



University of Kentucky
Office of the President

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October 30, 2023

Mr. Chairman and members of the Board of Trustees,

As I write this, I reflect in the afterglow of the university's celebration Friday night, marking the culmination of the **Kentucky Can** philanthropy campaign. At \$2.1 billion, it was the largest fund-raising effort in our history and the largest ever for our state.

The campaign involved big numbers because we are being asked to do big things. And those who support this special place stood up to offer support for our mission – to educate and serve, to heal and discover, throughout our state and around the world.

There were, for example, more than 162,500 unique donors to the campaign. The campaign received support from all 120 Kentucky counties, all 50 states and 50 countries around the world. And more than half of these supporters for the campaign made their first gift to UK during the last five years of the effort.

They invested in us because they believe in us and the power and potential of what we are doing to advance Kentucky.

But I was particularly struck by the theme of the evening – *Just The Beginning*.

We can and should take great pride in what we accomplished in this campaign. And we can and should be proud, as the achievements and markers of progress detail below.

Indeed, it is with a sense of humility and gratitude that I submit this self-evaluation to you, on behalf of more than 25,000 employees and 34,000 students who make this community so special.

In an important sense, this self-evaluation is not about me. It is about the “Power of We” – the students, faculty and staff who turn audacious and ambitious dreams for this state into reality.

We are, as always, guided by your leadership and vision as a Board of Trustees to collectively work each day to advance Kentucky. But we are never satisfied.

Our people continue to push. They don't stop. They persevere. They seek the next problem, pursue the next discovery, ask the next set of questions and continually challenge old and existing assumptions, because that is what we are called to do.

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An Equal Opportunity University

And that work never ends. In a community like ours – with a mission and campus that is a commonwealth – we must always believe that we are at the beginning, not the end, of a race. A campus – with new students each year, new ideas and new challenges – is always in a state of renewal. It is always asking what is next. It always believes that we are just beginning.

Our race, and our mission, is how we work to advance this state in everything that we do. The milestones listed below, framed around the principles of our Strategic Plan, The UK-PURPOSE, provide a snapshot of what we are doing to advance Kentucky.

Our collective work, as a board and administration, is to articulate a vision of purpose and provide the scaffolding and support these remarkable people need to apply their talents to our singular mission.

I am honored to tell their stories.

It is an exciting story. But there are many more chapters to write.

It is just the beginning.

Putting Students First

As contemplated in our Strategic Plan, UK has been on a trajectory of growth for several years. We have grown thoughtfully and smartly, recognizing that more students and more graduates are essential to our mission to advance the state.

Because of the work of outstanding faculty and staff, we also are ensuring that, even as we grow, more students are succeeding at higher rates than at any time in our long history. The numbers tell a compelling story:

- The University of Kentucky reported an all-time enrollment of more than 34,000 students for fall 2023, preliminary figures show. Among those is another record-setting first-year class of nearly 6,500 students.
- Our students come from all 120 Kentucky counties, every state in the nation and more than 100 countries. The number of students enrolled as undergraduate, graduate and professional students in fall 2023 is up more than 4% from last year's record high of more than 32,000.
- UK's first-to-second-year retention rate for the fall 2022 cohort is 87%, according to preliminary figures, up 5 percentage points since the fall 2015 cohort alone. (Last year's first-to-second-year retention was 85%).
- We expect a record-level 70% six-year graduation rate for the fall 2017 cohort, which would place UK among the top 20% of all four-year public institutions, according to the most recent figures we have.

Significantly, UK has not chosen the well-worn path to student success that many others have taken. We did not improve graduation and success rates by becoming smaller or more elite.

We grew and we will continue to grow. We also sought to open our doors wider to more Kentuckians, while being a more inclusive community of belonging for young people from different perspectives and identities, races and ethnicities, backgrounds and geographies.

A more inclusive and open community is essential to our mission to advance Kentucky.

It will best prepare all our students for lives of meaning and purpose and to thrive in a world that, while so deeply polarized in many respects, still depends on understanding that we share a common humanity. We will, ultimately, succeed or fail together.

We do our part in recognizing and advancing shared values by being open to more people and finding ways to create greater access – and success – to more students from seemingly disparate backgrounds.

- The overall number of Underrepresented Minorities (or URM, the official state designation for students of color) has grown at UK.
- This fall, nearly 17% of students at UK come from underrepresented populations, up in both number and percentage over last year.
- This continues an upward trend in our URM enrollment that has produced more than 1,400 credentials earned by students of color in 2022-23, a 251% increase since 2010-11.
- This fall, nearly 25% of first-year students at UK are first-generation college students, up in both number and percentage from the previous fall. Our first-generation enrollment trajectory has propelled degree and certificate production from about 1,200 in academic year 2017-18 to almost 1,900 in 2022-23.
- About 25% of Kentucky undergraduates come from families where the median family annual income is less than \$25,000. Those students last fall paid no tuition and mandatory fees, receiving an additional, average amount of \$3,171 in aid.
- Financial aid in the form of grants and scholarships that students do not have to repay will hit \$285 million, including \$165 million from institutional funds. More than 90% of full-time, resident undergraduates receive such aid. Last fall, those students paid, on average, less than \$500 out-of-pocket for tuition and mandatory fees.
- An important symbol of the priority we place on academic achievement, UK Athletics reported this past spring that for 22 straight semesters, our student-athletes, collectively, have maintained at least a 3.0 GPA. Further underscoring that commitment to success, UK Athletics finished 18th in the most recent Director's Cup standings — a ranking that examines overall excellence. The

ranking is the sixth consecutive year that Kentucky has ranked in the nation's top 20 overall athletics programs. The standings reflect outstanding achievement by individuals and teams throughout the department with seven teams earning top-10 national finishes in their sports.

- In sum, the most important number, the number of degrees conferred by the university, reached nearly 9,500 in 2022-23. For context, in the 2010-11 academic year, we awarded a little more than 5,800 total credentials, including degrees and certificates. Those students are joining the workforce, many of them in Kentucky, equipped and ready for jobs, careers and building communities across our Commonwealth.
- The performance funding model for Kentucky public universities is based on 11 metrics primarily focused on student success such as bachelor's degrees produced, earned student credit hours and undergraduate student progression. The competitive-based model rewards universities with rates of growth that exceed the sector average. UK has achieved the highest number of growth rates above the sector average for every year the model has been in use.

The University of Kentucky is also creating groundbreaking and innovative ways to support student success. We know students are educated both inside and outside a classroom. And the totality of those experiences must prepare them not only for their first jobs, but for their entire career paths, as well as the jobs they will create for others.

- UK Invests, a new, first-of-its-kind initiative nationally that will help students build a foundation of financial literacy, is quickly expanding throughout campus as all UK students can deepen their understanding of financial wellness, practice financial investing and receive monetary rewards for institution-identified healthy behaviors. Early in fall 2023, already, more than 3,000 students – or about 10% of the student body – opened accounts.
- Explore First is a collaboration between our Office for Student Success and the International Center to give first-generation students an opportunity to study abroad without the burden of financial barriers. This summer, 60 first-generation students traveled to London and Dublin for a three-week long, fully funded study abroad program focused on career development, allowing students to complete career readiness courses for credit and network with leaders from companies around the world – LinkedIn, Diageo, Handshake, Compass and our partner businesses like Gray Construction and Alltech.

Taking Care of Our People

We have a special responsibility to help and heal throughout Kentucky. Two decades ago, Michael Karpf articulated a vision for UK HealthCare and for our state that no one should wake up in Kentucky, fearing that they can't receive the best of care for the most serious of illnesses.

We are closer to achieving that vision than ever before, thanks to the efforts of so many and some of the markers of progress outlined below. But we know that there is much still to do, and we have refreshed our strategic plans in this area and re-committed to that historic vision of how we care both for our state and for our people who are tasked with advancing Kentucky.

- For the eighth 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 ranked in the top 50 for three specialties: cancer care (#44), ear, nose and throat (#49, tied) and OB/GYN (#40). Gastroenterology and GI surgery also received a "high performing" designation.
- The UK Markey Cancer Center earned comprehensive status from the National Cancer Institute, placing it among the top 56 cancer centers in the country and making it eligible for increased funding, more clinical trials and novel therapeutics that hold the potential for lowering incidence rates of cancer among Kentuckians.
- This year's budget contained the 10th compensation increase for UK employees in the last 11 years. Nearly \$30 million has been invested from central sources over the last two years (not including UK HealthCare). This represents the largest such investment in pay raises over a two-year period in more than 15 years.
- UK will invest \$12 million more in health care in the coming year, some \$200 million for health coverage in 2023-24.
- We are moving forward with our partnership with King's Daughters Medical Center in Ashland, strengthening the network of care we provide to patients across our state who need it the most.
- We recently broke ground on our new Health Education Building, which will be key to educating more providers to treat patients throughout our commonwealth.
- UK is in the design phases for approximately \$2.4 billion in construction over the next several years, including expansion of the Albert B. Chandler Hospital footprint, an advanced cancer and ambulatory center and four ambulatory clinics throughout the region to provide greater access to care to members of our community and those who are medically underserved.
- The university is increasing the starting hourly rate for Federal Work Study student employees to \$12 an hour. The Office of Student Success will implement the same starting hourly rates for its student employees. UK also is implementing baseline graduate stipends, using national benchmarking data by academic discipline.
- UK was included on Forbes' America's Best Large Employers list – ranking sixth out of 500 total U.S. employers honored. In 2023, UK was also named best employer for new graduates and best in-state employer by Forbes. We were, once again, also cited by ModernThink in 2023 as a "Great College to Work For."

Inspiring Ingenuity

As with the growth of our student body, the trajectory and ascent of our research enterprise has been strategically planned for and executed as well. We are impacting the economy of our state. But most important, we are focusing so much of our efforts and investments on Kentucky's most significant and seemingly intractable of challenges – health and energy, access to levers of social mobility and future avenues of economic growth.

- This year's institutional budget projects \$494 million in revenue from research grants and contracts — the fifth straight year the research enterprise would top \$400 million. UK supports and empowers innovative research in all forms across our campus, within varied disciplines and at more than 70 centers and institutes
- Research and development at UK have a direct economic impact on Kentucky. The \$476.5 million UK spent on R&D in FY 2021 generated \$873 million in economic activity across Kentucky. As a result, 4,636 jobs were supported throughout the Commonwealth with 48% of those jobs directly supported by research initiatives.
- UK is one of 34 institutions in the country with the trifecta of research designations for excellence in cancer, aging and translational science.”
 - Markey Cancer Center: Comprehensive Cancer Center (National Cancer Institute)
 - Center for Clinical and Translational Science: Clinical & Translational Science Award (CTSA)
 - Sanders-Brown Center on Aging: Alzheimer's Disease Research Center (National Institute on Aging)
- In May, we broke ground on a new \$65.9 million Forage Animal Production Lab on UK's campus. It will house the Forage-Animal Production Research Unit (FAPRU), which aims to improve the productivity, sustainability and competitiveness of forage-based enterprises that raise beef cattle, horses, sheep and goats.
- Our Research Priority Areas (RPAs) are focused on the largest challenges facing the state. Because of the institutional focus placed on them, they have received significant increases in federal fund support.
- UK Research recently initiated an eighth RPA, Materials Science. Materials science will join other RPAs such as cancer, cardiovascular diseases, energy and substance abuse disorders. From medicine to manufacturing to automotive and aerospace applications, materials are vital to the future of Kentucky's economy.
- The Center for Applied Energy Research (CAER) and the U.S. Department of Energy's Oak Ridge National Laboratory are working together on a \$10 million project (\$1.9 million in FY23) to transform coal into high-value carbon fibers and composites. This is one of the leading-edge research fields related to UK's newly created Materials Science RPA.

- UK clinical research was supported by \$3.8 million from Eli Lilly and Company for the PRiMAL study, which examines the impact of review by a molecular tumor board — a team of medical experts who collaborate on treatment plans, looking at things like specific genetic tumor markers, to treat complex cancer cases.
- The Kentucky Injury Prevention and Research Center (KIPRC) received \$7.2 million from the Centers for Disease Control and Prevention (CDC) for Kentucky Overdose Data to Action. The program, which works with local health departments, community stakeholders and local and statewide agencies, helps to identify specific targets for evidence-based prevention programs, recruit and retain community stakeholders in the fight against drug overdose and translate research into actionable interventions.
- A team of more than 30 scientists at the Sanders-Brown Center on Aging are studying astrocytes. With \$4.2 million in FY23 (part of a \$20.5 million grant from the National Institute on Aging), his project explores the role of these star-shaped cells in neurodegenerative disease progression and their potential to be therapeutic targets.
- In August 2023, the James B. Beam Institute for Kentucky Spirits opened on campus. Through teaching, research and outreach, the institute promotes economic sustainability, environmental stewardship and responsible consumption, thanks to a multidisciplinary effort of experts from the UK Martin-Gatton College of Agriculture, Food and Environment, College of Engineering, College of Arts and Sciences and Gatton College of Business and Economics.
- UK continues to focus on utilizing the most innovative technology in classrooms and labs across campus through the Smart Campus Initiative. We've deployed more than 30,000 iPads to our students over the past five years and this year initiated a mobile ID system for building access.

Ensuring Greater Trust, Transparency and Accountability

A thoughtful community, focused on progress, is also an open one – with each other, with those who support our efforts and those who question them. In support of being that kind of community, we are continually asking ourselves how we communicate, how we listen and how we create a work environment that maximizes opportunities for everyone to be successful.

- This past year, we have continued efforts to reach out to more intentionally and transparently and converse with elected leaders among our faculty, staff and students.
- Recently, I, along with senior members of my administration, briefed elected faculty, staff and students regarding legislative priorities. Sessions are being scheduled with deans and other leaders across campus.

- The Work Location Workgroup completed a thoughtful process to create a more formal structure for work location, ensuring we support our residential campus while remaining flexible, where appropriate, with remote and hybrid work arrangements.
- UK this fall also launched its biannual self-study around work life.
- We continue to document, in detailed fashion, our required disclosures to campus around issues as broad as campus safety and voter registration.
- As part of the goal to communicate with campus, we recently started sending weekly updates where the institution communicates important messages as well as shares stories about the people in our community.
- This past year, the university initiated a new weekly update for faculty, focusing on their stories and successes and re-started a weekly update for alumni and other constituents of the university.
- Our Office of Internal Audit is working through a process of refining and reporting on conflicts of interest.
- The university also began a new program to explore the potential and challenges associated with Artificial Intelligence. The more than 30-member committee meets regularly, engages with the community to provide feedback and has started a website for the initiative to provide regular information about national and international developments as well as policy recommendations and changes at the university level.

Bringing Together Many People, One Community

UK is increasingly recognized an inclusive community of belonging – for people who come here to live, study and work, but also as a convenor for ideas to be shared and debated and as a partner to extend our reach and work with communities and others to advance our state.

- For the seventh consecutive year, INSIGHT Into Diversity magazine, the oldest and largest diversity-focused publication in higher education, recognized the University of Kentucky as a Higher Education Excellence in Diversity (HEED) Award recipient. The HEED Award recognizes colleges and universities that demonstrate an outstanding commitment to diversity and inclusion.
- In early 2023, Louisville's only historically Black college or university (HBCU), Simmons College of Kentucky, announced a partnership with UK. The two institutions will collaborate as they open and broaden pathways for more students as they pursue educational and career goals and further professional and personal development.
- "NAFSA: Association of International Educators" announced in February 2023 that the University of Kentucky is among seven U.S. universities and colleges selected to receive a 2023 Senator Paul Simon Award for Campus Internationalization, recognizing overall excellence in internationalization efforts as evidenced in mission, strategies, programs and results.

- UK hosted and spearheaded this year's Kentucky-West Virginia Louis Stokes Alliance for Minority Participation (KY-WV LSAMP) consortium, bringing dozens of scholars together to learn about new opportunities and celebrate their scholarly achievements. As principal investigator on the grant from the National Science Foundation (NSF), it was fulfilling to showcase the advances these scholars are making across our region.
- The first cohort of UKinSPIRE fellows is pushing the boundaries of discovery. UKinSPIRE is an internal funding opportunity for UK faculty, jointly funded by the Office of the Vice President for Research and International Center, intended to stimulate high-impact research projects in any discipline linking UK faculty and international collaborators and to establish collaborations with new international partner institutions or add greater depth to existing institutional partnerships.
- As part of our commitment to and ongoing efforts working with Native nations, the UK College of Arts and Sciences is investing \$889,188 in additional funds over the next three years to repatriate the ancestral remains and cultural items of Native Americans in Kentucky.

At our recent retreat, we repeatedly heard the refrain, from policy and business leaders in Louisville, Lexington, Northern Kentucky and from Appalachia:

We deeply value the partnership we have with the University of Kentucky. It is vital to what we do and the progress we are making.

But, as the refrain always went, we need more.

We need more graduates.

Our state and both our public and private sectors are clamoring for graduates who can compete and succeed in an increasingly sophisticated economy, one in which Kentucky is attracting more development, but desperately needs more skilled workers with technical competencies, but also capacities to communicate and think deeply, work in teams and solve evolving challenges.

We need more healing.

We are making so much progress, raising awareness around the importance of early screening for diseases and partnering with providers throughout the state to extend and enhance access to the specialty care that only we provide. But if our state is to grow, we must make even more progress in treating and thwarting insidious diseases, from cancer to opioid misuse, that still take too many lives and decimate too many communities.

We need to aggressively pursue more discovery.

Our state is attracting billions of dollars in potential economic development. We are being called to supply the workforce to fill those jobs. Yet, we also have an opportunity to be not simply the assembler of other people's ideas, but the creator of opportunities and ideas for jobs and products yet imagined. Such education and discovery will take place across and among disciplines, with teams of scholars, staff and students working together to discover and debate what is possible.

We are being called to serve even more.

We were founded on the idea of service. As a land-grant institution, and as embodied most visibly in our extension service, we reach every county and community in Kentucky. Our presence is not only a point of pride in these places, but is a touchstone, an acknowledgement that we can partner together for progress and solutions, no matter the question or challenge.

Our responsibility now is to extend that ethos of service into every aspect of our community and our mission, from our traditional partnership with farmers and agriculture to health care, economic development, the public and private sectors.

We cannot and will not position ourselves as the authoritative source for every answer to every problem. However, we can be partners. We can leverage our expertise in a spirit of collaboration, buoyed by the deep reservoirs of compassion and commitment that make UK such a special place.

We are the university of, for and with Kentucky.

We were created to advance this state in everything that we do.

We have done so much toward that ambitious and necessary goal – to make Kentucky healthier, wealthier and wiser – even as we approach this work with a sense of humility that recognizes there is still so much to do.

Our story – that of so many who came before us and on whose sturdy shoulders we now stand – is one of unending and steadfast commitment to this state.

I am proud to work with and for you in this audacious and ambitious endeavor to advance this state in everything that we do.

Together, we have many more chapters to write.

It is, as it always is for us, just the beginning.

Sincerely,



Eli Capilouto