President’s Presentation to the Board of Trustees

Retreat Follow-up
Tuesday, Oct. 25, 2011
What the Trustees said...

Improve and expand:

• Undergraduate experience
• Housing
• Academic facilities
• Research space
Since the retreat, we have...

• Academic enhancement underway
• Initiated preliminary financial planning
• Developed an RFP for a housing partner
• Created campus land capacity model
• Continued to work on more detailed facility plans

An Equal Opportunity University
Academic Enhancement

UK Honors Academy

- Opportunity to join a select cohort of UK’s best students, with all majors participating
- Generous merit scholarships
- Dedicated academic advising
- Interaction with faculty mentors and student peer mentors
- Opportunity for research with world-class scholars/scientists/artists (capstone project)
## Preliminary Financial Planning

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Costs and other drivers</th>
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<tbody>
<tr>
<td>State</td>
<td>Scholarships</td>
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<td>Students</td>
<td>Personnel</td>
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<tr>
<td>Philanthropy</td>
<td>Instructional programming</td>
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<tr>
<td>F&amp;A Recovery (indirect cost reimbursement)</td>
<td>Cost of capital</td>
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<td>Private Partners</td>
<td>Construction cost</td>
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<tr>
<td>Debt proceeds</td>
<td>Operating and maintenance of new and existing facilities</td>
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<td>Internal reallocations</td>
<td>Assignable Square Footage</td>
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<td>Other operating expenses</td>
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### Other Considerations
- Student Affordability
- Debt Capacity
- State Statutes and Regulations
Initial Results

An aggressive building program is:

• **ACHIEVABLE**

• Dependent on multiple funding sources
  o Greater and more intentional philanthropy
  o Innovative partnerships
  o Smart growth of our student body
  o Continuing investments by the Commonwealth
  o Improve efficiencies
Factors for Setting Capital Priorities

• Impact on quality of undergraduate experience
• Age and condition of facilities
• Availability of funds from various sources
• Impact on revenue generation
• Program growth and entrepreneurship
Building Program

Fall 2013

• Open new undergraduate residence hall 600 beds
  ▪ Honors and innovative learning programs

Fall 2013 to Fall 2021

• Open new residence halls for up to a total of 9,000 modern beds

• Academic, research and student support facilities - $400 to $500 million in total investment

• Self-financed projects (UK HealthCare, Athletics, etc.)
RFP Housing

The Housing “Request for Proposal” will...

- Be issued tomorrow (October 26)
- Identify private partner with financial strength and experience
- Request Phase 1 Facility - Fall 2013 occupancy (600 beds)
- Focus on modern student living and learning facilities
Campus Land Capacity

Undergraduate Housing
- 4 & 5 Story buildings
- Dining Halls/Student Activity Centers included
- Up to 9,000 Bed Count Goal
- Multiple Phases of Projects
What’s next on facilities

• Immediate steps
  o Conversation with stakeholders
  o Issue an RFP to evaluate public/private partnerships compared to University-financed projects
  o Further develop scenarios
    ▪ Combination of funding sources
    ▪ Sequencing of projects and investments
    ▪ Partnership and financial strategies
Other Priorities from the Board Retreat

- Financial System of Accountability
- Human capital
- Diversity and Inclusion
- Learning organization
Key Dates

- October 2011  Issue RFP for Housing
- December 2011  BOT approve first housing project
- January 2012  General Assembly convenes