

February 4, 2014

Dear UK Dining Employees,

This morning, I met with many of you and discussed the future of this critical operation. In an effort to ensure that everyone is aware of this matter, we are distributing this email.

President Capilouto has authorized the Purchasing division to begin negotiations about the potential of ultimately developing a public-private partnership for dining services. The hope -- and our expectation -- is to find a public-private partner that will help us create a new, expanded and enhanced dining operation for our campus and the broader community we serve.

Any partnership will honor our employment commitment to all full-time UK dining employees, who were at the university as of February 2013. That has not changed. It will not change. Any agreement executed will explicitly contain that stipulation.

Why did we arrive at this point and where do we go from here? We have a very good dining service with an exemplary staff. That has never been in question and it should not be now.

For the last several months, teams of faculty, staff and students have reviewed our existing operations. They have traveled to other campuses to examine their dining services. They have analyzed and questioned proposals from potential public-private partners.

After reviewing the data and discussing it with a number of those involved in this process as well as others on campus with often varying views, President Capilouto has challenged us to adapt as we grow and as the needs and desires of our campus community change and expand.

Today, we are limited in what we can do in that regard. There are several factors that lead to that conclusion and this decision to enter into more in-depth negotiations with potential partners:

- We are adding thousands of modern residence hall beds on our campus right now with the expectation of many more students living at UK in the coming years. Indeed, we will house over 21 percent more students in fall 2014 than we did in fall 2013. Such growth is, without question, the right thing to do. We know students learn better and do better when they live on campus. The research shows it in increased retention and higher GPA's. Our experience -- and yours - validates the data from our living and learning communities. We must have facilities in dining and other quality of life areas that support that growth. Currently, we do not.
- A public-private partnership with a vendor with expertise in this area offers the opportunity for millions of dollars in facility investment over the next several

years. We simply do not have that capacity internally. Nor can we expect the taxpayers of this state to foot the bill.

- Moreover, we currently do not have the flexibility to provide students and the campus community with the diversity of food offerings they have told us they want. Students have told us repeatedly -- in surveys and anecdotally -- that they want additional healthy food choices and expanded venues. We must be responsive to those needs.
- As importantly, after visiting with several other campuses that have moved to dining public-private partnerships, we can and will strengthen and enhance relationships with local food growers and locally sourced food options. We can preserve what is best about our long-time commitment to service and our land-grant mission.
- A public-private partnership can help us improve existing commitments to Kentucky Proud and initiatives such as the Butcher Shop and Lemon Tree Restaurant that provide students and others with valuable opportunities.

There is proof to back up the hope. All but two of Kentucky's public universities have already chosen this path and many others, such as Berea College, have long since decided a public-private partnership can help them enhance what they offer their campus community. In addition, 10 of our 14 SEC sister campuses have chosen this path -- often with pronounced enhancements in food offerings and expanded healthy choices and facility development that also improves the campus environment for student success.

We must, however, develop a Kentucky partnership that honors the University of Kentucky's values and needs. That is the goal as we move forward with negotiations. It is an unwavering expectation we will have of any potential public-private partner. They will help us maintain our commitments. They will help us continue to honor our values as an institution. We must now seek an agreement -- with tough, explicit expectations outlined in a management and operating contract -- that help us ensure those commitments.

Throughout the last several months, we have endeavored to be responsive to questions and concerns and accountable with how we have communicated to the campus and community. That will continue. At the point where we finalize such an agreement, assuming we are successful in these negotiations, those final, executed documents will be open for all to review.

As always, thank you for your years of hard work and service and for your continued commitment to UK. If you have questions, please don't hesitate to contact me.

Eric N. Monday, EVPFA
Email: evpfa@uky.edu