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Mr. Chairman and members of the Board of Trustees,

Imagine this scene in your mind's eye:

Nearly 100 people from across the campus gather in a large classroom. It's a free-wheeling, data-infused-and-informed conversation. For 90 minutes, ideas and strategies are unearthed, new tactics and initiatives discussed, debated and considered.

That's the scene each Friday morning, where members of our community come together, across several colleges, administrative and academic units. No matter their title or job description, duties or responsibilities, their purpose together is one thing:

Helping our students succeed.

The weekly retention meeting, as it is called, started several years ago, with a handful of people in a small conference room in Miller Hall. Its growth from a handful of people to dozens of committed community members mirrors the trajectory of progress we have made as an institution over the last decade-plus — reaching record retention and graduation rates among our students amid sustained growth.

(<https://www.insidehighered.com/news/student-success/academic-life/2024/04/09/building-culture-evidence-through-campus-data>).

The weekly session underscores the commitment shared in every corner of our community to helping students cross a stage and receive a diploma, prepared for careers and for lives of meaning and purpose.

Our progress and this partnership are tightly and strongly interwoven. And its regular occurrence is not mere happenstance or limited to student retention. It is a tangible expression of who we are and of our laser focus across every aspect of our complex and sprawling mission on how we must work together to advance this state.

It's how we accomplish everything we do — in a spirit of partnership, between and among disciplines, regardless of title or point of view.

It's a commitment to collaboration found everywhere in this special community — among physicians serving on a tumor board regularly drilling down to the cellular level on a patient's case, using the latest in precision medicine to diagnose and chart a course of

treatment. (<https://uknow.uky.edu/uk-healthcare/expanding-precision-medicine-options-markey-launches-molecular-tumor-board>).

It's how teams of scientists in the Martin-Gatton College of Agriculture, Food and Environment mapped the genomes of both the horse and the oak tree as they endeavored to preserve and strengthen our thoroughbred and bourbon industries (<https://equine.ca.uky.edu/news-story/horse-genome-publication-concludes-kentucky-project>; <https://news.ca.uky.edu/article/earth-day-champions-uk-introduces-world%E2%80%99s-largest-american-white-oak-repository-and-genome>).

It's found in the team of computer scientists, led by an innovative and dedicated faculty member, to digitally unfurl and preserve the words and wisdom of ancient scrolls (<https://uknow.uky.edu/research/beyond-breakthrough-how-brent-seales-pushing-boundaries-discovery-through-new-heritage>).

And it's evidenced in an enterprising and compassionate sociologist, recently awarded the MacArthur Foundation's "genius" grant for working collaboratively to empower rural communities and restore bonds of trust (<https://uknow.uky.edu/professional-news/uk-s-loka-ashwood-awarded-macarthur-genius-grant-groundbreaking-work-rural>).

These stories and examples — a handful out of the thousands that exist and play out each day across our community — reflect an unyielding and compassionate commitment to Kentucky shared by our faculty, staff and students.

It's a legacy built on the shoulders of generations of committed souls who came before us to serve Kentucky and make her stronger.

As always, this annual letter to you, my self-evaluation, is a story of remarkable progress made possible by remarkable people who comprise a special community. It is framed around the pillars and principles of the strategic plan that you endorsed — the UK-PURPOSE. That purpose now, as it has always been, is to advance this state in all that we do.

WE have done much together this past year, led by you and captured in our mission.

WE know, though, that there is still so much to do. I hope these stories give you hope and confidence, as they do for me, that we are up to the task.

I hope you see in the numbers, the people and their stories that we embrace this moment.

Kentucky is who we are; its brighter future a stirring promise we have been called to keep.

The pages that follow are one snapshot of what we have done together over the past year and how we intend to forge a path forward for the Commonwealth.

Putting Students First

Only a few weeks ago, we announced historic enrollment, retention and graduation numbers that reinforce that your vision is working for how we grow to meet Kentucky's needs and priorities.

- Preliminary numbers for fall 2024 demonstrated an all-time enrollment of 36,161 students, a nearly 7% increase over the previous year. That includes a first-year class of 6,571, also a record. Our students come from all 120 Kentucky counties, 50 states and more than 100 countries.
- But as noted above, growth has not diminished our pursuit of success for our students. Our six-year graduation rate is projected to reach another record level of more than 71%, placing us among the top 100 public four-year colleges and universities in the country, according to the most recent data available.
- Our four-year graduation rate is now at more than 60% — almost 30 percentage points higher than it was 15 years ago. We also awarded 9,545 degrees and certificates for 2023-2024.
- Preliminary retention levels, also a record, now stand at 87.3%.
- We continue to serve Kentucky first. About 25% of our Kentucky undergraduates come from families where the median family income is about \$27,000 and more than a quarter of our students are first-generation.
- We sought ways to lead the country in innovative support for student success. More than 20% of all students last year opened investment accounts through our first-of-its-kind initiative, UK Invests. This year already, more than 45% of first-year students have opened accounts and as of October, students participating had earned more than \$1 million.
- This remarkable progress has continued even as we also have intentionally sought to increase enrollment — nearly 10,000 more students since 2011. We have taken a path unlike many institutions because that is what our state needed us to do — to do and be more for Kentucky: its health, its economy and quality of life and its education and sense of well-being (<https://uknow.uky.edu/campus-news/uk-record-enrollment-graduation-rates-reflect-commitment-advancing-kentucky>).

Taking Care of Our People

At the University of Kentucky, taking care of our people means both how we extend hope and healing across our state as well as what we do on our campus to ensure we protect and promote the people who make our progress possible.

- The university is investing nearly \$30 million in FY 2024-25 on increases in compensation and benefits, including more than \$18 million for a salary increase pool and more than \$9 million to help offset increases in health insurance costs,

which also are increasing nationally (<https://uknow.uky.edu/campus-news/uk-investing-more-people-who-will-advance-kentucky>).

- This year's budget contained the 11th compensation increase for UK employees in the last 12 years — the largest salary increase pool of funds in more than a decade.
- UK was once again included on Forbes' America's Best Large Employers list for 2024 — ranking in the top 100 out of 500 total companies and 11th in the education category.
- For the ninth year in a row, UK's Albert B. Chandler Hospital at UK HealthCare was ranked as the state's top hospital by U.S. News & World Report. Additionally, UK HealthCare again ranked in the top 50 for three specialties and six specialties — four more than the previous year's rankings — also received a "High Performing" designation (https://uknow.uky.edu/uk-healthcare/us-news-world-report-uk-healthcare-remains-no-1-ky-improves-specialty-rankings#:~:text=Chandler%20Hospital%20at%20UK%20HealthCare,from%20U.S.%20News%20%26%20World%20Report)).
- UK HealthCare continued efforts to partner in creating greater access to outstanding care with the acquisitions of UK-King's Daughters in Ashland and UK-St. Claire in Morehead.
- In July 2024, Eastern State Hospital — the critically important mental health facility we manage for the state — opened a new emergency unit dedicated to the treatment of patients experiencing a mental health crisis. This will help provide much-needed access to high-quality mental health care within Fayette County and the 50 surrounding counties (<https://uknow.uky.edu/uk-healthcare/uk-healthcare-opens-1st-psychiatric-emergency-unit-kentucky>).
- UK is in the design and construction phases for approximately \$2.4 billion in facilities over the next several years to help increase access to the highest quality health care. That includes the design of a new bed tower as well as four ambulatory clinics in the region we will open to better serve our employees and those who are medically underserved in Fayette County.

Inspiring Ingenuity

Whether in the research lab, classroom space or community center, advancing Kentucky means embedding a sense and spark of ingenuity everywhere we go and in every place we touch.

- University research expenses, as reported to the National Science Foundation as part of the Higher Education Research and Development (HERD) Survey, totaled \$504 million for FY23, up from \$476.5 million the previous year.
- The dollars UK spent on Research and Development (R&D) in FY23 generated \$925 million in economic activity across Kentucky — supporting more than 4,900 jobs in the state.

- UK Research recently initiated an eighth Research Priority Area (RPA), Materials Science, joining other areas of focus such as cancer, cardiovascular diseases, energy and substance abuse disorders.
- Ingenuity at UK extends into the classroom and other spaces with innovative initiatives such as Smart Campus. UK has now deployed more than 40,000 iPads to our students over the past six years (<https://its.uky.edu/news/uk-alum-finds-viral-business-success-using-university-issued-ipad>).
- The university is also expanding its mobile ID system to access residence halls and recreational facilities on campus, acquire parking passes, ride LexTran buses, verify student status at athletic events, check out books at the library, enjoy UK Dining locations and verify student identification for testing, among other official university business.

Ensuring Greater Trust, Transparency and Accountability

This past year, you challenged and directed us — in specific, tangible and concrete ways — to accelerate our progress in advancing Kentucky. Key to those efforts, we concluded together, was developing rules and regulations, processes and procedures that better enabled, rather than hindered, our people and their work.

Moreover, members of our community told us in meetings throughout the spring that more voices needed to be at the table where important discussions about the future of our institution occur.

- Elected representatives from the student body and staff endorsed recommended revisions to our Governing Regulations as well as specific ways each of those elected bodies could engage with and advise me on important institutional issues. And a new Faculty Senate will be created to ensure continued counsel on important curricular and academic issues.
- As a Board, you approved revisions to our Governing Regulations in June that clarified our most important operating principles.
- This fall, workstreams composed of staff, faculty and students have been examining — and making recommended revisions to — our institution's Administrative Regulations, the daily management and operating rules and procedures.
- At the same time, a Provisional Faculty Senate Executive Committee has been working with Provost Bob DiPaola to determine the process and guiding principles for the newly constituted Faculty Senate. That process — and elections for new faculty senators — will be completed this semester.
- Members of our community also are continuing efforts around other aspects of what you dubbed Project Accelerate (<https://uknow.uky.edu/campus-news/uk-board-trustees-approves-revisions-governing-regulations-ensure-more-responsiveness>):

- The development of plans to grow enrollment in ways that align with the state's workforce needs;
 - An examination of our core curriculum to ensure it is preparing students for careers and lives of meaning and purpose;
 - The expansion of partnerships throughout the state as part of our mission of engagement and service;
 - Initiatives to improve the recruitment and retention of an outstanding workforce.
- We also are continuing to make strides in bettering our understanding and providing guidance to the campus around artificial intelligence (AI). A broad-based committee, led by Provost DiPaola, meets regularly to examine and make recommendations around the issues in AI related to classroom instruction, health care, ethics and other concerns and opportunities related to this generative technology.

Bringing Together Many People, One Community

The world our students will enter after college is filled with different perspectives, backgrounds and identities. Many of the people we treat confront disparities in health outcomes. The communities where we serve and seek solutions to the most intractable of challenges often face gaps in opportunities in access to care, capital and other resources.

If we are to prepare our students for success, our community must reflect the world in which they will live and work.

If gaps in life expectancy — whether in Fayette County or across the state — are to be closed, then we must find ways to better prevent disease and to extend access to care to more people in more places throughout the Commonwealth.

If our economy is to grow and thrive, more students — from all backgrounds — need to be prepared with the technical skills and capacity for critical thinking to succeed in that first job and in all those that follow over the course of a career.

It is essential, to those ends, that we are a community that welcomes the widest possible breadth of backgrounds and perspectives. Over the last several months, we've been engaging with policymakers and our campus community on how we are responsive to concerns regarding the ways we meet these objectives, while ensuring that we keep fidelity to our mission to be one community from among many people (<https://pres.uky.edu/news/many-people-one-community>).

As you know, in September, I testified and answered questions from the legislature's interim joint education committee. I discussed with lawmakers substantive changes we

made this summer — based on their feedback as well as feedback from the campus — around what is often called Diversity, Equity and Inclusion (DEI).

I also discussed our stance that, as an institution, we can only ensure a flourishing of ideas and perspectives when the university and I refrain from positions and statements perceived as partisan or political. Academic freedom — what is taught during instruction and the questions to which our scholars seek answers — is fundamental to who we are; but so too is the responsibility to create space for different ideas and perspectives.

We can't do that if the institution has staked out a position on issues beyond those that directly impact our community.

Other markers of our progress in building community include:

- The university marked the 75th anniversary of Lyman T. Johnson's historic legal victory against the University of Kentucky, a milestone that desegregated the university in 1949.
- The Association of Public and Land-Grant Universities (APLU) named the University of Kentucky the 2023 winner of the APLU International Impact Award for Global Engagement.
- Project SEARCH, a transition-to-work program for high school students with intellectual and developmental disabilities, offers young people immersive job experiences to help them develop new skills. In May, six Project SEARCH interns became the first-ever graduates of the nine-month immersive internship at UK HealthCare.
- The numbers of first-year students identifying as Hispanic or Latino and two or more races continue to increase. Both the number and percentage of underrepresented students in our first-year class are at record levels — 1,238 and 18.8%, respectively.
- Our fall 2024 preliminary enrollment rates show that 26.1% of first-year students are first generation.
- The number of undergraduate Black students increased from 1,585 to 1,627, and the overall number of Black students at UK is at a record level (2,454).

Conclusion

In a world where the only constant often seems to be change, we continually find ourselves confronting points of inflection — moments of both opportunity and challenge, in which we must both lead and lend support in a spirit of partnership.

Our state asks us to do and be more, yet institutions like ours across the country face more questions and scrutiny about our value and return on the investment students and families make in us.

We seek a community where instructors teach and search for answers, unfettered and without pre-conditions, but with the necessary understanding that such academic freedom is not free. It comes with a price — the responsibility to listen and show respect.

We treat and heal more patients, facing the most complex of care needs, yet we confront constraints in how much we can do based on our capacity and the size of our workforce.

We serve in every corner and community of the Commonwealth, but more engagement across more issues is being asked for — from agriculture and the provision of health care to financial planning and arts and culture.

Our research efforts directly align with our state's most pressing problems and most significant opportunities, but areas of focus and need, as well as the cost of our efforts, only continue to grow.

With vision and foresight, you have directed us to accelerate what we do to advance this state — its health and wealth, education and quality of life.

We reach for so much, across so much depth and breadth, that it is sometimes hard to succinctly explain what we are doing for the state. It isn't easy to discuss our value and purpose in a tight soundbite that resonates in a brief interview clip or a proposal to an understandably hurried lawmaker.

But ultimately, as I reflect on how our institution has both evolved and remained true to our founding mission, I often return to three questions. These questions frame what we do and how I think this community invariably responds to the most pressing issues.

Did we care? Were we fair? Did we give everyone a fair shot?

The capacity for care defined our response to a global pandemic when we vaccinated not only our campus but tens of thousands of teachers and safety officers as well as the most vulnerable among us.

It's that sense of fairness that guides us when we ask why there is a more than 10-year gap in life expectancy between two adjoining zip codes in Fayette County, and an even larger one across the expanse of our state. And we then seek to do something about it.

It's that commitment to giving everyone a fair shot that compels us as we enroll a record class while educating and graduating more first-generation students, those from economically challenged backgrounds and those with different perspectives than ever before in our history. That's what is right for our students. It's what is required for Kentucky.

We know, too, that such commitment has always been there. The issues change, the questions evolve, but the mission endures.

For nearly 160 years, our people — those who came before us and all those who seek to understand, teach, heal and serve today — have been driven by a calling to advance this state.

Our ability to do that, as you know in your charge to us and your faith in us, has been predicated on our willingness to respond yes to those questions:

Did we care? Were we fair? Did we give everyone a fair shot?

On behalf of a remarkable community, it continues to be an honor to know that our answer to those questions is always yes.

I look forward, working with and guided by you, to finding new ways to continue to answer that call.



Eli Capilouto
President