



MATTHEW G. BEVIN
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2016-338
June 17, 2016

RELATING TO THE REORGANIZATION OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

WHEREAS, the Commonwealth of Kentucky should promote the effective and efficient management of state government operations; and

WHEREAS, it is the responsibility of state government to provide the citizens of the Commonwealth with an economical and efficient governmental structure that can be administered in a consistent, ethical, transparent and coordinated manner; and

WHEREAS, pursuant to KRS 164.821, the University of Louisville is currently governed and administered by a Board of Trustees consisting of twenty (20) members, including seventeen (17) members appointed by the Governor; one (1) member of the teaching faculty of the University of Louisville who is the chief executive of the ranking unit of faculty government; one (1) member of the permanent staff of the University of Louisville who is the chief executive of the staff senate; and one (1) student member who is the president of the student body during the relevant academic year; and

WHEREAS, the University of Louisville Board of Trustees is responsible for providing governance and oversight for the University's administration and is accountable for the health, reputation and integrity of the University community in all aspects; and

WHEREAS, the University of Louisville Board of Trustees has legal fiduciary responsibility, which includes a duty of loyalty, a duty of care, and a duty of obedience, so as to advance the best interests of the institution in all aspects of its operation, so as to set a positive example for the faculty, staff and students and so as to inspire confidence throughout the University community, the citizens of the Commonwealth and the general public at large; and



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WHEREAS, the University of Louisville has recently been involved in several high-profile incidents that have cast the institution in a negative light; and

WHEREAS, it is apparent that the administration of the University of Louisville and the members of its Board of Trustees have become operationally dysfunctional; and

WHEREAS, it is apparent that the University of Louisville Board of Trustees is irreparably fractured and broken and that a strained relationship exists between certain trustees and the University administration, which is seriously damaging the entire University community in many ways, including making it more difficult to raise funds through philanthropy and to attract good and high quality students and both academic and administrative staff, and reflects negatively upon the Commonwealth as a whole; and

WHEREAS, the University's Board of Trustees has acted in a manner that manifests a lack of transparency and professionalism; and

WHEREAS, the reputation of the University of Louisville as an academic institution is at risk, and I, as Governor, cannot forbear any longer in preventing that from occurring; and

WHEREAS, pursuant to KRS 164.321, the Boards of Regents of Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University and Northern Kentucky University are comprised of eleven (11) members, eight (8) of whom are appointed by the Governor, one (1) of whom is a member of the teaching faculty, one (1) of whom is a member of nonteaching personnel, and one (1) of whom is a member of the student body; and

WHEREAS, I believe that a more streamlined Board of Trustees with a smaller number of members can more efficiently and economically oversee, govern and manage the affairs of the University of Louisville and improve its administration; and



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WHEREAS, I have determined that the University of Louisville Board of Trustees, as established by the provisions of KRS 164.821, should be abolished, altered, recreated, and restructured with a new, smaller and more efficient governing membership and a more focused vision and purpose designed to carry out the statutory mandates established for the institution, as well as the obligations and commitments it has to the citizens of the Commonwealth, and, therefore, that reorganization efforts should be taken immediately in order to achieve greater economy, efficiency, transparency and improved oversight and administration of the University of Louisville:

NOW, THEREFORE, I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, under the authority vested in me by the Kentucky Constitution, Sections 69 and 81, KRS 12.028, and otherwise, do hereby Order and Direct the following:

- I. The University of Louisville Board of Trustees as established by KRS 164.821 is abolished. The terms of the members appointed by the Governor serving on the University of Louisville Board of Trustees as it existed prior to the filing of this Order shall expire immediately upon the filing of this Order.
- II. The University of Louisville Board of Trustees ("Board") is hereby recreated, established, and charged with the responsibility of securing, governing, managing, overseeing and being responsible for all aspects of the University of Louisville in a fiduciary capacity in accordance with the laws of the Commonwealth.
- III. The Board shall consist of the following:
 - A. Ten (10) members appointed by the Governor, at least one (1) of whom shall be a graduate of the University, selected from nominees submitted to the Governor by the Postsecondary Education Nominating Committee in accordance with KRS 164.005.
 - B. One (1) member of the teaching faculty of the University of Louisville, who shall be the chief executive of the ranking unit of faculty government, who shall serve a one (1) year term.
 - C. One (1) member of the permanent staff of the University of Louisville, who shall be the chief executive of the staff senate who shall serve a one (1) year term.



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- D. One (1) student member who shall be the president of the student body during the relevant academic year who shall serve a one (1) year term. The student member shall begin service as a Board member beginning with the first meeting of the academic year for which she or he was selected as student body president.
- E. The persons referenced in Subsections B., C., and D. of this Section shall not begin their service as members of the Board until the ten (10) members appointed under Subsection A. of this Section have begun their service as members.
- IV. The members serving by virtue of their positions as set forth in Section III., Subsections B., C., and D., shall serve as members of the Board only so long as they continue to serve in their respective leadership positions within the University.
- V. The Governor shall make his other appointments so as to divide the citizen representation upon the board to reflect proportional representation of the two (2) leading political parties in the Commonwealth based on the state's voter registration and shall reflect no less than proportional representation of the minority racial composition of the Commonwealth, using the most recent data from the United States Census Bureau. Where that calculation results in a number exceeding a round number, it shall be increased to the next highest round number.
- VI. The members of the Board appointed by the Governor shall serve for a term of six (6) years, except that of the members first appointed, one (1) shall serve for a term of six (6) years, one (1) shall serve for a term of (5) years, two (2) shall serve for a term of four (4) years, two (2) shall serve for a term of three (3) years, two (2) shall serve for a term of two (2) years, and two (2) shall serve for a one (1) year term. Board members shall serve no more than two (2) consecutive terms. Any member appointed to fill a vacancy occurring for any reason other than by expiration of a term shall be appointed for the remainder of the unexpired term. A majority of the voting members of the Board shall constitute a quorum for the transaction of business. Members shall receive no compensation for serving on the Board, but shall be reimbursed for travel expenses for attending meetings and performing other official functions, consistent with the reimbursement policy for state employees. Board members who reside outside the Commonwealth shall not be reimbursed for out-of-state travel expenses.
- VII. The Governor's Postsecondary Education Nominating Committee is hereby directed to meet as soon as practicable and submit thirty (30) nominees for Board membership to the Governor pursuant to KRS 164.005, no later than fourteen (14) days from the date hereof.
- VIII. The members of the Board appointed by the Governor shall annually elect one (1) of their number to serve as Chairperson of the Board and one (1) of their



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number to serve as Vice Chairperson to act in the absence or temporary disability of the Chairperson.

- IX. Except as may be otherwise set forth herein, the Board shall have all corporate and other powers vested in the University of Louisville Board of Trustees as it existed prior to the filing of this Order.
- X. Except as otherwise provided herein, the Board shall have exclusive control and direction over all duties, functions and responsibilities previously exercised by the University of Louisville Board of Trustees as it existed prior to the filing of this Order. All powers, authority, functions, and responsibilities vested in the University of Louisville Board of Trustees as it existed prior to the filing of this Order are hereby transferred to the newly created Board, which shall utilize that authority, function, and responsibility to carry out the functions of the Board. All duties, functions, responsibilities, records, policies, procedures, rules, regulations, equipment, staff and supporting budget of the University of Louisville Board of Trustees as it existed prior to the filing of this Order, and all functions, rights, powers, duties, and obligations set forth by law are hereby transferred to the Board created by this Order.
- XI. The Board shall assure continuance of all legal and contractual rights, functions, duties, and liabilities, including, but not limited to, those associated with outstanding bonds, in accordance with KRS 164.0057.
- XII. Members of the Board shall be required to attend and complete such orientation program as may be prescribed by the Council on Postsecondary Education under KRS 164.020, or otherwise, as a condition of their service.
- XIII. Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing, with right to counsel, before the Council on Postsecondary Education and a finding of fact by said Council.
- XIV. If the student member of the Board does not maintain his or her position as student body president or his or her status as a full-time student at any time during that academic year, a special election shall be held to select a full-time student member. The student member selected as a replacement shall serve for the remainder of the term for which her or his predecessor was selected.
- XV. The faculty member, staff member, and student body member of the Board shall cease to be eligible for membership on the Board upon termination of their respective relationships with the University or if they cease to serve in the leadership positions set forth in Section III, and vacancies occurring for this reason shall be filled for the remainder of the respective terms in the same manner.



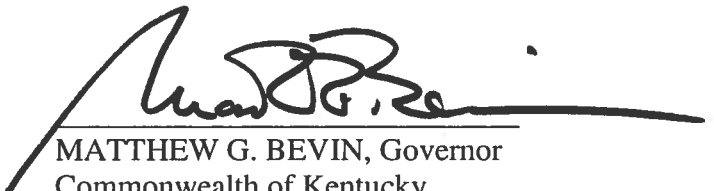
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- XVI. Vacancies among the citizen members of the Board appointed by the Governor occurring by death, resignation, or any other cause shall be filled by appointments made by the Governor for the expiration of the term, subject to the qualifications set forth in this Order and otherwise by law.
- XVII. The Finance and Administration Cabinet, the Personnel Cabinet, the Governor's Office of Policy and Management, and all other state agencies necessary to effectuate this Order, shall take all necessary action to do so.
- XVIII. This Executive Order is effective immediately.



MATTHEW G. BEVIN, Governor
Commonwealth of Kentucky

ALISON LUNDERGAN GRIMES
Secretary of State



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REORGANIZATION PLAN

It is the policy of this Administration to provide the citizens of this Commonwealth with an economical and efficient governmental structure, as well as regulatory practices that are administered in a consistent, ethical and coordinated manner. Therefore, pursuant to the provisions of KRS 12.028, the Governor hereby implements the following Executive Order which temporarily reorganizes a state government board until subsequent ratification or non-ratification by the Kentucky General Assembly.

SUMMARY OF PLAN

This Executive Order abolishes and recreates the University of Louisville Board of Trustees with a new, smaller and more efficient governing membership and more focused vision and purpose designed to carry out the statutory mandates established for the University of Louisville, as well as the obligations and commitments it has to the people of Kentucky. It reduces the gubernatorial appointive membership from 17 to 10 members. It also eliminates the superfluous requirement for a gubernatorial appointment based on recommendations from the alumni association. The Executive Order recognizes the dysfunction that exists on the part of the Board and recognizes that a smaller membership is more streamlined and can more efficiently govern, oversee and manage the affairs of the institution. As a result, greater economy, efficiency, transparency and improved administration of the University and its affairs will be achieved.

The foregoing changes are needed in order to promote greater economy, efficiency and improved administration.

PERSONNEL IMPACT

Except for the reduction in the number of members on the recreated Board, this reorganization is for administrative purposes with no resulting personnel impact and will not result in any increased personnel or other expenditures to Kentucky State Government or the University.

FISCAL IMPACT

The budget and personnel expenditures for the newly created Board of Trustees will be less than those of the former Board. There will be tangible and intangible expense savings associated with this reorganization based upon expense savings due to the decreased number of trustees. No fiscal increases are anticipated.