

CS 3.2.1 (CEO evaluation/selection)

This standard expects an institution's governing board to be responsible for the selection and the periodic evaluation of the chief executive officer.

Compliance Partial Compliance Not in Compliance

SACSCOC COMPLIANCE ASSESSMENT

The involvement of the Governor in the negotiated resignation of the president, without board involvement (board had been dissolved), indicates interference with the board's ability to make decisions regarding the evaluation and selection of the president.

UNIVERSITY RESPONSE

The University of Louisville (UofL) is in compliance with Comprehensive Standard 3.2.1. The University of Louisville submits the following information in response to SACSCOC compliance assessment for Standard 3.2.1:

1. Background on UofL Governance Board Changes
2. UofL Governing Board Oversight of the University President
3. University Actions Related to the Policies of Appointment, Evaluation, and Dismissal of the President
4. Summary

The university has strengthened the institutional documentation regarding the Board's ability to appoint, evaluate, suspend, or remove the president.

1. Background on UofL Governance Board Changes

The Kentucky Revised Statutes assign to the Governor the responsibility of making appointments to state-funded higher education Boards of Trustees or Boards of Regents.

On June 17, 2016, the Governor of Kentucky reorganized the UofL Board of Trustees. In a letter to the Governor from then-University of Louisville (UofL) president James R. Ramsey dated June 16, 2016, Dr. Ramsey reaffirmed a conversation between the two and stated that “the members of a restructured board compliant with state law should have the opportunity for a ‘fresh start.’ . . . As a result, upon a legal restructure of the Board of Trustees at the University of Louisville, I will immediately offer, to the newly appointed board, my resignation/retirement as President of the University of Louisville” (emphasis added).

Dr. Ramsey’s letter did not offer his resignation to the Governor but instead announced his intent to offer his resignation/retirement to a restructured Board [1].

The Governor of Kentucky dissolved the UofL Board of Trustees on June 17, 2016, citing his authority under the Kentucky Constitution and KRS 12.028 [2], and issued two executive orders, 2016-338 [3] and 2016-339 [4], related to the UofL Board of Trustees.

- Executive Order 2016-338 abolished the Board as established by KRS 164.821 [5]. It created a new Board based upon a membership of ten individuals to be recommended for appointment by the Governor of Kentucky’s Postsecondary Nominating Committee.

- Executive Order 2016-339 appointed an interim Board consisting of three individuals appointed by the Governor of Kentucky. These appointments were in addition to the three existing constituent members of the university (faculty senate, staff senate, and student government).

In the two above-named executive orders, the Governor of Kentucky stated that the Board of Trustees is accountable for the health, reputation, and integrity of the university community in all aspects, that it was apparent that the UofL Board of Trustees was irreparably fractured and broken, and that reorganization efforts had to be undertaken immediately in order to achieve greater economy, efficiency, transparency, and improved oversight and administration of the university.

The focus of the Governor of Kentucky's action was on issues related to the functioning of the Board. The Governor's statutory role in the governance decisions of the university begins and ends with his appointment of the at-large members of the Board of Trustees. Responsibility for CEO appointment, evaluation, and dismissal continued to reside with the Board of Trustees.

On July 27, 2016, Dr. James Ramsey submitted his resignation to the UofL Board of Trustees. The Board accepted Dr. Ramsey's resignation [6]. The Governor never addressed or responded publicly to the June 16, 2016, letter written by President Ramsey, nor did he communicate to the university's Board of Trustees whether they should or should not accept the resignation of President Ramsey.

The intent of the Governor to reorganize the UofL Board based on KRS 12.028 and his executive orders led to legal action by the Kentucky Attorney General contesting the use of this particular state statute for that purpose. The judge who ruled over the litigation determined that KRS 12.028 was not applicable to postsecondary education [7].

The Kentucky General Assembly addressed the issue with the development and passage of Senate Bill 12 on January 7, 2017 (signed into law by the Governor on January 9, 2017) [8] and Senate Bill 107 on March 15, 2017 (signed into law by the Governor on March 21, 2017) [9]. Senate Bill 12 gave the authority for the appointment of a new Board of Trustees for UofL. Senate Bill 107 established processes for the appointment and dismissal of individual Board members or an entire Board.

2. UofL Governing Board Oversight of the University President

The UofL Board of Trustees has a state-mandated responsibility for appointment, suspension, or removal of the university president as stated in KRS 164.830 [10]. KRS 164.830 is clear in defining the powers of the Board of Trustees, which include the appointment, evaluation, suspension, or removal of the president.

Appointment of the President

At the time of any presidential transition at the University of Louisville, the Board has accepted the resignations and fulfilled its responsibility to establish a Presidential Search Committee and appoint a replacement.

Per *The Redbook* 2.1.1 (the university's governance document), the president of the university reports to the Board and serves at its pleasure [11], and, per *Redbook* 2.1.3, the Board annually evaluates the performance of the university president [12].

Provided below is a listing of the transitions in recent presidential appointments:

- The Board of Trustees appointed Dr. James R. Ramsey as the 17th president of the University of Louisville on November 14, 2002 [13].
- On July 27, 2016, Dr. James Ramsey submitted his resignation to the UofL Board of Trustees. After deliberation, the Board decided to accept Dr. Ramsey's resignation [14].
- On July 27, 2016, per *Redbook* 2.2.3, the Board appointed then-Acting Provost Dr. Neville Pinto as Acting President of the university [15].
- Dr. Pinto resigned in December 2016 to accept a position as president of the University of Cincinnati [16]. President Pinto served as Acting President until February 1, 2017.

- Effective January 30, 2017, the Board of Trustees appointed Gregory C. Postel, M.D., as Interim President of the university [17], following *The Redbook*, Section 2.2.3 [18].

Dr. Postel’s appointment letter states: “*Your appointment as Interim President is at the pleasure of the Board of Trustees and may be terminated at the discretion of the Board of Trustees, with or without cause*” and “*You may be removed from your University responsibilities only by action of the Board of Trustees*” [19].

- A search is underway for the next UofL president. The Board of Trustees has approved a resolution regarding the presidential search process [20].

Evaluation of the President

Consistent with Section 2.1.3 of *The Redbook* (which states, “The performance of the President will be reviewed annually by the Board of Trustees”) [21] and Section 2.7 of the University of Louisville Board of Trustees Bylaws [22], the performance of the university president is reviewed annually by the Board of Trustees. The University of Louisville Board of Trustees Bylaws and *The Redbook* are consistent with KRS 164.830(1)(g) [23], which requires periodic evaluation of the institution’s progress in reaching its mission, goals, and objectives and for holding officers and officials accountable for the status of the institution’s progress.

Following university policy and state statute, the Board of Trustees conducts an annual evaluation of the university president that includes assessment of the achievement of specific goals/strategic initiatives approved annually by the Board of Trustees.

President James Ramsey was evaluated on an annual basis by the Board from 2002 until 2015. The university provided three years of evaluation in the 3.2.1 report submitted in response to the SACSCOC letter from Dr. Wheelan dated June 28, 2016, and also provides them in the current report [24]. Acting President Neville G. Pinto was not evaluated because he held the position of president for only six months.

Interim President Postel's appointment letter states that the Board of Trustees will annually evaluate the Interim President within three months after the end of each academic year [25]. At its Annual Meeting on July 20, 2017, the Board Chair requested that the Board's Governance Committee begin collecting materials toward the evaluation of Interim President Gregory C. Postel. Dr. Postel's evaluation will take place at a future Board meeting in open session, as required by Kentucky law [26].

3. University Actions Related to the Policies of Appointment, Evaluation, and Dismissal of the President

In response to SACSCOC's concern, the Board of Trustees has added the following statement to its Bylaws (Section 2.7, effective as of May 18, 2017):

“The Board of Trustees is responsible for the selection and appointment of the President in accordance with the Board’s obligations under state law and The Redbook. The Board of Trustees is also solely responsible for conducting a formal evaluation of the performance of the President on at least an annual basis. The Board of Trustees is solely responsible for making decisions on the President’s responsibilities and authority, total compensation and continuation in office.” [27]

The Redbook has also been revised to say: “The Board of Trustees shall have the powers set forth in KRS 164.830, including the authority (i) to select, hire, regularly evaluate, and, when appropriate, suspend or remove the President of the University” [28].

The revision of the university governance documents reflects the university’s compliance with SACSCOC Comprehensive Standard 3.2.1.

4. Summary

The University of Louisville is in compliance with Comprehensive Standard 3.2.1. The university has strengthened the institutional documentation regarding the Board’s ability to appoint, evaluate, suspend, or remove the president by revising the university’s Board of Trustees Bylaws and *The Redbook*, the university’s governance document, to specifically address Board of Trustees power in alignment with Kentucky Revised Statutes.

[1] President James Ramsey’s Letter to the Governor of Kentucky, June 16, 2016
3_2_1_fn01.pdf

- [2] KRS 12.028, Board Dismissal
3_2_1_fn02.pdf
- [3] Governor of Kentucky's Executive Order 2016-338
3_2_1_fn03.pdf
- [4] Governor of Kentucky's Executive Order 2016-339
3_2_1_fn04.pdf
- [5] KRS 164.821, Membership—Terms
3_2_1_fn05.pdf
- [6] Board of Trustee's Meeting Minutes, July 27, 2016, Acceptance of James Ramsey's
Resignation
3_2_1_fn06.pdf
- [7] Judge Shepherd's Ruling on Governor's Action
3_2_1_fn07.pdf
- [8] Senate Bill 12, An Act Relating to Postsecondary Education Governance
3_2_1_fn08.pdf
- [9] Senate Bill 107, An Act Relating to Gubernatorial Appointments
3_2_1_fn09.pdf
- [10] KRS 164.830, Powers of the Board
3_2_1_fn10.pdf
- [11] *The Redbook* 2.1.1, Position Description for University of Louisville President
3_2_1_fn11.pdf
- [12] *The Redbook*, 2.1.3, Evaluation of the President
3_2_1_fn12.pdf
- [13] Board of Trustees Minutes, November 14, 2002, Hiring of President James Ramsey
3_2_1_fn13.pdf
- [14] Board of Trustee's Meeting Minutes, July 27, 2016, Acceptance of James Ramsey's
Resignation
3_2_1_fn14.pdf
- [15] Board of Trustee's Meeting Minutes, July 27, 2016, Appointment of Neville Pinto as
President
3_2_1_fn15.pdf
- [16] President Pinto Resignation

3_2_1_fn16.pdf

[17] Board of Trustee's Meeting Minutes, January 21, 2017, Appointment of Gregory Postel as President

3_2_1_fn17.pdf

[18] *The Redbook*, Section 2.2.3, Duties of Executive Vice President and University Provost and Vice Presidents

3_2_1_fn18.pdf

[19] President Postel Appointment Letter, February 16, 2017

3_2_1_fn19.pdf

[20] BOT Resolution on Presidential Search June 28, 2017

3_2_1_fn20.pdf

[21] *The Redbook*, Section 2.1.3, Annual Evaluation of President

3_2_1_fn21.pdf

[22] Revised Board of Trustees Bylaws, Section 2.7, Selection and Evaluation of the President

3_2_1_fn22.pdf

[23] KRS 164.830(1)(g), Powers of the Board

3_2_1_fn23.pdf

[24] Dr. Ramsey—Evaluations from 2003-2015

3_2_1_fn24.pdf

[25] President Postel Appointment Letter, February 16, 2017

3_2_1_fn25.pdf

[26] Board of Trustees Minutes, July 20, 2017, Evaluation of President Postel

3_2_1_fn26.pdf

[27] Revised Board of Trustees Bylaws, Section 2.7, Selection and Evaluation of the President

3_2_1_fn27.pdf

[28] Revised *The Redbook*, Section 1.1.2, Powers of the Board

3_2_1_fn28.pdf