staff (6)
8. Undergraduate student leaders (6)
9. Graduate student leaders (5)
10. Donors, community members and government leaders (12)

Attachment C

University of Kentucky Comprehensive Presidential Review

Interview Guide

This is a guide. Questions will not be followed in lock-step and will be posed more informally. Questions and the flow of the interview will be tailored to the specific individual and groups being interviewed.

Introduction, Purpose and Confidentiality Commitment

Greeting and thanks for participating. Share briefly consultant's background emphasizing land-grant experiences and presidency. Describe the purpose of this assessment and discuss the confidentiality of the discussions.

Purpose of the review: Presidents have a large and diverse set of responsibilities. In addition to annual evaluations, it is beneficial to do a more comprehensive evaluation every few years. This provides both the president and the board with perspectives about the effectiveness of their relationship as well as information about the informed perceptions of leaders of major stakeholder groups. I will be talking to both internal and external individuals and groups and will focus on several leadership and management responsibilities. I will also explore institutional priorities and opportunities for the future.

Confidentiality: Thank you for taking the time to meet. We will focus on those aspects of leadership that you are most familiar with. I appreciate your willingness to be candid. If you are not familiar with an area, we will move on. I will be taking notes, but I want to assure you that your comments will be confidential in the sense that they will not be attributed to you. I will use color coded note cards to make it easier for me to pool responses and find patterns across all of the interviews, but I am not using your name on any of my notes.

Any questions before we move on?

General Leadership—questions such as the following will be used to elicit comments.

What can you tell me about major goals institutional under President Capilouto's leadership? How well are the goals being communicated? Do you have a sense that they are being accomplished?

Presidents cannot do everything themselves. How well does President Capilouto develop the senior leadership team? Has he selected strong individuals for key leadership roles? Can you see evidence that he knows how to motivate the team?

Every institution has its unique traditions and culture. What can you tell me about President Capilouto's understanding of history and culture at UKY? Do you know how effective he is at telling the story?

Higher education is highly competitive on many fronts. Has President Capilouto developed ways to make UKY stand out and become more competitive?

What is the commitment to diversity and inclusion? Has the president enhanced these efforts? How?

Academic Leadership—sample questions include the following.

How important is student success under the president's leadership? What initiatives has he put in place to signal the priority about recruiting and retaining students?

The mission of UKY includes basic and applied research. Have you seen examples of the president's leadership to improve the research mission? How has President Capilouto inspired these changes?

Can you describe the culture of faculty involvement in governance at UKY? Has the president supported and built upon the traditions of shared governance?

The institution's mission is delivered by faculty and staff. Do you see evidence that President Capilouto is creating an environment for faculty and staff development and success?

Have there been significant academic program changes (new programs, new outreach initiatives, new research initiatives, new student support programs, etc.) under President Capilouto's leadership?

Management—sample questions are as follows:

In addition to leadership, presidents need to assure that appropriate management systems are in place to deliver the desired outcomes. Have you seen evidence that President Capilouto is effective in organizing and planning to accomplish goals across a broad range of support areas such as HR, IT, finance, capital planning, and so forth?

Does the president create a sense of urgency where necessary and hold others accountable for achieving results in their areas of responsibility?

Has President Capilouto had to make difficult decisions? If so, were they timely and clear and was the rationale well articulated? How would describe the quality of his decision-making?

Have there been examples of crisis management under President Capilouto's leadership? How well were those situations managed?

Finance—sample questions are as follows.

Leading the process of resource allocation is a major part of a president's responsibilities. Please tell me about the process of budget planning and resource allocation at UKY. Is it strategic? Is it effective in your view? Why?

How effective is the president's communication about the overall financial health of the institution? Are there techniques of communication that are especially effective?

Resource management has short-term as well as long-term components. How effectively is President Capilouto building toward long-term financial stability?

Increasing the revenue base is also part of financial management. What has President Capilouto done to build a stronger resource base? State support? Cost containment? Private fund-raising? Other successful approaches?

External Relations and Fundraising—sample questions are as follows.

Tell me about President Capilouto's success in developing relationships with external constituent groups. Does he have credibility with a broad range of external groups? Are some relationships stronger than others? Is he successful when working with the media? Alumni? Local leaders? National organizations?

Has President Capilouto been successful in raising private funds? Tell me about these initiatives and how he has personally cultivated and obtained these gifts.

Board Relations (and Governance)—sample questions are as follows. This topic will not be included unless the interviewee has some knowledge of Board relations.

Does President Capilouto keep the Board informed in relevant and timely ways? Is the focus at the strategic and policy level?

Is there a clear understanding of the responsibilities that have been delegated to the president?
How did you work through the discussion to gain the necessary clarity?

Can you describe the quality of the relationship? Strong relationships are characterized by mutual respect and trust and open communication. Describe how these characteristics are at work at UKY.

What is the overall success of various governance practices as related to the various roles of the faculty, the administration and the board in decision-making?

Are there governance issues that need attention?

Personal—examples of the characteristics and values to be explored are as follows.

Persistence in reaching goals

Listening skills

Willingness to explore other viewpoints

Ability to build consensus and reconcile conflicts

Respect for others

Honesty and integrity

Ability to inspire and motivate others

Summary—this is the opportunity to wrap-up and ask summarizing questions as well as to explore the opportunities for the future.

What have been President Capilouto's greatest accomplishment in leading UKY over the past few years?

What is the single most important suggestion you have for improving performance?

Do you have special suggestions for the president and the board to consider in securing a bright future for UKY? If so, please describe them.

Thank you and please be assured that the confidentiality of your comments will be maintained. I appreciate your willingness to talk with me and value your suggestions and your candor.

Quantitative Survey
Results: 2014 and 2015
Presidential Evaluation
University of Kentucky

Strategy & Priorities

Question	2014 Average	2015 Average
The President is effectively working with key constituencies (i.e. faculty, staff, students, alumni, donors, policy makers, etc.) to identify the strengths, weakness, opportunities, and threats (SWOT) currently facing UK.	6.2	6.4
The President is effectively communicating the strengths, weaknesses, opportunities, and threats (SWOT) UK faces.	5.8	6.2
The President is clearly articulating his strategic priorities and explaining the rationale underlying them.	6.1	6.2
The President's priorities are the right ones for UK today.	6.1	6.0
The President's policies and actions strike an appropriate balance between the short-term needs and the long-term interests of the University.	5.8	6.2

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
 DK – Don't Know

Leadership

Question	2014 Average	2105 Average
The President is creating a learning and working environment that reinforces UK's core values and promotes the teaching, research, and service missions of the University.	5.8	6.3
The President is effectively leading the organization by executing the initiatives and actions associated with his priorities.	6.3	6.3
The President's pace of execution is consistent with the institution's needs and capabilities.	6.0	6.3
The President facilitates a culture of ethical behavior and compliance with University policies and procedures and state and federal statutes and regulations.	6.2	6.5

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
DK – Don't Know

Organization & Team

Question	2014 Average	2015 Average
The President has built an organization (including structure and management systems) that will produce solid strategic and operational performance.	5.8	6.0
The President is building and developing the management team needed to drive the University's future success.	5.5	6.0
The President has engendered a feeling of inclusion from all constituencies that encourages and invites active individual participation in guidance and governance.	5.6	5.6

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
DK – Don't Know

Relationships with Constituencies

Question	2014 Average	2015 Average
The President has established a productive relationship with the Board of Trustees that enables the Board to contribute most effectively to UK's advancement.	6.2	6.2
The President has established credibility with constituencies (faculty, staff, current students, prospective students and their families, alumni, donors, policy-makers, etc.) important to the University.	5.9	6.2

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
DK – Don't Know

Financial Management

Question	2014 Average	2015 Average
The President is demonstrating careful stewardship of UK's financial resources by identifying and setting in motion needed improvements in financial planning and management systems.	6.3	6.5
The President is identifying the financial goals and approaches needed to fund his strategic priorities.	6.7	6.5
The President is taking the appropriate steps toward developing a University-wide system for risk management.	6.4	6.4

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
 DK – Don't Know

Fundraising

Question	2014 Average	2015 Average
The President is committing the necessary time and energy to raise funds for the University.	6.6	6.5
The President has the skills to succeed in fund-raising.	6.7	6.6

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
DK – Don't Know

Future Considerations

Question	2014 Average	2015 Average
The President is positioning the University to make meaningful progress in the next five years.	6.3	6.5
The President is demonstrating the multiple skills necessary for leading the University in the next five years.	6.3	6.5

1 – Strongly Disagree 2 – Disagree 3 – Somewhat Disagree 4 – Neither Agree or Disagree 5 – Somewhat Agree 6 – Agree 7 – Strongly Agree
DK – Don't Know

University of Kentucky Annual Evaluation of the President

The Senate Council assisted in the annual evaluation of President Capilouto by surveying all full-time faculty during a three week period from April 8, 2015 to April 30, 2015. There were 691 responses for an overall response rate of 26.3% and a response rate of 29.8% for non-Clinical faculty. The results are summarized and compared with the results from the 2012-2013 and 2013-2014 survey in the slides that follow.

Response Rate by College

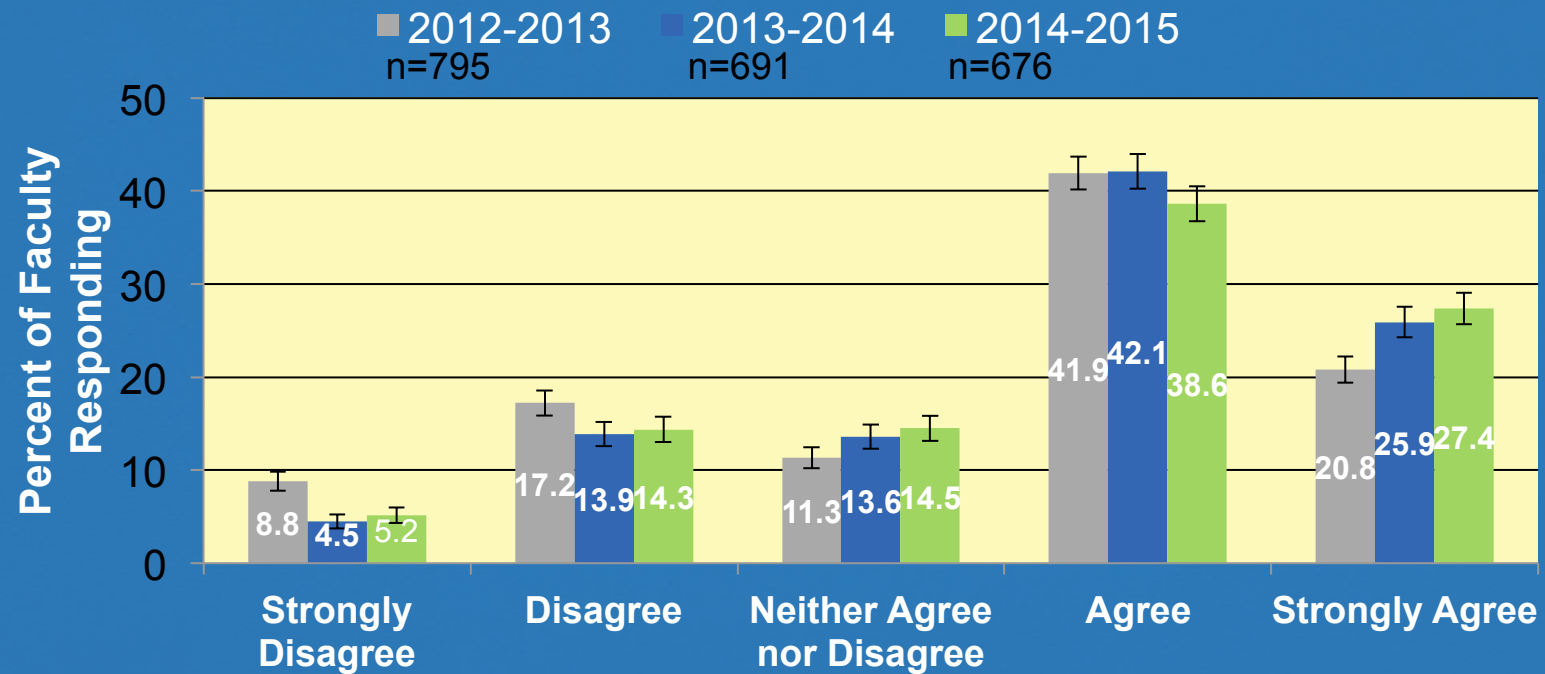
COLLEGE	TOTAL FACULTY	RESPONSE RATE (%)	COLLEGE	TOTAL FACULTY	RESPONSE RATE (%)
Agriculture, Food & Environment	264	27.7	Graduate School	14	42.9
Arts & Sciences	457	30.4	Health Sciences	58	36.2
Business & Economics (Gatton)	86	33.7	Law	37	24.3
Communication & Information	87	33.3	Medicine	915	20.4
Dentistry	62	24.2	Nursing	59	28.8
Design	27	14.8	Pharmacy	63	31.8
Education	120	25.8	Public Health	54	31.5
Engineering	146	27.4	Social Work	26	23.0
Fine Arts	98	27.6			

Response Rate by Title Series

TITLE SERIES	TOTAL FACULTY	RESPONSE RATE (%)
Clinical	554	13.2
Extension	72	22.2
Lecturer	185	20.0
Library	64	34.4
Military	9	0.0
Regular	1359	33.1
Research	83	25.3
Special	305	23.9
TOTAL	2631	26.3

President Survey

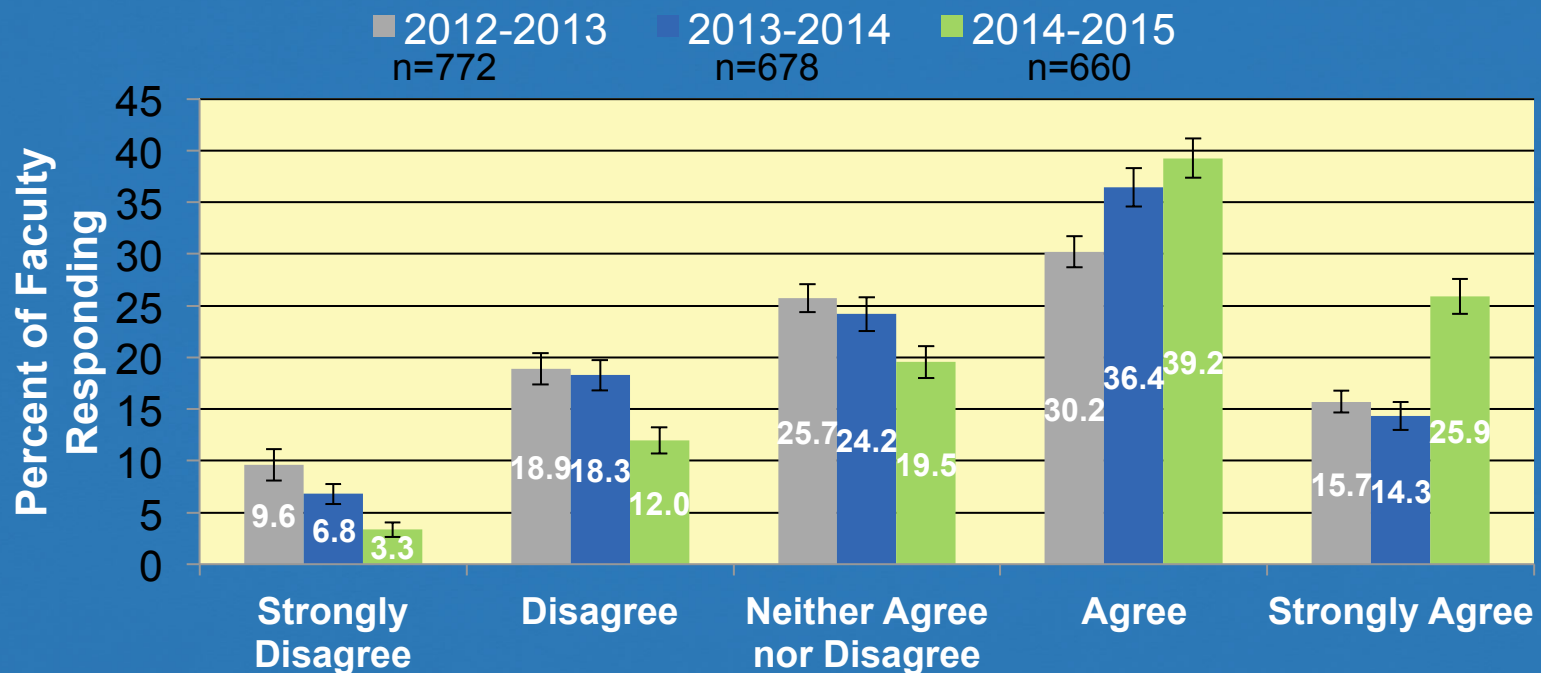
During the 2014-2015 academic year, the President has been effective in:
Communicating his plans for the future of the university



Error bars represent the Standard Error of the observed percentage

President Survey

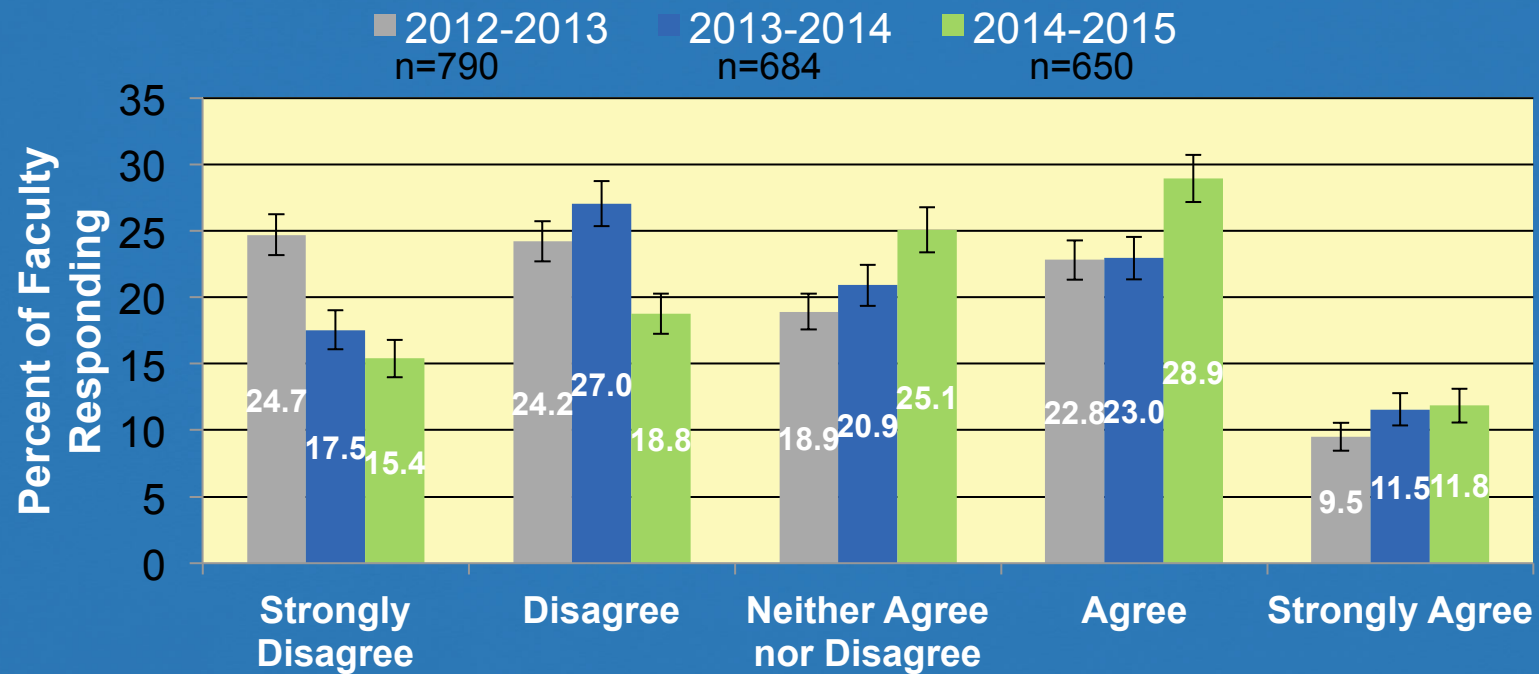
During the 2014-2015 academic year, the President has been effective in:
Generating resources to implement the University mission successfully



Error bars represent the Standard Error of the observed percentage

President Survey

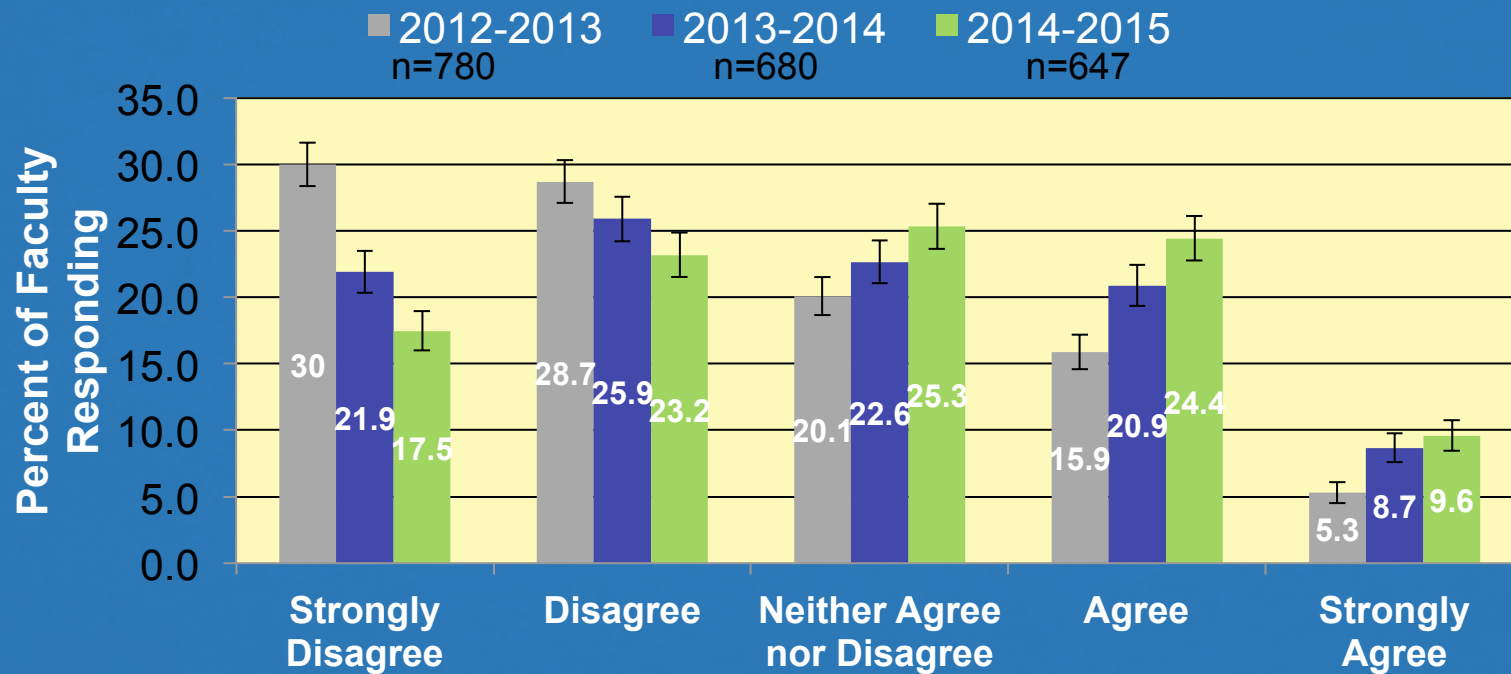
During the 2014-2015 academic year, the President has been effective in:
Listening to faculty concerns



Error bars represent the Standard Error of the observed percentage

President Survey

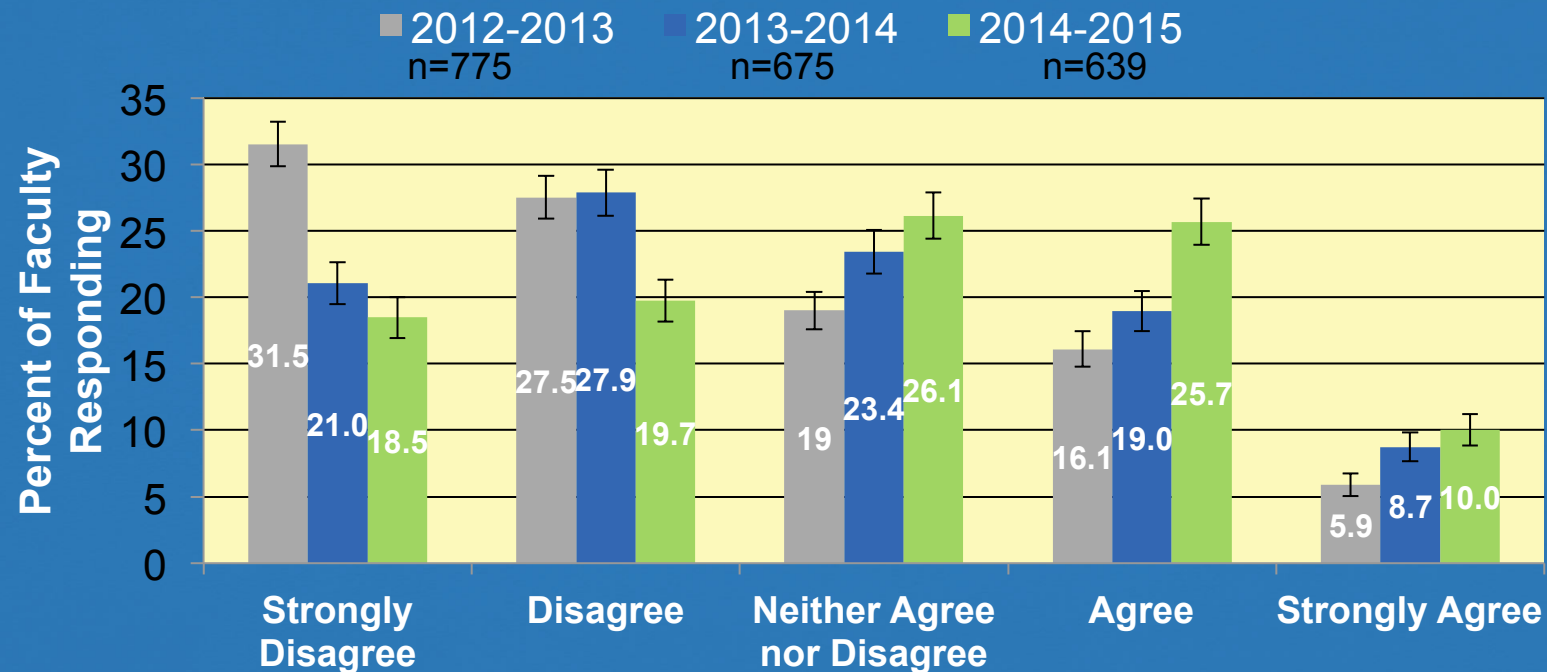
During the 2014-2015 academic year, the President has been effective in:
Involving the faculty in decision making



Error bars represent the Standard Error of the observed percentage

President Survey

During the 2014-2015 academic year, the President has been effective in:
Engaging the faculty in shared governance

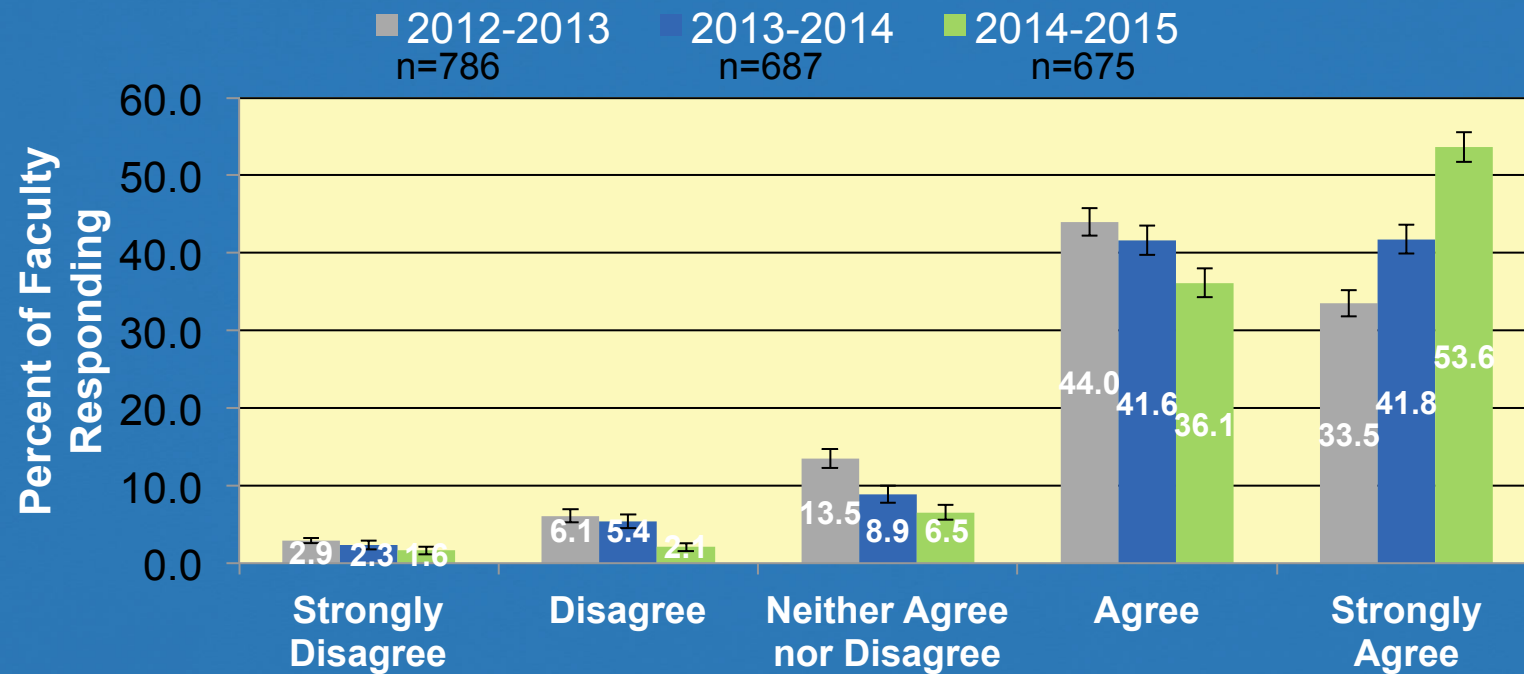


Error bars represent the Standard Error of the observed percentage

President Survey

During the 2014-2015 academic year, the President has been effective in:

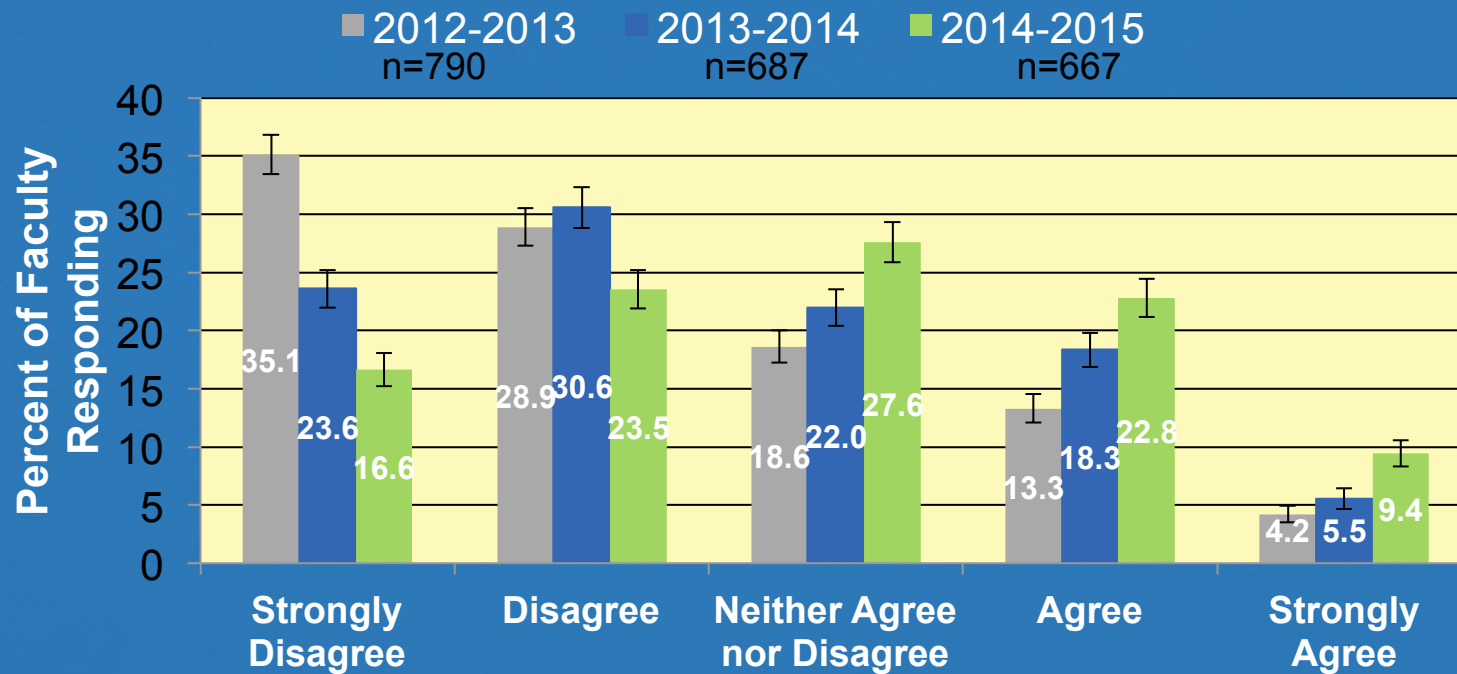
Building campus infrastructure



Error bars represent the Standard Error of the observed percentage

President Survey

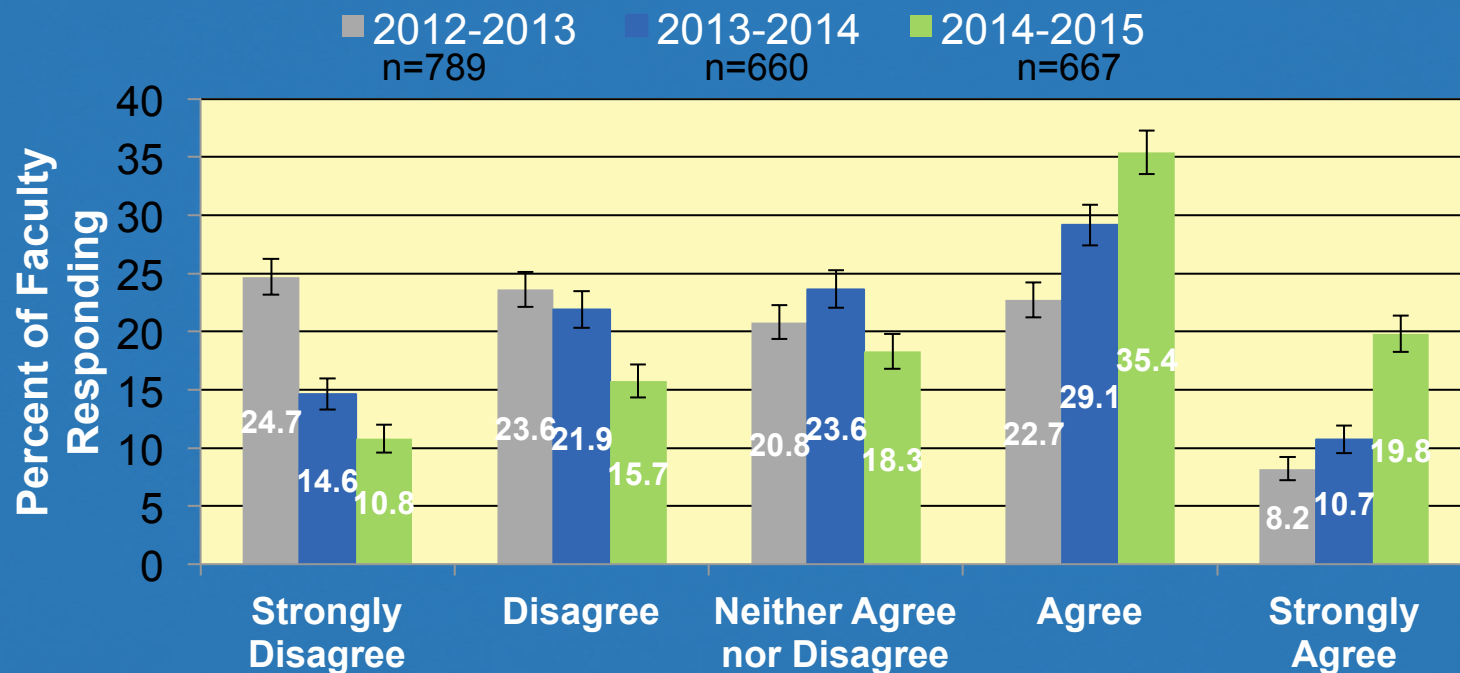
During the 2014-2015 academic year, the President has been effective in:
Building faculty morale



Error bars represent the Standard Error of the observed percentage

President Survey

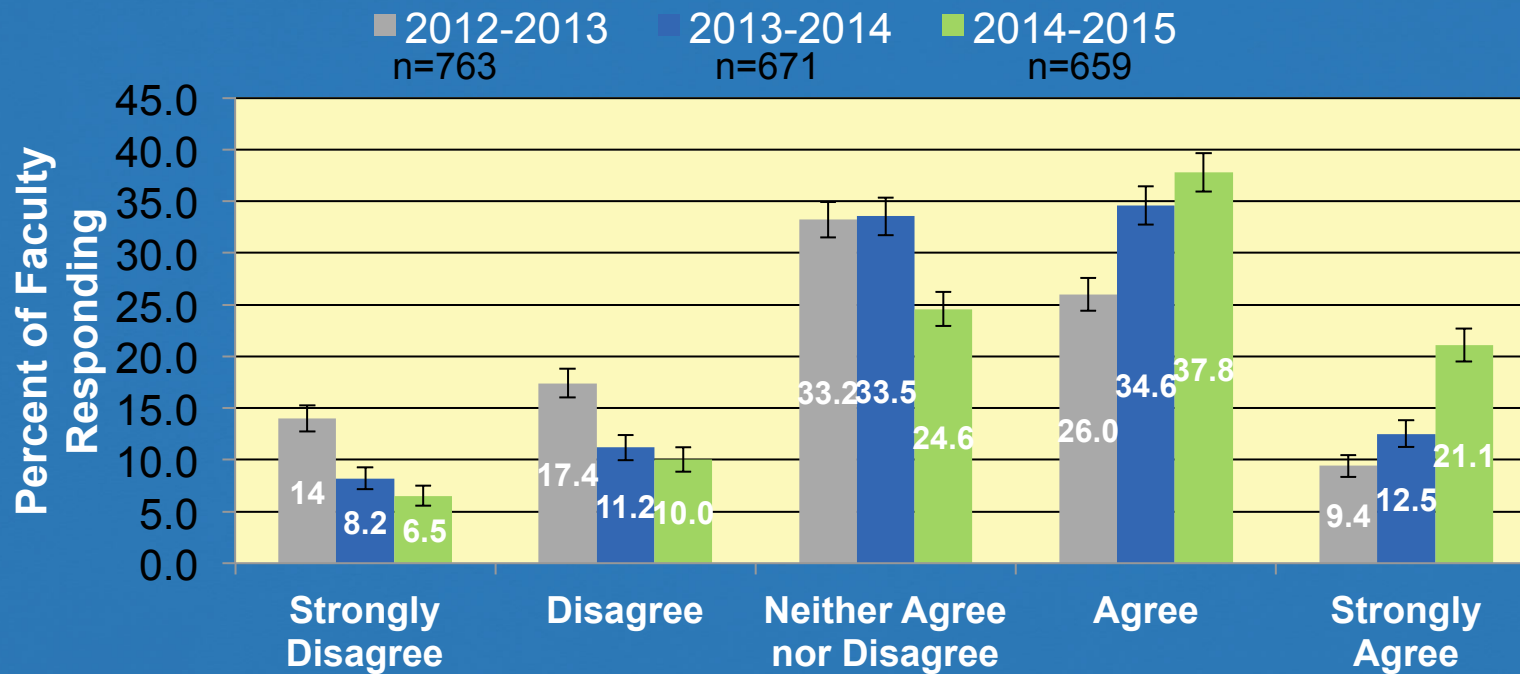
During the 2014-2015 academic year, the President has been effective in:
Fostering confidence in the future of UK



Error bars represent the Standard Error of the observed percentage

President Survey

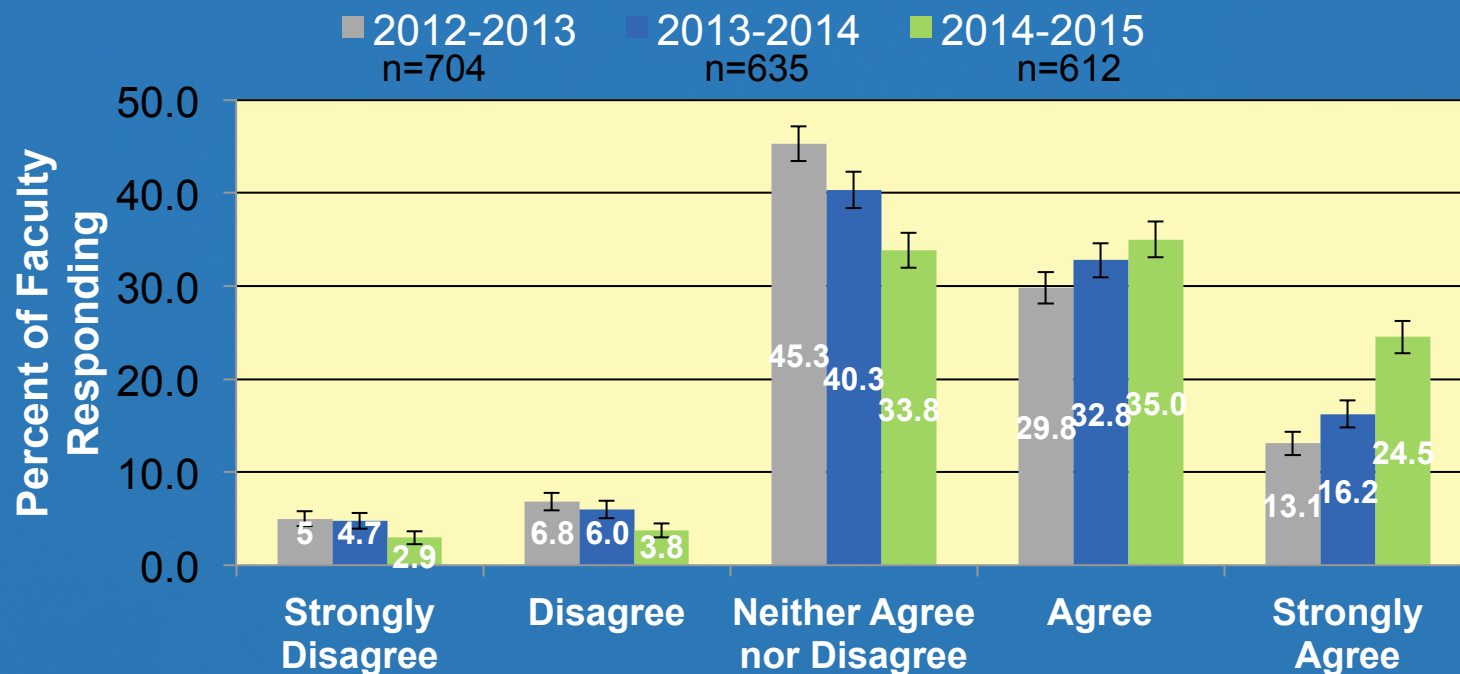
During the 2014-2015 academic year, the President has been effective in:
Fostering a campus environment that is diverse and inclusive



Error bars represent the Standard Error of the observed percentage

President Survey

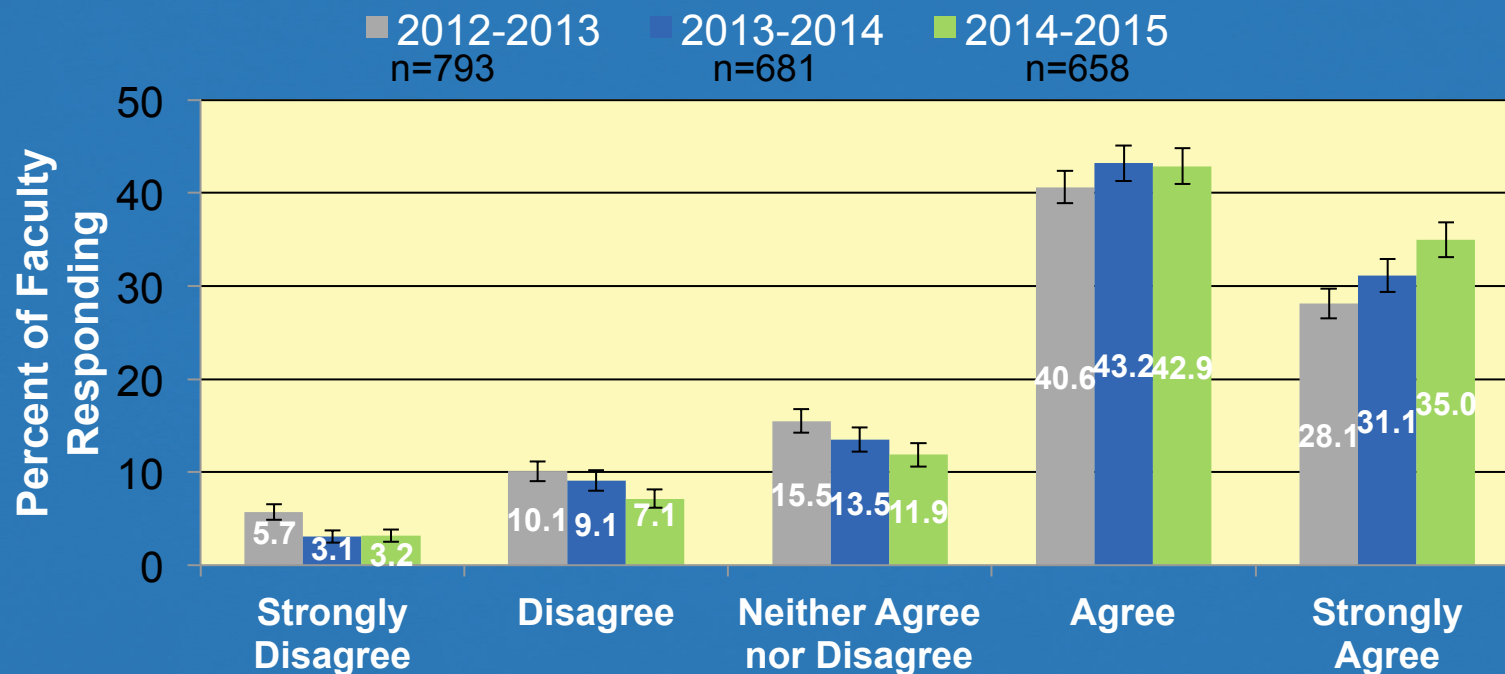
During the 2014-2015 academic year, the President has been effective in:
Maintaining productive relationships with external constituencies



Error bars represent the Standard Error of the observed percentage

President Survey

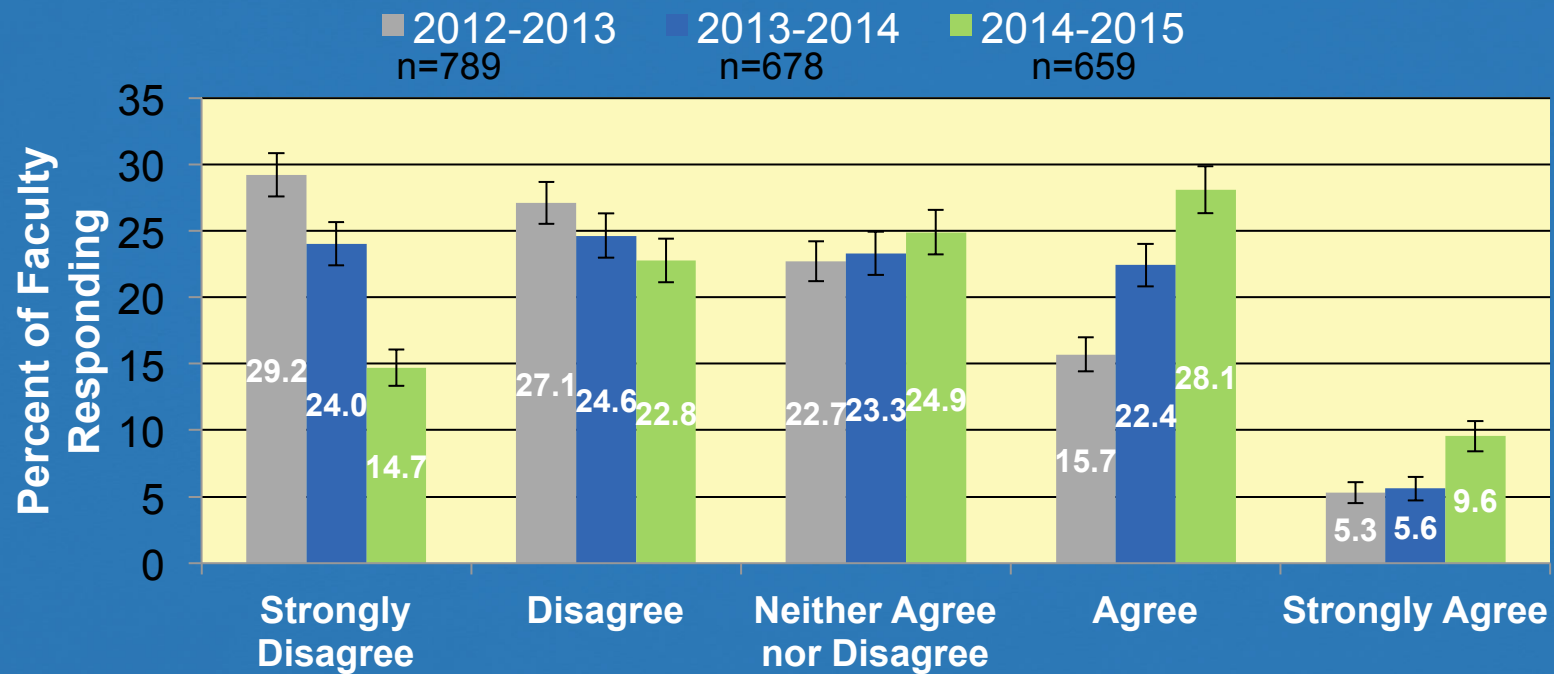
During the 2014-2015 academic year, the President has been effective in:
Supporting undergraduate education



Error bars represent the Standard Error of the observed percentage

President Survey

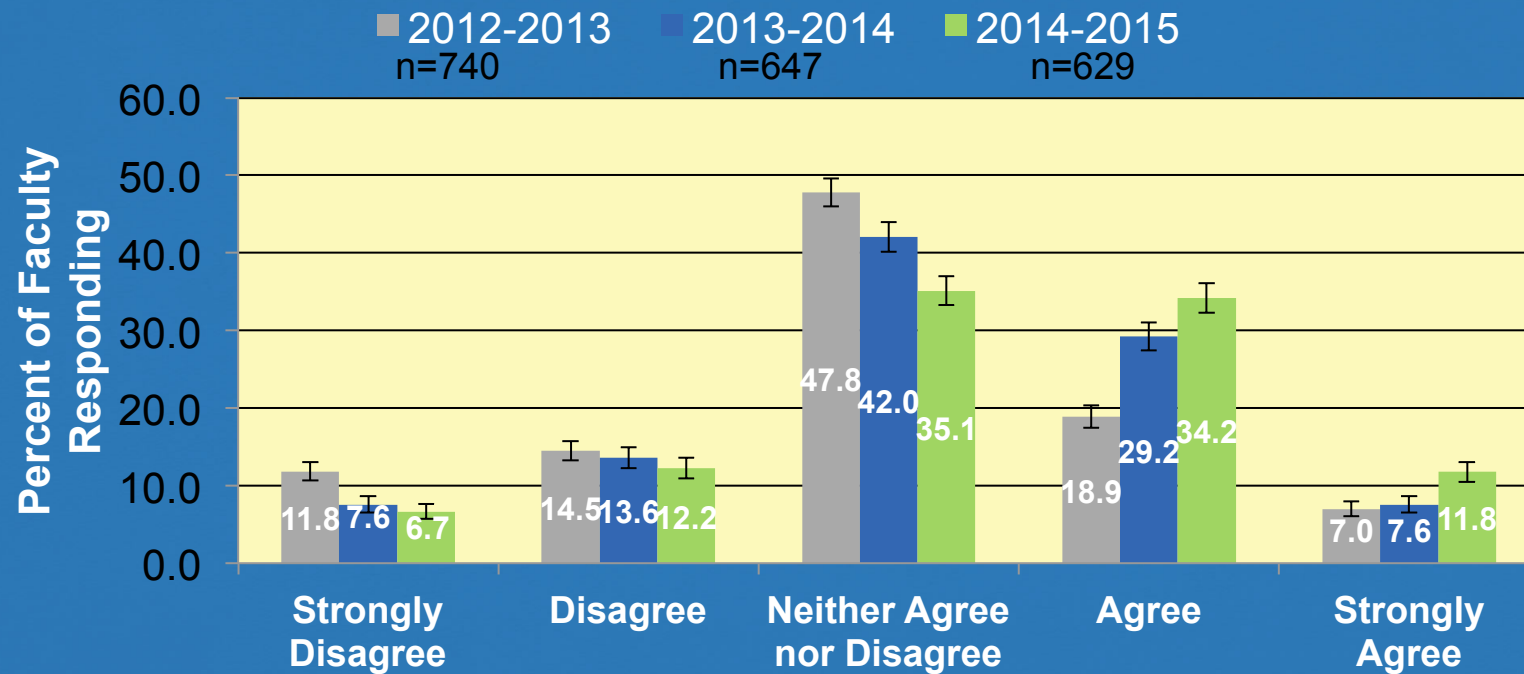
During the 2014-2015 academic year, the President has been effective in:
Supporting graduate education



Error bars represent the Standard Error of the observed percentage

President Survey

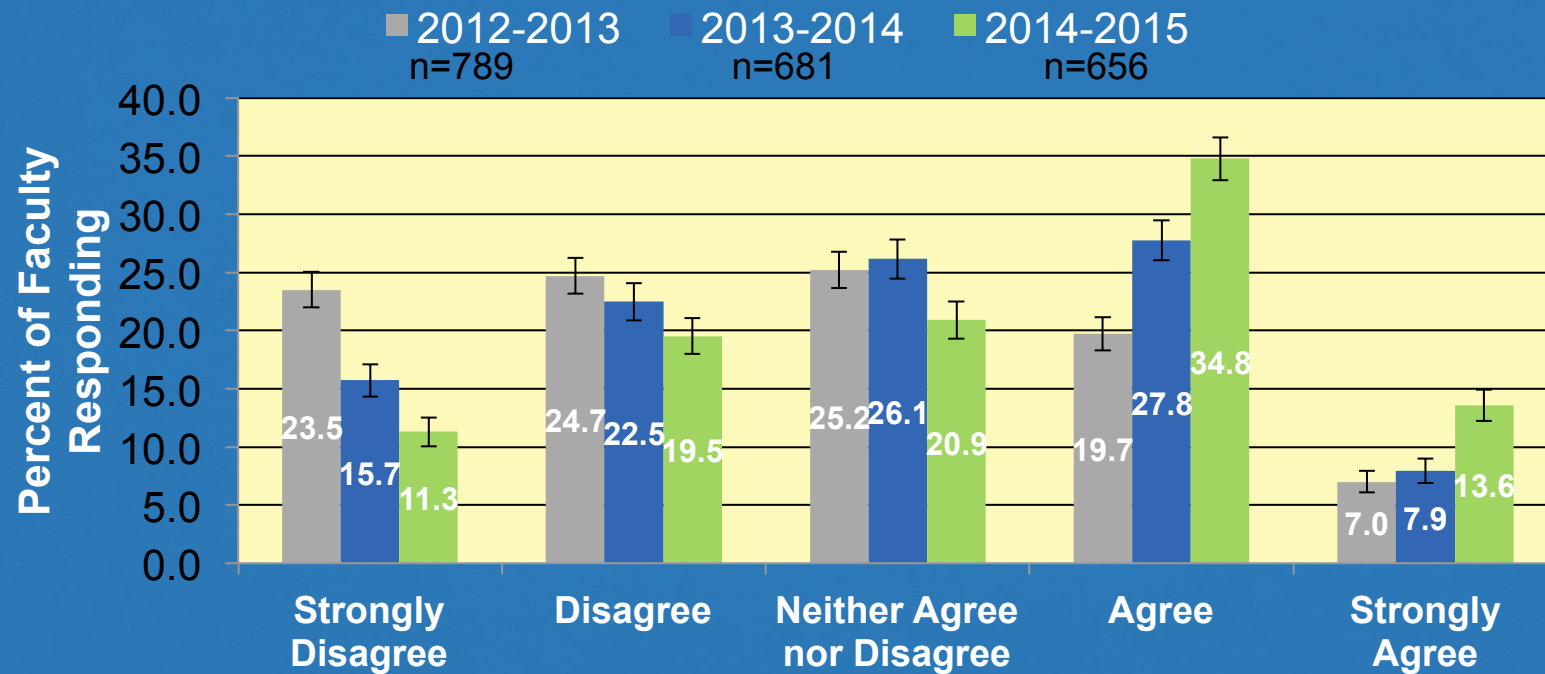
During the 2014-2015 academic year, the President has been effective in:
Supporting professional education



Error bars represent the Standard Error of the observed percentage

President Survey

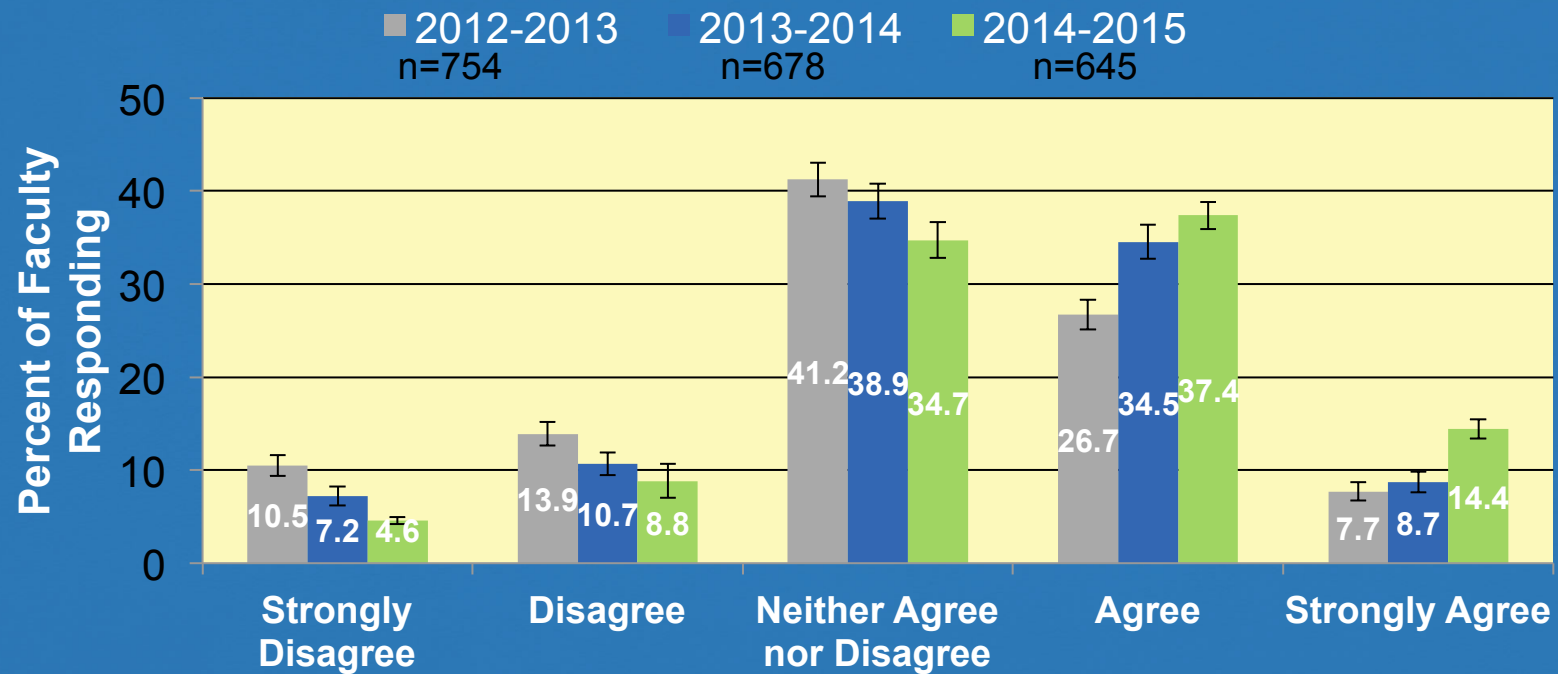
During the 2014-2015 academic year, the President has been effective in:
Supporting the research mission



Error bars represent the Standard Error of the observed percentage

President Survey

During the 2014-2015 academic year, the President has been effective in:
Supporting the service mission

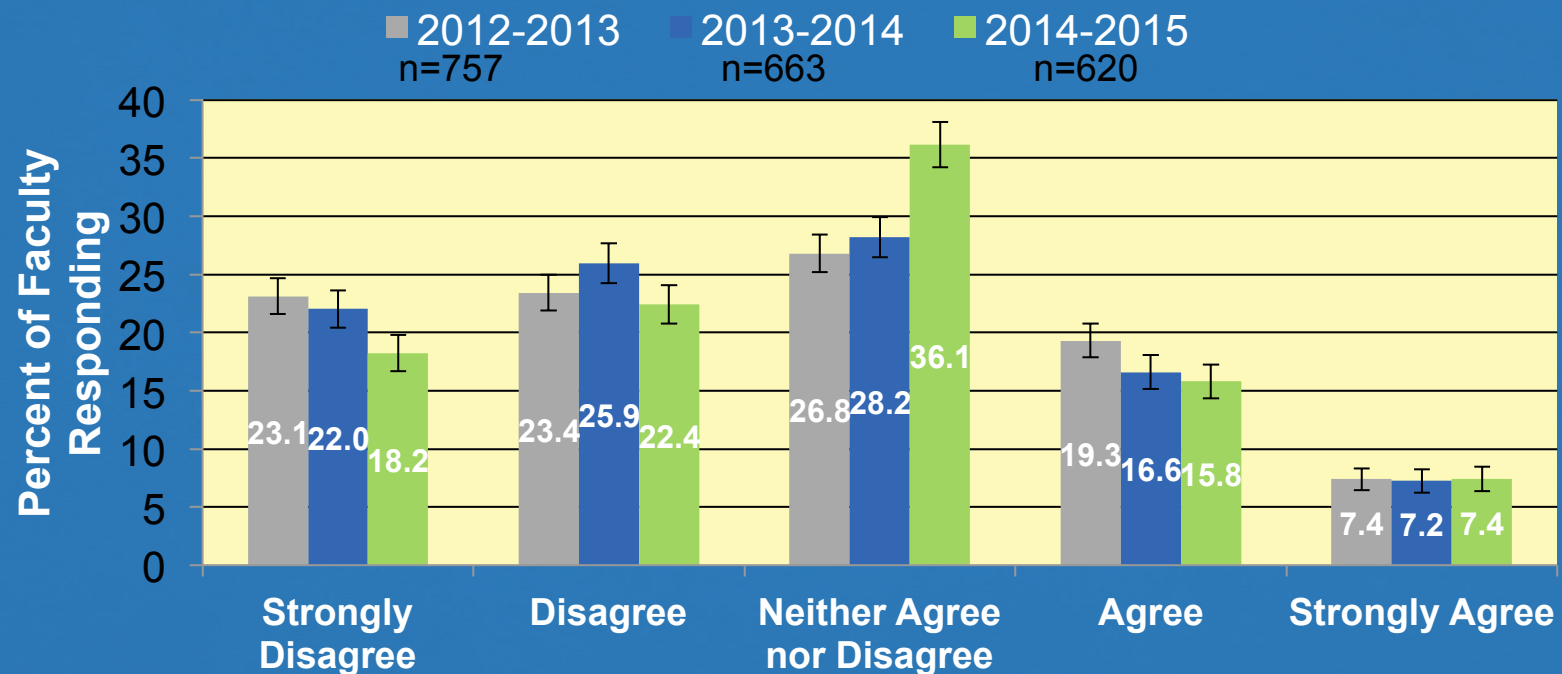


Error bars represent the Standard Error of the observed percentage

President Survey

During the 2014-2015 academic year, the President has been effective in:

Restructuring the administration to be cost effective



Error bars represent the Standard Error of the observed percentage



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May 13, 2015

Dear Chair Gannon,

I submit this self-evaluation in awe and deep appreciation for all those who contributed to our achievements. Our Board, faculty, staff, students, alumni, policy-makers, private partners and donors who believe in us are those to whom recognition is most due.

Challenges remain. New obstacles will appear. Still our future is hopeful and bright because of the steadfast stewardship of those who came before us and those who now have been entrusted with this precious legacy birthed 150 years ago.

Sincerely,


Eli Capilouto
President

Introduction

Nearly four years ago, before a crowded auditorium of university faculty, staff, students, alumni, supporters, friends and distinguished guests, this campus in the cadence of a common voice celebrated the capacity of -- and commitment to -- its multi-faceted mission as Kentucky's indispensable institution. Together, we celebrated past success, but as importantly, began to contemplate a vision and plan for continuing that ambitious work into an unpredictable future.

We defined the special promise manifest in our work - evolving in response to current circumstances while remaining grounded in the University's historic search for knowledge and our role as educators, creators, scholars, pioneers and providers. This overarching vision was reinforced by a University Review Committee comprised of faculty, staff and students who rigorously examined our data and outlined a series of strategic priorities for the future.

These priorities were further clarified and endorsed by our Board of Trustees during successive retreats over the last four years. Their direction and admonitions to us have been intensively and purposefully pursued by the campus community that carries out our important work each day.

Our work thus far can be summarized in several key focus areas:

- The physical and intellectual infrastructure of our campus
- Student success
- Research
- Leadership and personnel

In that time, the University has made substantive progress by acting with thoughtful intent, collaborating with external partners in often innovative ways, and with a sharp focus on positioning the institution to continue as a leader in education, research, care and service for our state and region. The progress we've made is outlined in this self-evaluation with careful reflection on the objectives that remain.

The development of the University's next strategic plan is built on our strengths and progress to date, while also including challenges and priorities where we need to continue and enhance our focus. More work remains in these and other areas to accomplish the vision and mission that we share as a campus family. Our Board of Trustees; work groups comprised of faculty, staff and students; and the strategic planning steering committee identified five priorities for the University, which are refined into a series of specific objectives that offer guideposts for the work that remains. Those priorities are:

- Undergraduate student success
- Diversity and Inclusivity
- Graduate education
- Research
- Community engagement and impact

As we reflect on the past and plan for the future during our sesquicentennial anniversary, we recognize that our success as a campus is built on principles of collaboration, communication, intellectual curiosity and creativity. To be sure, our complex and multi-faceted mission looks different today in many ways than it did in 1865. However, because of the lives we touch and teach, we remain anchored in our mission to serve Kentucky, even as our aspirations and work reach around the globe. Our sense of responsibility to our communities on campus and across the region is resolute. The vision of leading our Commonwealth remains our compass - the soul of a University for Kentucky.

Progress to date

The Physical and Intellectual Infrastructure of Our Campus

Four years ago, the University of Kentucky was blessed with a talented cadre of faculty, staff and students; however, its facilities were “tired” and did not match the quality of its people. An independent study initiated by the Kentucky Council on Postsecondary Education identified more than \$1 billion in deferred maintenance and infrastructure needs throughout our campus, including a backlog of ADA accessibility constraints. At the same time, the traditional model for supporting infrastructure construction and redevelopment would not allow the University to address its need in a timely, efficient and cost-effective way. Our new path would take partnership and creativity, calling the University to collaborate with private partners, donors, and the state while also identifying internal resources through greater efficiency.

In the last four years, as a result, we have completed, initiated and/or been given authorization for more than 89 projects, totaling 4.8 million square feet, to improve facilities related to quality of life, health care, infrastructure, student success and academics - a total of more than \$1.71 billion to rebuild the state’s flagship campus. Specifically, this success was made possible through public-private partnerships with EdR and Aramark; an unprecedented level of philanthropic support; a collaboration with UK Athletics to support the academic mission; and a commitment from the state legislature at critical junctures.

Moreover, these projects are being guided by a Master Plan that balances community space, the natural landscape and a dynamic transportation/parking plan, for which much work and planning still remains. But priorities have been more than bricks and mortar alone. The crucible of this strategy was born in the extraordinary talent already on campus. We are designing campus spaces that foster community and integrate shared space where faculty, staff and students can learn, discover and work together.

At the same time, we’ve invested in faculty and staff support systems and continuous learning programs. Guided by the outcomes of the Review, Rewards and Retention (R3) Committee, the Office of Faculty Advancement continues to work on leadership development programs such as the “Chairs Academy;” review policies on tenure and promotion; and support a healthy work/life balance, among its regular duties and other strategic priorities. To support the careers of our staff, the University developed a new online evaluation system and manager training programs to improve and provide meaningful feedback as part of the performance review process.

We also recognize that recruiting and retaining top talent requires rewarding that talent in a continuous and consistent fashion. In the last two budget cycles, the University instituted two merit-based salary pool increases; five percent in FY2013-14 and two percent in FY2014-15. Another similar pool is planned for the coming budget year. We also made a concerted effort to minimize cost increases in benefits and parking.

Student Success

The number of applications to the University of Kentucky has increased by 70 percent since 2009, surpassing 20,000 for the first time for Fall 2014. This exceptional growth signals the University is a first choice for Kentucky students and a growing brand in our region and target markets. Over the last several years, we have witnessed exceptional improvement in our first-year class. Each class has grown in size, quality and diversity - three challenging measures to move at the same time. In Fall 2014, our first-year class surpassed 5,000 students for the first time and represented the largest cohort of out-of-state students ever - further substantiating our growing reputation.

We've facilitated substantive increases in the number of African American, Hispanic and International students on our campus. We recruited 289 National Merit, National Achievement and National Hispanic Scholars in the last three years, placing the University among the top 10 public universities.

To support their success, we've expanded opportunities for new and returning students to live on campus through our partnership with EdR. To date, seven residence halls have opened. In Fall 2015, Phase II-b will come online with the completion of the Woodland Glen neighborhood, and Phase II-c will be completed in Fall 2016. To augment our capital investment, we've grown the number of Living-Learning Programs in our residence halls to build community and further link the classroom with where our students live and socialize. We've invested and encouraged participation in programs like undergraduate research, Education Abroad and the Honors Program. The University's early engagement with eLearning initiatives was designed to support student success. Our first partnership with Coursera -- unlike many across the country -- is focused on helping high school students prepare for success in college-level Chemistry. We are engaged in both technology-rich data analysis and personal outreach to improve retention levels across campus.

Equally important to student success is a safe campus environment, and the University has invested approximately \$5 million to add cameras, key-card access systems, and personnel in our Police Department and Counseling Center. These upgrades are critically important for students, faculty and staff to prosper in their work.

Finally, to balance the financial needs of the University with affordability and access for our students, the University limited student tuition increases over the last few years to what is now the lowest levels in the previous 15 years: three percent in FY2013-14, five percent in FY2014-15, and a planned three percent in FY2015-16. Additionally, the University has increased its investment in financial aid by \$18 million in the last two years - a commitment we will continue in the upcoming budget cycle.

Our multi-pronged approach to student success balances academic needs with social support systems, while recognizing that students attend and succeed in college for various reasons.

Research

The University is one of 22 institutions in the nation to hold the prestigious triple-crown of federal research designations: The Clinical and Translational Science Award, National Cancer Institute-designation, and an Alzheimer's Disease Center funded by the National Institute on Aging. To build on our excellence in health research that address the myriad public and clinical health issues in the Commonwealth, the University recently received approval from the state legislature to build a \$265 multi-disciplinary health science research facility. The facility - financed with \$132.5 million from the state and \$132.5 million from various University resources - will be located near the College of Pharmacy and current Biological Biomedical Sciences Research Building to further develop promising synergies in related areas of research. The goal is to identify teams of researchers focused on Kentucky's most pressing issues across an array of disciplines. It is equally important that we leverage external support for research as we make decisions about allocation of space.

We also recognize that the University's research enterprise extends beyond health sciences to the social and physical sciences, liberal arts, engineering, design, humanities and a growing area of significance in energy utilization. We've begun to lay the groundwork for supporting all the manifestations of research - basic, applied, translational, and creative - at the University of Kentucky.

Leadership and Personnel

The University recruited and welcomed several senior leaders who have helped establish and direct an ambitious agenda. In doing so, we've looked to hire and retain talent that brings with them a diverse collection of backgrounds, experience and expertise to benefit the institution. Over the last several years, we've welcomed a new Executive Vice President of Finance and Administration, General Counsel, Provost, Vice President for Research, several deans and vice-presidents, as well as new leaders in our athletics programs.

Yet, there is still work to be done. We must - and will - identify someone to lead our Office of Institutional Diversity to build on our previous work.

We will also continue search processes that are in various stages of implementation or about to begin for the colleges of Dentistry, Design, Medicine, Pharmacy and Public Health.

A President is only as strong as his campus allows, and those who help lead these priorities - alongside our faculty and staff - share in the success we've enjoyed over the last decade. It is because of their tireless effort that the University is advancing on several fronts.

Additional Considerations - UK Athletics

The University is fortunate to have one of a small number of collegiate athletics programs in the country that is self-sustaining and contributes an increasing level of financial support to the institution. UK Athletics is financing \$67 million of an academic science building on our campus, and continues to share royalties, reimburse operations and maintenance expenses to the institution, and provide financial aid for some 500 student-athletes.

UK Athletics continues to perform at a high level on the field, in the classroom and in the community. Sixty-three student-athletes were named to the 2014 Fall SEC Academic Honor Roll - second in the conference - and all programs continue to perform at a high rate on the APR. This year marked the fifth consecutive semester of a department-wide GPA of at least 3.0, and Wildcats find new ways to serve communities both near and far.

Because of this sustained success, UK Athletics is one of the strongest programs in the country and recently reached its ambitious 15x15x15 Plan. The plan, set in 2008, challenged the department to finish in the top 15 of national all-sports standings, win 15 conference or national championships and achieve a 3.0 department-wide GPA by 2015.

UK Athletics also has built a determined record of excellence in fidelity to NCAA regulations.

Additional Considerations - UK HealthCare

UK HealthCare continues its high achievement across a spectrum of measures. High clinical activity recently surpassing 36,000 discharges, growing partnerships with community affiliates across the state and region, and new research partnerships and clinical trials are solidifying UK HealthCare as a leading academic medical center. Last year, the University received approval from the state legislature to continue the fit-out of the new Chandler Medical Center, a new neonatal intensive care unit and necessary infrastructure upgrades. Further, UK HealthCare was approved for additional patient beds to meet the growing demand for subspecialty care, and its early partnership with Eastern State Hospital is strong.

The growth in UK HealthCare is providing substantial economic returns for the region while serving more patients and families close to home. The clinical growth and recruitment of world-class clinicians and researchers is empowering UK's research enterprise. In Standard and Poor's (S&P) recent bond rating upgrade ("AA-" to "AA") of the University, S&P said UK HealthCare, "is gaining national recognition for clinical care in a number of disciplines... In addition, the health system enjoys generally rising patient utilization and increasing health services market share as it continues to draw more patients from a wider area for its services."

External Affirmations of Our Work

Perhaps our greatest markers of success are the concrete representations of others' trust in us. Our enrollment management research indicates growing brand identity for quality among prospective new students. Private partners like EdR, Aramark and scores of other companies

both big and small recognize our campus as a place to invest considerable time, resources and launch new pilot programs.

At a time when other major research universities are experiencing stagnant enrollment and finances, often accompanied by negative ratings outlooks, an upgrade from S&P is a strong endorsement of our direction. In their report, S&P cited our increasing enrollment, revenue diversity aided by UK HealthCare, strong financial performance and a low debt burden as strengths for our future.

Equally profound is the support of long-time donors and friends of the University and the many new supporters joining their ranks. Philanthropy from individual donors now accounts for more than 70 percent of total charitable contributions nationally on an annual basis followed by donations from foundations, corporations and bequests. Patterns at UK mirror these national trends.

Donors have been involved with critical infrastructure projects, support for financial aid, academic programs and colleges, promising initiatives across the institution. They share in our passion for students, our faculty, staff and the service we render across the state.

Looking To the Future

In the wake of the First World War, University of Kentucky President Frank L. McVey believed that the university needed to be viewed, “as more than an economic asset. It served, in fact, as an essential component of the well-being of the state, and in that position it needed to be free to seek truth.” In his words, he concluded that, “what will save this nation after the war are the universities.” President McVey was faced with a profoundly different world than the one in which the University was established. As we celebrate our 150th anniversary this year, we, too, face a new and unpredictable world. Like no other place in this Commonwealth, our university impacts lives and helps chart the future for our state and for thousands upon thousands of lives.

As we examine challenging choices and look to build upon current successes, our upcoming strategic plan offers essential guiding principles that keep us rooted in our tradition of teaching, research, care and service while recognizing and celebrating our evolution since 1865. Without question we've made progress, but more work remains if we hope to be one of the thriving, residential research universities of the future.

Undergraduate Student Success

As outlined, the University has been successful in recruiting historic first-year classes with high levels of quality and diversity. We will continue focusing on the goal of being the University of choice for qualified prospective students at all degree levels.

At the same time, we must focus on student success. A key priority will be improving our retention rates, because too many UK students leave the University without a degree. It is our chief purpose as a university and moral responsibility to fulfill our obligation of providing a high-quality education to those who are admitted and enroll at UK. We must resist the tendency

to blame the students for gaps to date, and instead look honestly at how we help them succeed. Through deep data analysis, we will identify areas for improvement and focus resources on proven practices. To support this priority, we will continue to recruit, retain, reward and support faculty; develop innovative learning techniques and classrooms; enhance and expand learning opportunities unique to a research campus; and provide the necessary social support mechanisms to ensure our students' success.

Important to this work is the recognition that a graduate's measure of success should extend beyond their career. We must - and we will - develop graduates who are able to navigate both the economic and cultural dynamism of a global community. This will require a focus on fostering a diverse and inclusive environment on campus, and providing academic programs and cultural experiences that expose students to a rich tapestry of backgrounds and beliefs.

Diversity and Inclusivity

Headlines in major newspapers and leading industry periodicals are replete with unfortunate examples of higher education's challenge in creating diverse and inclusive campuses. The University of Kentucky is no different as we have faced past incidents of racism, hate-filled rhetoric and a lack of inclusivity for the campus family. To that end, we can do more to ensure this is a safe and welcome environment for all Wildcats.

We have a responsibility to our people - especially our students - to expose them to new and sometimes challenging ideas. Half of the US population lives in 146 counties, and by 2060, Caucasians will be in the minority of 43 percent of the US population. At the same time, the effects of globalization and technology are drawing our world closer together. Never has a holistic exposure to the diversity of this place and our global community been more necessary. This type of education should exist in the classroom, extracurricular activities and be both productive and fluid in our campus conversations throughout the year.

That richness should be manifest in our campus family, both students and our workforce. More can be done to improve both, but recruitment alone is not enough. We must create and ensure a safe, welcoming environment for discourse and shared experiences, which requires a healthy coordination of support services. Those in decision-making roles - from the administration to faculty/staff to search committees - should have an equal share in this effort.

We do a disservice if we do not prepare our students for an increasingly complex world, and act as leaders in our state and community for developing a more tolerant and - as important - more understanding university.

Graduate Education

As a research university, the health of our graduate programs is a signature part of our campus and a strategic priority in our mission. More focus needs to be placed on improving the quality of our graduate programs and emphasizing areas of distinctiveness for our campus. The goal of all graduate programs is to prepare distinguished scholars in all disciplines and future leaders in academia, public service and private enterprise. However, the landscape of graduate education is

changing. Fewer traditional pathways into academia exist, while professional opportunities for graduate degree recipients continue to evolve. We need to position the University to respond to these changes, while maintaining the quality and integrity of our work.

This will require us to reassess how we fund, manage and enhance current programs. It will require us to recruit and retain quality candidates and find balance for their work on campus. Our programs should balance teaching opportunities with individual coursework and research, and not place an undue burden on graduate students as part-time instructors. We must provide an enriching experience for graduate students that yields top placements beyond graduation.

Research

This past spring, the University took a major step toward addressing its research facility needs to continue growing our research enterprise. The next - and, in many ways, more challenging endeavor - is to foster interdisciplinary collaborations to address questions that confront our state, nation and world. This will require the recruitment of top talent and a focus on building connections across colleges and departments. While quality space is a key component of this effort, we must also provide the mechanisms necessary to retain and develop promising scholars and closely link success in research and graduate education.

At the same time, we must celebrate and support the full spectrum of discovery and creativity alive on our campus, and the way in which that work informs and supports the student experience.

Community Engagement and Impact

Equally important is the impact of this work on the communities we touch. Our status as a land-grant institution and our mission as a research university are not contrary, rather they call on us to engage in meaningful scholarship and translate those outcomes in to practical application. The University has a presence in all 120 Kentucky counties; we have 170 clinical outreach practices and linkages to some 4,300 patient beds across the region; and we have active research grants in all corners of the state, including more than 300 in Eastern Kentucky alone. In unique and promising ways, our campus is the Commonwealth.

Though we are rooted in our history as a land-grant institution, the meaning of the engagement has evolved since 1865. Recently, the University was named a Carnegie Engaged Institution for the incredible work our students, faculty, departments and colleges carry out every day. We must find ways to reward and encourage impactful service that is sustainable and aligns with our mission and vision.

Conclusion

The last several years have provided and extraordinary privilege to Mary Lynne and me. It remains a pleasure to work alongside a deeply devoted campus community with an inspiring commitment to teach, discover and serve and heal others. When we first visited this campus in April 2011, we both felt a powerful sense of place and purpose permeating every part of the

University. In that time, we've grown to love this place more deeply as our home. We are proud to play our role in the long history of this transformative place.

Going forward, as the vision in our strategic plan articulates, “as Kentucky’s indispensable institution, we transform the lives of our student sand advance the Commonwealth we serve through our teaching and learning, discovery and research, provision of healthcare, diversity and inclusion, and deep community engagement.” This is our enduring commitment as a University for Kentucky.