

Minutes of the Executive Committee of the Board of Trustees of the University of Kentucky, Tuesday, September 11, 2012

The Executive Committee of the Board of Trustees of the University of Kentucky met on Tuesday, September 11, 2012 in the Board Room, 18th Floor Patterson Office Tower.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Executive Committee, called the meeting to order at 11:15 a.m. and called the roll.

B. Roll Call

The following members of the Executive Committee were present: E. Britt Brockman (chair), Pamela T. May, Terry Mobley, James W. Stuckert, and Barbara Young. Dr. Brockman reported that a quorum was present.

C. Approval of Minutes

Dr. Brockman said that the Minutes of the July 31, 2012 Executive Committee meeting had been distributed and asked for any corrections or comments. Mr. Stuckert moved that the minutes be approved. Mr. Mobley seconded the motion, and it carried without dissent.

D. Presidential Evaluation Presentation

Dr. Brockman began by thanking each for the role they played in this process. He continued that “from the beginning of the search process, to the final stages, through President Capilouto’s first year and this evaluation process, each of you have given your time, skill and insight to me and to this University. Your commitment and contribution has been invaluable and I am deeply appreciative.”

Dr. Brockman continued with his report as follows:

“On July 23, 2012, I received the final report of President Eli Capilouto’s first year from Dr. David Hardesty, President Emeritus of West Virginia University.

Broadly speaking, the President’s evaluation was positive and his actions, priorities and leadership were highly praised. As with any report, though, areas for improvement and future considerations were also included.

This morning, I will share with you the process over the last several months and the results of our evaluation.

To begin, I’d like to share with you the timeline of the evaluation process. When did we begin, what was involved and how did we get to the point where we are today?

On July 1, 2011, Dr. Eli Capilouto begins tenure as 12th President of the University of Kentucky. Pursuant to Governing Regulation II, the President's contract requires that 'an annual performance evaluation be performed.. The exact language of GR II E. states " the Executive Committee shall serve as the performance review committee for the President. The Executive Committee shall involve the entire Board of Trustees in this evaluation and shall also solicit input for the executive committees or executive councils of the University Senate, Staff Senate, and Student Government Association."

On March 27, 2012, the Board of Trustees approved CR1 – the "Proposed Process for the President's Evaluation."

On May 8, 2012, the Executive Committee approved an outside facilitator, survey questions and constituent groups that would be contacted as part of this process. I'll explain this in greater detail a little later.

Dr. David Hardesty, the outside consultant we retained to facilitate this process, conducted on-campus interviews during the week of June 18.

As part of this process, President Capilouto submitted a self-evaluation on June 19.

On July 28, the Executive Committee received the final report from Dr. Hardesty and approved a motion to bring it before the full Board during the September meeting, which brings us to today.

As far as the process, the President and I outlined the categorical dimensions that would be addressed in the survey. We outlined constituent interviews and his self-evaluation. An equal number of representatives from the following constituent groups were asked to participate in the survey and the interview process. These groups included: the University Senate, the Staff Senate, Student Government Association, Alumni Association, senior administrators, elected officials, donors, and state and local community leaders.

Constituent surveys

The Chair along with Members of the Executive Committee, in consultation with the President, agreed on a set of interview questions. Forms were designed and distributed to all Board members and a number of constituent representatives, which were pre-selected by the Board for the consultant. Questions drew attention to the following areas: 1. Strategy and Priorities, 2. Presidential Leadership, 3. Organization and Team, 4. Relationship with Constituents, 5. Fiscal Management, 6. Fund raising, and 7. Future Considerations.

Constituent surveys had both a quantitative and qualitative assessment component. Respondents were asked to rate the President's performance on a scale of 1 to 5, with 1 being the lowest possible score and 5 being the highest. The average score on the survey was 4.3.

The qualitative component allowed for voluntary comments to be made with respect to each category, rather than to each question.

Thirty-three forms were collected and shared with the consultant shortly before and after his arrival on campus. The forms did not contain the names of the persons who completed them, and the status, such as trustee, student, faculty, staff, etc, was not disclosed.

Constituent interviews

The consultant interviewed 45 people on campus and by telephone during the week of June 18. The open ended responses from the quantitative assessment helped inform the Consultant as to the questions that he would ask during the interview process. They were interviewed for an average of 30 minutes and asked, among other things, for an overall assessment of the President's performance.

The average response to the question from all interviewees was approximately 4.4. Over two-thirds of those interviewed gave the President a numerical rating of 4.5 or above.

President's self-evaluation

The final component was the President's self-evaluation, which was submitted to me following the June Board meeting. The assessment provided a detailed report of his work, quantitative measures of his efforts and several qualitative statements by him as to what he set out to achieve in his first year.

Regarding the outside consultant, as I mentioned, we retained Dr. David C. Hardesty, Jr. of West Virginia University during our March 27, 2012 Executive Committee meeting.

He served as President of West Virginia University for 15 years and remains a member of their College of Law faculty. His extensive CV and experience made him especially qualified to fill this role.

Results and Recommendations

Upon completion of the surveys and subsequent constituent interviews, Dr. Hardesty summarized the feedback within the framework of the original seven areas. Respondents were asked to provide their assessment of the President's good characteristics and areas in which he could improve.

Leadership

Most respondents believe that we have the 'right leader for tough times.' Many believe that, at least in the short term, the realities of the 'new normal' are here to stay and that if UK is to lead our state, we must create our own future – as Dr. Capilouto says, 'We must earn our way.'

Relationships with Constituencies

That spirit of collaboration and transparency is the result of a concerted effort to listen across UK's campus, the state, region and nation. Before he arrived more than one year ago, President Capilouto began meeting with faculty and staff. He continued his listening tour by visiting every college and academic unit, student organizations and classes, the University and Staff Senates, faculty roundtables and staff breakfasts.

He has further developed his relationship with constituent groups by meeting regularly with state and local elected and appointed officials – building a strong rapport with chief policy makers and key community leaders. Respondents praised him for his student centered initiatives, primarily residence hall construction, recruitment, undergraduate education and the Honors Program.

Strategy and Priorities

Because of the President's success in these areas, we have set forth, together, with shared priorities. Dr. Capilouto's strong emphasis on undergraduate education, growth in order to improve revenues, innovative financing mechanisms, campus improvements and other initiatives, were largely understood and recognized as needed by respondents.

Athletics was praised as a strong source of branding for the institution. The President was advised to keep a close eye on operations and, of those who mentioned it, was praised for his decision regarding Rupp Arena and the reorganization of Athletics' oversight with the establishment of a Board committee.

There is some concern over the pace of change, citing specifically recent layoffs. The one percent reduction prompted a number of comments ranging from 'not enough time to digest things' and 'moving too fast' to concerns about campus morale. However, in some cases, respondents noted the action's necessity. Respondents also felt there was a lack of clarity on the process and called for better Human Resources training. The impact was not seen to be uniform, though respondents' assessment seemed to depend on the unit to which the respondent was attached or the role of the respondent. Additionally, some respondents expressed the importance of finding the right balance between layoffs, tuition increases and raises.

President Capilouto has said many times that the future of the University and of the Lexington community is intertwined. The President was urged to keep the needs of its host community in mind when making decisions that impact Lexington, such as the placement of facilities and development of a new master plan. A few respondents also urged the President to keep the needs of other regions in mind as Kentucky's land grant university and noted the ascendancy of other universities in the state.

In the midst of these concerns, most share the view that, as one of the respondents said, 'his strategic plan is right on the button.'

Financial Management

In order to reach these priorities and fulfill the commitment to our Kentucky Promise, the President was praised for financial management and innovation.

Ninety four percent ‘Strongly Agree’ or ‘Agree’ that the President has instilled financial goals and approaches needed to fund strategic priorities.

Eighty one percent ‘Strongly Agree’ or ‘Agree’ that the President has demonstrated careful stewardship of UK’s financial resources by identifying and setting in motion needed improvements in financial planning and management systems. Dr. Capilouto as one respondent says, ‘knows his numbers.’

The public/private partnership with EdR, the new financial system of accountability, his focus on long-term planning and priority of minimizing the impact that recent budget cuts will have on our core functions and the academic core will lay the groundwork for future success.

Fund Raising

Fund raising is an essential component of this process. UK’s Vice President of Development Mike Richey describes it as our margin of excellence – the difference maker for our institution. On the whole, the President was seen both as a good ‘fund raiser’ and a good ‘friend raiser.’ Respondents shared several examples.

Organization and Team

The review process also identified areas of improvement and highlighted where the President must focus his efforts in order to meet his strategic priorities. The University is awaiting permanent appointments to fill important vacancies on campus. Until these appointments are settled, there will be some anxiety and perhaps lost opportunities due to time constraints. Respondents urged the President to fill these vacancies with candidates that strengthen the team, not just advance the existing agenda.

Some also mentioned the need for changes to the management structure – many of which are underway currently.

Future Considerations – Communication

Finally, the evaluation process identified the need for improved communication between the President and various constituent groups. Most respondents believe that the President knows how to communicate and is making significant efforts in this area, praising his email communication and public speaking.

Nevertheless, several respondents perceived that much remains to be done in this area – offering comments as ‘advice’ or ‘criticisms heard from others.’ Concerns were given both by those who rated the President high and those who gave him low numerical rankings. Mentioned

were concerns about communication with elected policy makers, employees, the general public, the media, the Board, the staff and faculty and routine communication with departments.

Specific concerns were raised about communication and information regarding workforce reductions. Similarly, the Board questioned the timeliness of communication with the President regarding the reductions and how it aligned with the decision on the institution's budget. Trustees also sought more direct input to the President than through officers of the Board.

Additionally, some interviewees expressed concerns about information they lacked, for example, positions on important policy matters which the President has not yet communicated, including: 'Does he value professional and graduate programs?' 'What will be the criteria for merit raises?' 'What are our recognized peaks of excellence and how will he leverage them?' 'Where do we want to compete academically nationally and globally?' and 'How does an ordinary employee let his opinions be known?'

In a time of great change to the institution and to the landscape of higher education, communication with the campus is even more critical. In the coming months, the President and Interim Provost Tracy plan to visit all colleges and academic units just as the President did during his first term.

Finally, to conclude, the President has maintained focus and optimism for our institution's future. His values and experience as an academic leader, his administrative acumen, his thoughtfulness, integrity, and transparency in a collaborative environment have been met with approval and praise. The President's 'apparent three-part decision making process of listening, considering alternatives and acting' was mentioned by many as being a good model for University decision making.

In the opinion of Dr. Hardesty, 'President Capilouto is seen by most of those interviewed as having the integrity, personality, leadership skills and vision to lead UK. Most respondents sensed a commitment to the institution and an understanding of its constituents. All in all, the President's first year was viewed very, very favorably.'"

Chair Brockman opened the floor for comments.

Mr. Stuckert congratulated President Capilouto for the leadership he has provided in his first year. He was appreciative of the President's financial stewardship, from the housing initiative to the \$200 million debt capacity plan. He was also supportive of the goal of competitive scholarships to attract the "best and brightest."

President Bilas wanted to add that from the student perspective, the feedback that he had received about the President and his efforts has been nothing but positive. He has provided a positive example for the students in the both the seriousness and speed in which he has addressed a number of issues.

Chair Brockman reviewed the action items ECR 1 and ECR 2. Both of these action items were approved at the July 31st Executive Committee meeting and will be brought before the Board later in the day.

President Capilouto thanked the Board of Trustees and all who participated in this evaluation. He welcomed the constructive address. He stated that one can always be better and the evaluation was helpful.

President Capilouto also wanted to reiterate that any success at the University of Kentucky has been because of “we.” He stated that he has a great appreciation for the deep and broad commitment that he finds from faculty and staff across the University. He is equally proud of the students and what they do.

Hearing no suggestions for additional matters, Dr. Brockman asked for a motion to adjourn and the meeting ended at 11:35 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sheila Brothers". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Sheila Brothers, Secretary