

Minutes of the Board of Trustees Retreat
University of Kentucky
Friday and Saturday, October 17-18, 2014

The Board of Trustees of the University of Kentucky began its Retreat at 9:00 a.m. on Friday, October 17, 2014 in Fellowship Hall at Mandrell Hall, Lexington, Kentucky and concluded its retreat on Saturday, October 18, 2014 in the Board Room on the 18th floor of Patterson Office Tower, Lexington, Kentucky.

A. Members Present

The following members of the Board of Trustees were present: C. B. Akins, Sr., James H. Booth, William C. Britton, E. Britt Brockman, Sheila Brothers, Mark P. Bryant, William S. Farish, Jr., Oliver Keith Gannon (Chair), Carol Martin “Bill” Gatton, Cammie DeShields Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, Jake Ingram, James W. Stuckert, Robert Vance, and Barbara Young. Trustees Terry Mobley and Angela Edwards were absent.

The University administration was represented by President Eli Capilouto, Provost Christine Riordan, Executive Vice President for Health Affairs Michael Karpf, Executive Vice President for Finance and Administration Eric Monday and General Counsel William Thro.

The University faculty was represented by the Chair of the University Senate Council Andrew Hippisley and the University staff was represented by Chair of the Staff Senate Mike Adams.

Guests, other administrators and members of the news media were also present throughout the Retreat.

B. Welcome

Chair Gannon welcomed the members of the Board of Trustees and guests and expressed his enthusiasm for the fifth Retreat and the discussions scheduled. Chair Gannon was thankful for the annual opportunity to look closely and critically at the progress being made at the University; and to offer a collective voice and guidance regarding plans being made for the future.

Chair Gannon stated this Retreat would continue the strategic planning discussion from last year, but focus more singularly on the research mission of the University of Kentucky. Chair Gannon stated that “research is a key strategic endeavor and is directly related to the comprehensive land-grant mission to serve the needs of the citizens of the Commonwealth.”

C. Overview of the Day

President Capilouto thanked the many people who helped make the retreat possible. He thanked Provost Christine Riordan for her work leading the Strategic Planning process, and Interim Vice President for Research Lisa Cassis and Center for Applied Energy Research

Director Rodney Andrews, who also served as the co-chairs of the research working group in the Strategic Planning process.

President Capilouto stated that the Strategic Planning process would continue through the fall of 2014, building upon what was learned through the last year. The reports will be supplemented with additional data to generate a more complete picture of UK's current position, challenges, opportunities and the most aggressive path forward.

In meeting with the leaders of UK's Strategic Planning process, President Capilouto was impressed with their work and commitment to this "people-centered place." He reiterated that UK is about people and place; and that we are a "University for Kentucky." UK's mission of research "confronts the issues of the day, stirs the soul, fuels dreams, improves education and inspires generations. It is a critical responsibility of the University of Kentucky; from the cellular to the community level; to the basic, translational and applied research."

President Capilouto offered the following as examples:

- College of Fine Arts' Arturo Sandoval's "Confluence River Reflections" hangs in the grand foyer of the Owensboro Convention Center;
- College of Arts and Sciences' Dr. Frank X Walker is Kentucky's Poet Laureate and author of renowned literary pieces and works of poetry;
- College of Education's Kentucky P20 lab is sharing what works best in education;
- Center for Applied Energy Research's (CAER) promotes private and public sector partnerships to advance Kentucky;
- College of Design's House Boat to Energy Efficient Residence (HBEER) initiative created jobs lost during the 2008 recession;
- College of Nursing is working to reduce the harmful effects of tobacco;
- College of Agriculture, Food and Environment has developed a technology to sterilize mosquitos;
- College of Engineering's Dr. Suzanne Smith leads fellow faculty and students on a NASA grant to conduct research on the International Space Station and in the aerospace industry;
- College of Pharmacy's Dr. Jon Thorson is turning to coal mine exploration for unique organisms that might produce the next generation natural products;
- College of Business and Economics Dr. James Ziliak is studying the federal aid program Supplemental Nutrition Assistance Program (SNAP);
- School of Music and UK Healthcare have a graduate program in music therapy, demonstrating there is more than one way to heal someone; and
- The Green Dot Program and Center for Research on Violence Against Women's bystander program is effective and has been replicated in K-12 schools across Kentucky

President Capilouto stated that past investments like "Bucks for Brains" created invaluable contributions and opportunities. Currently the UK research enterprise competes for state resources, is mindful of the pressure to keep tuition and mandatory fee rates manageable, recognizes the flat and declining federal support for research, and realizes the big investments made by other institutions. The questions for the future of research at UK and the essence of

strategic planning ask what should we do; where should we focus; and how do we achieve our goals.

President Capilouto stated that his background in public health policy and management; specifically community-based interventions to improve health outcomes, drew him to facts about Kentucky. He stated that hundreds of Kentuckians die each year from chronic and preventable illnesses. The University of Kentucky can make a difference in closing Kentucky health gaps. UK is uniquely positioned to help the citizens of the Commonwealth because UK:

- Is one of eight institutions with programs in Agriculture, Pharmacy, Engineering and Medicine on a contiguous campus – including a full complement of health care colleges: Nursing, Dentistry, Public Health and Health Sciences, in addition to Pharmacy and Medicine;
- Has a physical presence in all 120 Kentucky counties through the extension network and clinical outreach programs;
- Has seventeen colleges and professional schools supported by a comprehensive research library system; and
- Is one of 22 institutions nationwide with a National Cancer Institution (NCI)-designation, Clinical Translational Science Award and Alzheimer’s Disease Center.

President Capilouto stated that because of the University’s breadth and depth, it has the distinctive opportunity to approach health challenges in multi-disciplinary, team science settings.

D. Optimizing Health Outcomes

President Capilouto introduced Dr. Nancy Schoenberg, Professor in the Department of Behavioral Science and Director of Community Engagement and Research in the Center for Clinical and Translational Sciences to familiarize the Board with some of UK’s current research to improve health outcomes.

Dr. Schoenberg shared the research of Dr. Debra Moser, the Linda C. Gill Professor in the College of Nursing, who partners with the Center for Excellence in Rural Health in Hazard, Kentucky and community health workers to improve cardiovascular health outcomes. She shared the cervical cancer research of Dr. Mark Dignan, Professor of Internal Medicine and Co-Leader of the Cancer Prevention and Control Research Program. Dr. Dignan in collaboration with local rural health departments, recruited and trained patient navigators to enroll women with abnormal Pap test results to identify the barriers/assets that affect women’s receipt of diagnostic and treatment services for cervical cancer; the patient navigators who then coached these women through the health care delivery system.

One of Dr. Schoenberg’s federally funded research projects, “Faith Moves Mountains,” is currently targeting smoking cessation intervention. Working with and through a faith-based community of 26 churches, lay health advisors are using the Cooper-Clayton method, support sessions, nicotine replacement therapy and motivational interviewing to help individuals quit smoking. Of the 591 enrolled, over 91 percent of the participants stayed with the program and over one-third quit. After six months, two-thirds of this group were still not smoking.

Dr. Schoenberg summarized that these three programs are a definitive example of how culturally appropriate community-based interventions can address and impact health gaps in Kentucky.

E. Improving Health Delivery

President Capilouto introduced Dr. Mark Williams, Director of the Center for Health Services Research and Professor and Vice Chair of the Department of Internal Medicine, to share with the Board the importance of health services research and the delivery of health systems that maximize health outcomes.

Dr. Williams stated that health services research is a science that has success in a multidisciplinary approach. Five components of an effective clinical system are consistency, information systems (collect, integrate, point of care), patient centered (engage patients in care delivery), team-based care (nurses, doctors, pharmacists, physical therapists) and innovation.

Dr. Williams shared three research projects that were examples for improving care delivery: UK – Appalachian Tele-Emergency Network; the National Coordinating Center for Public Health Services and Systems Research; and Project ACHIEVE, Effectiveness of Transitional Care, which looks at achieving patient-centered care and optimized health in care transitions by evaluating the value of evidence. Dr. Williams stated that these three examples were rooted in multidisciplinary science and were centered on coordinated care.

Drs. Schoenberg and Williams welcomed questions and comments from the Trustees. Comments and questions included praise for community based care, timeline for expansion of programs to western Kentucky, diverse population expansion, how UK's extension offices play key roles in improving access to care, implementation strategies and outcomes-based reimbursement. Other questions included student and professional opportunities, drug and substance abuse in Kentucky, mental health issues in diverse populations and the role of programs like Center for Excellence in Rural Health.

Trustees were also interested in the strengths of UK's research enterprise from a faculty/professional perspective and areas for growth and development. Drs. Schoenberg and Williams both praised the collegial collaborative atmosphere and the unique collection of colleges on a contiguous campus. Both believe that with an increase in the critical mass of faculty, investments in infrastructure and an investment in endowed centers, UK can become a leader in health outcomes for disadvantaged populations.

F. The Research Enterprise

President Capilouto introduced Interim Vice President for Research Lisa Cassis to share with Trustees information on the economic impact of University of Kentucky Sponsored Research.

Interim Vice President Cassis shared that in the last five months, evaluating UK's research enterprise has been her main mission. She is convinced that UK can make significant

strides in research with careful planning and strategic investment. As the state's flagship institution, it is an imperative that UK's focus be the Commonwealth's health disparities.

Dr. Cassis introduced Dr. Rodney Andrews, Director of the Center for Applied Energy Research (CAER), to update the Board on the state of UK's external and internal research portfolios.

Dr. Andrews explained that 70 percent of UK's research is sponsored predominantly by federal agencies. State and local government funds six percent and institutions 21 percent, with business and other sources making up the balance. As federal funding has declined and looks to remain flat for the foreseeable future, universities are competing more aggressively for the same dollars.

UK's College of Medicine has the largest mass of research funding, followed by the College of Engineering and large research centers. While UK's research volume has grown since 2004, its national ranking has declined. At the same time, the research and development spending of many aspirational research university peers has increased substantially. While our numbers are going up, other institutions around us are going up faster.

Dr. Andrews continued that UK's research enterprise must make thoughtful strategic decisions on our research investments. It must focus on solving Kentucky's biggest and most complex problems and invest in the areas of strength that support this mission. As only UK has the strength and the breadth of programs to do this for Kentucky, UK must continue to develop and enable the multidisciplinary teams necessary to tackle these problems. Additionally, the clinical and research enterprises are linked. As UK has expanded the clinical enterprise, applied research grows and this can be applied back and translated to improved patient care.

Dr. Andrews conveyed the need to focus investments on people, facilities and infrastructure. The successful and strategic hiring of individuals like Dr. Mark Evers and his group led to the National Cancer Institute (NCI) designation for the Markey Cancer Center, the only one in Kentucky. Also Dr. Kunlei Liu in the Center for Applied Energy Research (CAER) was hired to start a carbon capture program for coal fired power plants. Dr. Liu has built a group of 39 researchers, including six students, and has \$28 million in active grants.

Dr. Andrews shared that UK has also been successful with the "center" model, organized around multidisciplinary teams. Multidisciplinary groups also make effective use of space and personnel.

Drs. Cassis and Andrews asked the Board for comments or questions regarding the current status, priorities and investment of UK's research enterprise. The Board engaged in discussion, seeking answers to questions regarding faculty recruitment and retention and infrastructure needs.

G. Economic Impact of University of Kentucky Sponsored Research in the Commonwealth of Kentucky

To detail the economic impact of UK's sponsored research in the Commonwealth of

Kentucky, President Capilouto introduced Executive Vice President for Finance and Administration Eric Monday.

Mr. Monday detailed the hiring of a company called Tripp Umbach, a national leader in completing research, planning and economic impact studies for academic health centers, major research universities, hospitals, corporations and nonprofits. The goals of the study were to quantify annual economic impact of UK's sponsored research; quantify the employment impact of UK's sponsored research; quantify the annual government revenue impact of UK's sponsored research at the state and local level; and provide a defensible impact study which shows the impact of current sponsored research operations on the Commonwealth of Kentucky.

Tripp Umbach's methodology uses IMPLAN, input-output modeling software, to run economic impact analyses. Using recent economic data from public sources such as U.S. Bureau of Economic Analysis, U.S. Department of Labor's Bureau of Labor Statistics and U.S. Census Bureau, the data can predict effects on a regional economy from direct changes in employment and spending.

UK's sponsored research impact in direct, indirect and induced ways produced for 2013:

- \$581.2 million in annual economic impact in Kentucky;
- 8,114 jobs created and supported; and
- \$21.3 million generated annually in state and local taxes.

The Trustees engaged in discussion regarding research building(s) and support services, commercialization and start-up companies, the healthcare enterprise, undergraduate and graduate student success and patent opportunities.

H. Health Disparities in Kentucky

Vice President Cassis shared that as the Program Director of a National Institutes of Health (NIH)-funded Center of Biomedical Research Excellence (COBRE) which focuses on obesity and cardiovascular diseases, her research focuses on two health problems that clearly impact the lives of those throughout the Commonwealth. The evolution of the Center provides a compelling example of how thematic research, coupled with targeted recruitment around a research theme, empowers researchers at UK to find solutions to complex problems.

Dr. Cassis shared with Trustees that the objectives of COBRE are to identify mechanisms linking obesity to cardiovascular disease, develop a multidisciplinary research Center around this theme and use this as a platform to develop promising junior investigators to compete for NIH grant support. Keys to the COBRE plan include mentoring junior faculty and students, developing core facilities to optimize the research enterprise, strategic hiring and pilot projects.

Dr. Cassis offered that translational interdisciplinary teams under one roof and in close proximity result in clinical discoveries, clinical trials and improved clinical outcomes and standards of care.

The Board engaged in extensive discussion, seeking answers to questions regarding supporting basic research, educating constituents on the importance of research, fundamental duties of institutions of higher learning, financing the research mission, infrastructure realities, optimization and alignment of current resources and strengths, balance of priorities, attracting industry investment in UK and building on momentum.

I. Update on Capital Improvements on Campus

Executive Vice President Eric Monday updated the Board on the capital improvements on campus. He shared that over the last 40 months (since July 2011) UK has initiated 84 projects renovating 4.4 million square feet, investing \$1.36 billion. These projects can be characterized as being related to Quality of Life, Academic, HealthCare, and Infrastructure.

The Quality of Life projects (44) include housing, dining, parking, athletics, University recreation halls and student centers. Academic projects (13) include acquisitions, renovations, remodels and new construction. HealthCare projects (14) include fit-up of floors in the Patient Tower, Kentucky Clinic and Good Samaritan. Infrastructure projects (13) include security, road and sewer systems and central plant projects. These projects have been funded through a combination of debt, private partners, University funds, philanthropy and state and federal funds. This funding combination has resulted in an increase of UK's outstanding debt by \$240 million.

Ms. Mary Vosevich, UK's new Vice President for Facilities Management, updated the Board of Trustees on the four targeted areas for UK's campus.

Attention to the landscape plan was introduced during the campus master planning sessions last year. Focus will be directed on the campus landscape and creating a sense of place, belonging and pride. Attention will be directed to transition spaces that the campus community moves to and through and spaces where individuals congregate and collaborate.

Ms. Vosevich defined UK as a "city within a city." The utilities infrastructure needs to be robust, redundant and reliable. Attention will be directed to a utilities master plan for now and the future, with the appropriate economic analyses performed.

All major universities have a deferred maintenance plan. Facilities Management will strategize on how and what facilities need investments for efficient operations.

Ms. Vosevich stated that the last targeted area is preservation. Buildings and landscapes that have historic significance cannot be ignored and UK needs to link the past with the present while thinking about the future. Her office will inventory facilities and find ways to celebrate culturally and historically significant facilities using static displays, interactive displays, and other methods in order to preserve the greatness of this campus and respect its history.

The Board adjourned at 4:15 p.m.

Saturday, October 18, 2014

The Board of Trustees began its morning recap at 9:00 a.m., Saturday, October 18, 2014 in the Board Room, 18th floor of Patterson Office Tower on the University of Kentucky campus. The Trustees were introduced to and had a training session on *Directors Desk*, software developed by NASDAQ that allows for a paperless meeting environment.

J. 2014 Retreat Recap

As a follow up from the discussion held on Friday, President Capilouto presented for the Boards consideration and discussion, CR 1, Principles for the Research Enterprise. It read as follows:

Recommendation: Recognizing the essential nature and value of all scholarly and creative activity undertaken at a comprehensive, land-grant institution, the University's mission and the current financial environment compel a focus on research areas where:

1. the needs of Kentuckians and the Commonwealth are most pressing; and
2. the University can continue to compete successfully for external research support.

The President is directed to take steps necessary to achieve these goals and grow the University's research enterprise by:

1. Aligning resource commitments to optimize efficiency and facilitate faculty success;
2. Recruiting and retaining additional world-class researchers and research teams;
3. Strengthening the commitment to interdisciplinary exploration; and
4. Confirming and detailing the critical need for additional research infrastructure.

Concerns were raised about the inclusivity of staff and students and the role of faculty as scholars in the research mission. After extensive discussion, item number one and two were changed to read as follows:

1. Aligning resource commitments to optimize efficiency and facilitate faculty, staff and student success.
2. Recruiting and retaining world-class scholars and research teams

K. Retreat Adjourned

Chair Gannon adjourned the Retreat at 10:14 a.m.

Respectfully submitted,



Sheila Brothers
Secretary, Board of Trustees