

Minutes of the Board of Trustees Retreat
University of Kentucky
Friday and Saturday, October 25- 26, 2013

The Board of Trustees of the University of Kentucky began its Retreat at 9:00 a.m. on Friday, October 25, 2013 in the President's Room at Commonwealth Stadium, Lexington, Kentucky and concluded its retreat on Saturday, October 26, 2013 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 (chair), Sheila Brothers, Mark P. Bryant, Jo Hern Curris, Angela L. Edwards, William S. Farish, Jr., Oliver Keith Gannon, Carol Martin "Bill" Gatton, David V. Hawpe, Kelly Sullivan Holland, Roshan Palli, C. Frank Shoop, James W. Stuckert, Irina Voro, and Barbara Young. Trustees Terry Mobley and John Wilson 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 Chair of the University Senate Council Lee X. Blonder and the University staff was represented by Chair of the Staff Senate Jeff Spradling.

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

B. Welcome

Chair Brockman welcomed the members of the Board of Trustees, Senate Council Chair Lee Blonder, Staff Senate Chair Jeff Spradling, Linda Blackford of the Herald Leader and Will Wright of the Kentucky Kernel.

Chair Brockman expressed his enthusiasm for this third Retreat and the discussions scheduled. He felt that the first two Retreats (2011 & 2012) had yielded great successes for the University.

C. Overview of the Day

President Capilouto thanked the many people who helped make the retreat possible. These included Provost Christine Riordan, Executive Vice President Eric Monday, Vice President for Research Jim Tracy, Vice President for Facilities Bob Wiseman, David Attis from Education Advisory Board, Sasaki Associates, and the many staff behind the scenes. He also thanked the Board of Trustees for their time and guidance.

President Capilouto stated that this Retreat would be a discussion about the University's future. The morning would be dedicated to a discussion about the strategic planning process and

the afternoon would include discussion about the research enterprise and the Campus Master Plan.

To set the stage, President Capilouto reviewed the priorities from the past two years. The 2011 Board of Trustees Retreat identified: 1) enhancing and expanding the undergraduate experience and 2) renewing and rebuilding the core of the nearly 150-year-old campus. From these directives, the last two incoming classes have been the largest, most diverse and best prepared in the institution's history. The University entered into a multi-year partnership with Education Realty Trust (EdR) to rebuild the campus living/learning spaces. The first two residence halls opened this past August, with five more expected to open in the fall 2014 and three additional residence halls expected to open in fall 2015. Three capital projects authorized by House Bill 7 will continue to revitalize the campus. They are the Gatton College of Business and Economics renovation and expansion, the new Academic Science Building, and the renovation of Commonwealth Stadium.

The 2012 Board of Trustees Retreat directed the President and campus to not only continue the emphasis on undergraduate education and infrastructure, but to also invest in the priorities that affect the higher education industry. Progress over the last year included: strategic senior leadership hires; advancement on a new Financial Model of Accountability; addressing faculty and staff recruitment, rewards and retention needs; and expanding technology-rich content delivery in the University's learning environments. Another milestone for the University and UK HealthCare was the National Cancer Institute (NCI) designation.

D. The Strategic Plan – Six Goals

As the University moves forward, President Capilouto offered possible initiatives or goals for the next Strategic Plan:

- Create a vibrant undergraduate learning community;
- Advance a High Quality Graduate and Professional Education Portfolio;
- Cultivate a Robust Research Environment;
- Develop a Strong and Sustainable UK Infrastructure;
- Create a Positive Work Environment for Faculty and Staff; and
- Have a Meaningful Impact on the Community

President Capilouto continued that under the direction of Provost Riordan, these goals are influenced by a number of questions. He introduced Provost Riordan to detail the process.

E. The Strategic Planning Process

Provost Riordan began by sharing some results from her own research with over 100 CEO's from a variety of business entities. Four main recurring themes came from her discussions on issues facing their organizations and what needed to happen for these organizations to be successful. The themes were to: 1) lead with an eye towards excellence; 2) lead with an eye towards change; 3) lead with a vision or foresight; and 4) lead with others in mind. Provost Riordan believes that these principles are an integral part of the strategic planning

process. Other best practices already in place for this planning process include that it is led by senior administrators, informed by institutional history and successes, transparent, and guided by feedback and conversation throughout the process.

Provost Riordan reviewed the organizational structure that she introduced at the September 10, 2013 Board meeting and shared that to date over 190 nominations for committee members had been received for the six planning committees. Due to the broad scope of their assignments, the six committees (developed around the six proposed initiatives or goals) would be provided with a wide variety of support materials. This extensive portfolio of planning materials would include an orientation video, handbook, guiding questions, scorecard(s) for metrics, rosters, social media tools (discussion boards), and a library of benchmarking and institutional reports.

Pre-work began in August; the committee members will be selected in the next few weeks. Each committee will then review the research and with community input, develop action plans. Helping to inform the process will be a speaker series that is designed to bring the leading experts on challenges facing higher education to campus. A comprehensive plan will be developed in late spring, with a final plan submitted for Board approval in June 2014.

President Capilouto and Provost Riordan asked the Board for their questions, comments, and suggestions on the six possible strategic areas and the planning process. The Board engaged in a discussion about different areas of concern and offered suggestions. Areas discussed included goals for the day and possible long-range planning. Suggestions for inclusion in the Strategic Planning process included attention to education about civility in the work place, mentoring and support for staff development, continuing education for supervisors, addressing trends/changes in higher education, Governing Regulation barriers as it relates to agile decision making, enrollment growth, dynamic and meaningful metrics, community involvement and communication strategies, national rankings and their usage, education with “others in mind” as it refers to age and socio-economic factors, and the recruitment of scholars.

F. General Trends in Higher Education

President Capilouto introduced Dr. David Attis from Education Advisory Board (EAB) to identify and discuss the current trends in higher education. EAB provides best practice research and practical advice regarding higher education to leaders in higher education. Dr. Attis currently works with over 300 Provosts and/or Chief Academic Officers at institutions around the country to discover areas of concern identify challenges, and study changes in higher education.

Dr. Attis began with the question that is at the heart of the strategic planning process; “How can we achieve the goals of a strategic plan and what do the changes in higher education mean to these goals?”

Changing areas that many institutions are focusing on include the introduction of massive open online courses (MOOCs), flexibility in decision making, transparent budget models, and data reporting.

Additionally, four major challenges in the last few years have had a dramatic effect on higher education. The first is affordability. The cost of higher education is increasing faster than household income and student debt is rising. A second challenge is access. Though related in part to affordability, a lower income student may be eligible to receive generous financial aid, but does not apply or chooses to not attend. These students may not have a family background or support network that is familiar with higher education, thus may not be able to navigate the forms or understand the complexities of the paperwork. A third challenge is learning outcomes. There is currently a large debate on what we measure and how we measure learning outcomes. And finally, the fourth challenge is job placement. With the current difficult job market and sluggish economy, many individuals begin to question the value of a higher education. If education is focused too narrowly on job placement, it might negate the critical learning, which some would argue is the value of a higher education over a lifetime. Dr. Attis reported that employer surveys indicate that companies are looking for graduates that have critical thinking skills, collaborative thinking skills, and proof of the ability to work on teams, across the aisle, and across different cultures. He argued that these are the types of learning opportunities that are built into a Research I institution.

Current practices being employed at some universities to improve undergraduate education include next generation advising to increase student success, offer online and hybrid courses to increase convenience, course redesign for an increased quality of learning in the classroom, and greater offerings of quality experiential learning (undergraduate research, study abroad, internships, co-op experience) outside the classroom. Also being used are “predictive analytics” to leverage data to help students identify their next steps. Dr. Attis reported that UK is already a leader in these customized preventative services using predictive analytics.

In looking at graduate, professional, and continuing education programs, Dr. Attis continued that these areas are feeling similar pressures. Though doctoral students are critical to the research enterprise, graduate schools are struggling to subsidize expensive PhD programs and place graduates in academic jobs. Professional schools continue to have steady enrollment, but are facing decreased job demand for Masters in Education (MEd) and Juris Doctor (JD)’s. Continuing education noncredit programs are generally less profitable. Current trends encourage collaboration among these three types of programs to foster interdisciplinary graduates, more specialized offerings, and partnerships with undergraduate programs for degrees.

Advanced degrees for working professionals are in greater demand as well. To accommodate these changes, universities may need to examine different kinds of administrative approaches. These might include faster course approval processes, rigorous market research on job availability, flexible admission requirements, flexible delivery models, and skills and career placement assistance.

Declining state and federal support for higher education creates pressure to increase student enrollment to recapture lost dollars. Challenges affecting student enrollment are the decline in high school graduates, growing at-risk populations, family financial stresses, and increased merit aid competition from other universities. Cost-cutting or cost-saving measures may only be a one-time windfall.

Dr. Attis continued that with the number of different options for students to take classes from a variety of sources, it is important to think about the mission that is unique to the University of Kentucky and the unique areas of value that exist at this institution. Additionally, there are most likely many successful practices on this campus that could be duplicated across disciplines or support units.

Dr. Attis entertained questions from the Board members regarding technology based learning, tenure, the cost of sabbatical leave, administrative cost structures, US competitiveness in higher education, long-term dwindling state budgets, teaching loads, and the cost of research.

G. Pursuing Research Excellence

As the research mission is one of the six areas to be addressed in the University's next strategic plan, Dr. Attis shared proven reasons why universities pursue research excellence and the benefits of a research mission.

First, research improves the student experience by offering hands-on opportunities for both graduate and undergraduate learning and the opportunity to "learn from the experts." Second, research improves the institution by attracting the best faculty, thus attracting the best students and philanthropic investment opportunities. Third, and particularly important for a land-grant institution, Dr. Attis stated that research improves the region by developing a local or regional workforce, creates partnerships with local companies or attracts companies from outside the region. And finally, research improves the world by the exchange of people and ideas through collaboration to solve global challenges.

Challenges facing research institutions include decreased federal funding which necessitates increased institutional investments. Opportunity costs (faculty not teaching or mentoring students) and human costs (the labor on unappreciated areas of research) are also part of the cost of research. But the investment to solve social and technical "grand challenges" on a global scale is important for both the public and private sector. Grand challenges can be defined as those that: 1) help create the industries and jobs of the future; 2) expand the frontiers of human knowledge about ourselves and the world around us; 3) confront important problems related to energy, health, education, the environment, national security, and global development; and 4) encourage collaboration between the public and private sectors. To maintain the flow of research dollars, Dr. Attis reported that some universities are creating programs around grand challenge themes. Other universities have made the decision to identify their own areas of excellence and chosen to strategically invest in those people/programs/departments.

Dr. Attis asked the Board for comments or questions regarding research. The Board engaged in discussion, seeking answers to questions regarding faculty performance, research metrics, and the balance between the research, teaching, and service.

H. Research at the University of Kentucky

Dr. Jim Tracy, Vice President for Research began his presentation by reiterating how the landscape of research has changed through the years. To familiarize the Board with the ideas of strategic cluster hires and interdisciplinary research, Dr. Tracy introduced Dr. Rodney Andrews,

Professor in the Department of Chemical Engineering and Director of the Center for Applied Energy Research (CAER) and 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.

Dr. Andrews shared that CAER is a multidisciplinary research center, whose energy research provides a focal point for coal and environmental research in Kentucky. Collaborating with over 200 professional scientists, engineers and staff, CAER has extensive interactions with faculty and students, and provides analytical services for outside organizations. From research on coal and carbon capture for coal fired plants to the design of energy efficient housing, the Center conducts research that is fundamental to the production of energy and fundamental to the industrial base of the Commonwealth of Kentucky.

Dr. Schoenberg's area of research interest is health disparities. Currently she conducts community based studies and strategies in eight southeastern Kentucky counties. One of her projects, an NIH funded project "Faith Moves Mountains", is a wellness and cancer prevention program, providing cancer screenings and wellness information in rural areas of Kentucky. Other projects have targeted smoking cessation, improving community access to healthy foods, and educational information and tools to communities to modify diet and increase exercise.

Dr. Tracy shared that the research at UK is represented across a wide spectrum, from scientific research that looks for new knowledge about the physical universe to arts and humanities research that focuses on culture, society, and the human condition. The FY2011 National Science Foundation (NSF) Higher Education Research & Development Survey (most current data available showing expenditures) shows UK currently ranks 59th among all 912 institutions, 38th among public institutions, and 17th among public, land-grant universities. Federal funding accounts for over half of the UK's research expenditures and in the short-term, this funding is shrinking. The sequestration will reduce funding by 10% and the most recent government shutdown will delay receipt of funding as well.

Dr. Tracy continued that the cost to support research comes from different sources. The University is able to recoup overhead from most federal agencies, but these "indirect costs" account for only half of the investment needed. This leaves the institutions to make bigger investments. Furthermore, state and private support for research does not often cover as much of the indirect cost associated with research requiring the University to identify alternative sources of support.

Dr. Tracy shared the value of strategic research clusters, those areas that are centers of excellence at UK. He also spoke of the value of investment in basic fundamental research because "the most basic study today can have a direct human application tomorrow." Strategic investments in facilities and people are necessary, but the benefits can be far reaching. He gave as an example the investment in cancer research, Dr. Mark Evers and his team. By building and investing in modern research space and a critical mass of researchers in cancer chemotherapy and cancer biology, the University received National Cancer Institute (NCI) designation. As one of only 68 NCI-designated cancer centers, UK is at the forefront of NCI-supported efforts.

Dr. Tracy asked the Board for comments or questions regarding research. The Board engaged in discussion, seeking answers to questions regarding University investments, peer institution rankings, fund distribution, academic institutions with medical centers, and specialty areas of research.

I. Campus Master Plan

Mr. Bob Wiseman, Vice President for Facilities, reviewed for the Board the steps in the development of the campus master plan draft document. Over 65 meetings have been held in the last year. Participants included faculty, students, colleges, all surrounding neighborhoods, landowners, businesses, faith communities that border the campus, and city officials.

Mr. Wiseman introduced Ms. Mary Anne Ocampo of Sasaki Associates, Inc. Ms. Ocampo is a graduate of the UK College of Architecture. Sasaki, a planning firm based in Watertown, MA, specializes in campus master planning and has extensive experience in the higher education sector. Ms. Ocampo began with a review of the seven draft principles developed over the last year to establish the foundation and priorities for the development of the University of Kentucky campus. These principles are intended to be applied in conjunction with the campus framework plan and campus district strategies and were developed through consultation with the University community and direction from the University's master planning committees. The principles link the physical development of the campus with the University's mission, and will assist in decision-making around campus improvements. The proposed Master Plan Principles are:

1. Academic Environment

Create a 21st century learning environment that supports the technological, social, economic, and creative needs of today's students. A dynamic academic environment includes flexible teaching and learning spaces, modern laboratories, and opportunities for informal learning outside the classroom and across the campus. The Master Plan facilitates opportunities to enhance the academic environment by concentrating academic activity within the campus core, connecting teaching and learning spaces, integrating academic and student life, and creating opportunities for learning in outdoor settings.

2. Campus Life

Enhance the student life experience and reinforce campus community in strong residential districts, both on and off campus. A strong campus life experience is key to student success. The master plan articulates strategies to enhance student life and create a dynamic living and learning environment.

3. Community

Forge partnerships to strengthen the neighborhoods surrounding the campus and downtown. The University has an important impact on the neighborhoods that surround the campus, and plays a key economic and cultural role in the community. The University should continue to work with its neighborhood and Urban County Government partners

to strengthen surrounding areas, contribute to the local economy, and incorporate community impact into decision-making. The master plan articulates planning policies and design strategies to further these initiatives.

4. Growth

Establish a long-term plan for growth management consistent with the University's mission and that efficiently utilizes land resources. The University campus must accommodate academic, research, health care, student life, sports and recreation, and administration and support functions within a defined land area. The University has also established a growth boundary to mitigate the impacts of campus development on surrounding neighborhoods. The Master Plan articulates strategies to accommodate current and future uses efficiently, while preserving the quality and character of the campus environment.

5. Mobility

Facilitate safer and more efficient mobility in support of the Master Plan land use and landscape concepts. Mobility systems include pedestrian circulation, bicycle circulation, transit service, vehicular circulation, and parking. The Master Plan defines accessible, safe, efficient and attractive mobility systems for the campus, while preserving pedestrian priority in the campus core.

6. Landscape Structure

Establish a legible open space and landscape structure that improves the campus environment and reinforces campus identity. The University campus contains a range of open space elements and high-quality architecture but the existing landscape structure could be better defined. The Master Plan strengthens the landscape structure to create a more cohesive campus environment.

7. Sustainability

Integrate sustainability in every aspect of planning. The University of Kentucky's Statement on Sustainability recognizes the critical need "to engage the University community to create policies and programs that will simultaneously advance economic vitality, ecological integrity and social equity, now and into the future." The Master Plan creates the opportunity to demonstrate leadership in this "triple bottom line", and will help to advance sustainable initiatives within several key areas – mission, energy, landscape, ecology, mobility, community and economic development.

Ms. Ocampo shared maps with proposed land use frameworks (academics, athletics, residential/student life, agriculture, etc.) which were identified and explained to the Board. Open space frameworks (landscaped areas, courtyards, streetscapes, pedestrian walkways, etc.) were identified and are being rethought so as to utilize these areas as "connective tissue" that "marries the campus together." This would create ease of access and interesting social and learning spaces.

Mobility issues across campus were prioritized around pedestrians. Interior pedestrian corridors, bicycle circulation, shared use paths, and a proposed transit system with new bus transit center are being studied and refined. Proposed vehicular circulation was also reviewed.

The campus life framework was reviewed with ideas of a revitalized Student Center on north campus with a second satellite Student Center/Services building helping to serve central and south campus.

Campus districts (north campus, academic core, central campus, medical center, agriculture, athletics and Greek park) were examined and explained. To help define some of these spaces, periphery parking structures would be constructed to help limit vehicular traffic.

Ms. Ocampo and Mr. Wiseman entertained questions from Board members regarding the proposed Campus Master Plan. Questions included access on move-in day, parking, handicapped accessibility, weather related campus accessibility issues, street closures, long-range planning, funding, campus security, landscape, and architectural type and materials.

The Board adjourned at 4:00 p.m. to a bus tour that visited some of the areas and issues referenced in the Campus Master Plan.

Saturday, October 26, 2013

The Board of Trustees of the University of Kentucky began its morning recap at 9:00 a.m., Saturday, October 26, 2013 at the Board Room, 18th floor of Patterson Office Tower on the University of Kentucky campus.

J. 2013 Retreat Recap

Chair Brockman began by stating that from all of Friday's presentations, he was pleased to have confirmed that "there still is a place in higher education for a residential college experience... and more important, UK is positioned well." He felt the bus tour showed the basic infrastructure change happening across campus and with new emphasis on academics and research, all the pieces of the puzzle can start coming together.

K. Discussion Points

President Capilouto shared with the Board his thoughts of the discussions from the Friday session. With a fact filled presentation on the trends in higher education and a progress report on achievements over the last few years, there is a great deal of momentum for the strategic planning process and continual thinking about how we address the broad spectrum of activities and issues. He stated that "this is the time where you can't let perfect be the enemy of better."

President Capilouto reviewed with the Board the proposed initiatives or goals set out for the Strategic Plan process and led them in a discussion of these points. Suggestions by Board members included:

- Incorporating the University core Values into the principles;

- Sensitivity to the use of words like “disabled,” “bi-racial”, or “at-risk” which can possibly prejudice thought or action;
- Clearly defined strategic strengths/weakness, goals & objectives (short & long term) in marketing, finances, recruitment of students and faculty, human resources, and asset utilization (including community involvement);
- Metrics should be based on output;
- Emphasis on extension offices;
- Prepare an outline or schedule of how the plan will be reviewed annually to facilitate strategic plan progress discussion in the coming months and years;
- Re-double efforts to make sure the plan is communicated effectively to the entire University community;
- Create tactical steps;
- Strategic plan should contain a balance of spending, and
- Add the phrase “and the Commonwealth” in initiative #6 “Have a Meaningful Impact on the Community” to emphasize the fact that the University is an economic driver in the Commonwealth of Kentucky.

President Capilouto reviewed highlights from the presentations on Research. They included:

- Facilitate move into transdisciplinary work;
- Recruit faculty by strategic clusters;
- Focus on grand challenges;
- Allocate resources where there may be big return;
- Set vision for research and creative work; and
- Maintain equilibrium between those areas that garner external funding and those that never will.

Regarding our facilities and Campus Master Plan, President Capilouto remarked that our facilities matter, as they are a magnet for faculty and students and a symbol of quality. Proposed projects for future consideration and their possible funding sources might include:

- Research building (state bonds)
- Law (state bonds/philanthropy)
- Capital Improvements (state bonds)
- Student Center (agency bonds/private funds)

President Capilouto thanked the Board for their participation and meaningful discussion in helping the University move forward.

L. Retreat Adjourned

Chair Brockman adjourned the Retreat at 9:37 a.m.

Respectfully submitted,

A handwritten signature in purple ink that reads "Sheila Brothers". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Sheila Brothers
Secretary, Board of Trustees