The University of Kentucky’s Impact on the Commonwealth

Interim Economic Development Committee

Eli Capilouto, President
November 21, 2013
Kentucky’s Return on Investment

- $284 million in state appropriations yields:
  - $2.7 billion academic and research enterprise
  - $1 billion hospital
  - Top-tier research and creative scholarship
  - More than 5,000 degrees awarded annually over the last decade; 6,000 in 2011-12 alone.
  - Statewide cooperative extension network
  - Expertise for public/private business and industry
  - Self-sustaining collegiate athletics program

- Lexington’s largest employer
  - 12,188 full-time employees
  - $26.7m payroll tax revenue

- Kentucky’s second largest employer
  - $51.9m in payroll tax revenue

Current Funds Revenue, FY13-14

Source: UK Human Resources and UK Budget Office
Kentucky’s Workforce

- Lexington named a “Brain Hub” by the Wall Street Journal

- Average Employment Wage
  - Bachelors - $38,919
  - Masters - $49,098
  - Doctoral - $78,688

- More than 105,000 living, degreed UK alumni in Kentucky

Source: CPE “Brain Gain: Retaining Kentucky Graduates” report
UK’s Research Enterprise

- FY 2012 Sponsored Project Expenditures totaled $354 million
- Equivalent to a direct annual payroll of $240 million
  - Approximately $14 million in state income tax revenue
- FY 2011 NSF Higher Education R&D Survey
  - #59 among all 912 institutions
  - #38 among public institutions
  - #17 among public, land grant institutions
- “Bucks for Brains”
  - Capital improvements;
  - 91 endowed chairs; 211 endowed professorships; and 259 fellowships, scholarships, lectures, and endowments for research and the William T. Young Library

FY2012 Expenditures by Source

- Federal, 53%
- Federal Flo-thru, 19%
- State, 16%
- Industry, 6%
- Other, 6%

Source: Office of the Vice President for Research
Basic Science R&D

- Magnetic Resonance Imaging (MRI)
- Spinal Cord and Brain Injury Research Center
- Biological Biomedical Sciences Research Building
  - $74.4 million dedicated research building
  - 185,000 square feet
  - Houses 350-400 faculty, technical staff, and students
  - Research in neuroscience, genomics, and proteomics
- College of Pharmacy
  - $160 million academic research facility
  - 286,000 square feet; 84,000 square feet dedicated to research
  - Markey Cancer Center, Center for Pharmaceutical Research and Innovation, and the NIH Nanomedicine Development Center
Markey Cancer Center

• Need
  – Markey serves 41 of the 54 most distressed counties in the Appalachian region
  – Highest rate of cancer deaths per 100,000 pop.
  – Over 25,000 new cases were diagnosed in 2012

• Leadership
  – Dr. Mark Evers recruited to UK in 2009
  – Multidisciplinary approach to science and treatment

• Investment
  – $114 million for infrastructure and human capital
  – College of Pharmacy building
  – World-class research faculty

• Success
  – NCI-designation announced July 2013
Commercialization & Innovation

- Center for Applied Energy Research
  - Carbon-capture research supported by Kentucky industry and the Department of Energy
  - Tekcrete Fast
  - Kentucky Argonne National Battery Laboratory

- Houseboat to Energy Efficient Residences (HBEER)
  - Partnership between the College of Design and Center for Applied Energy Research

- Faith Moves Mountains

- NOHMS
  - Relocated from Cornell to work with UK faculty/staff

- Commercialization and Licensing, FY 2013
  - 17 patent applications
  - 30 patents issued
  - $4.83 million in licensing revenue

Source: Office of the Vice President for Research
Coldstream Research Campus

- Advanced Science & Technology Commercialization Center (ASTeCC)
  - 43 companies have graduated from UK’s small business incubator
  - 20 additional companies growing at ASTeCC

- Coldstream Research Campus
  - 66 businesses and organizations. More than half are in the life sciences, engineering, or animal health
  - More than 2,000 total employees

- Eastern State Hospital
- Bingham McCutchen
- Tempur Sealy
UK Cooperative Extension Services

- Offices in 120 Kentucky counties
- More than 16,000 individuals implemented at least one financial management strategy
- Nearly 26,000 farmers adopted resource management practices
- 10,480 implemented sustainable agriculture best practices
- More than 64,000 families made healthy food choices as a result of UK Extension
- 579 tourism/agritourism businesses served by Extension
- More than 180,000 youth reached through 4-H
UK HealthCare (UKHC)

- Over the last decade, UKHC’s annual hospital revenues have increased from $319m to $922m
- 35,511 inpatient hospital discharges thus far in FY13
- 448,672 outpatient visits
- Serving patients from all 120 Kentucky counties.

Source: UK HealthCare
UK HealthCare (UKHC)

- UK HealthCare
  - Added 2,982 jobs (116%) from 2004 to 2012

- College of Medicine
  - Added 527 jobs (29%) from 2004 to 2012

- UKHC operates 140 outreach clinics and programs throughout central and eastern Kentucky

- UKHC named a “Top Performer” and “Rising Star” by leading ranking consortiums

Source: UK HealthCare
UK Athletics

- One a small number of self-sustaining programs in college athletics
  - Football and Basketball support the entire enterprise
  - Service assessments and royalty income

- More than $12 million in student-athletics scholarships

- More than $1.6 million in non-athletic scholarships
  - Robinson Scholars
  - Singletary Scholars

- Graduation rates equal to the University.

- Financing two-thirds of the new Academic Science Building - $65 million
Campus Housing

• $264 million in private financing to build nearly 4,600 modern beds

• Student success
  – On-campus: 2.86 GPA; 82.8%
  – Off-campus: 2.50 GPA; 75.9%
  – Living/learning community: 3.26 GPA; 88.4%

• Phase I and Phase IIa
  – 4,435 direct and indirect jobs
  – $4.6 million in state/local taxes

• Phase IIb
  – 2,949 direct and indirect jobs
  – $3.1 million in state/local taxes

Source: EdR
Central Hall I and II

$25.2 million  
601 beds  
19 active learning spaces
Champions Court I and II

$69.7 million  1,167 beds  53 active learning spaces
Woodland Glen I and II

$44.4 million         818 beds        33 active learning spaces
Woodland Glen III, IV and V

$101.2 million  
1,610 beds  
55 active learning spaces
Haggin Hall

$23.8 million  396 beds  15 active learning spaces
HB 7: Gatton College of Business and Economics

• $65 million renovation and expansion

• Self-funded through private philanthropy
  – $45 million raised from in-state and out-of-state donors

• Estimated completion May 2016
  – Phase I and Phase 2 completed by July 2015
  – Phase 3 completed by May 2016
HB 7: Gatton College of Business and Economics

- Existing facility has third highest utilization rate
  - 40% expansion; 210,000 total square feet

- Modern, collaborative space
  - 500-seat auditorium
  - 40 study rooms
  - 20 new classrooms
  - Trading floor simulator
  - Community atrium and cafe
  - Garden plaza

- Allows for smart enrollment and faculty growth
  - Will accommodate 1,200 more students
HB 7: Academic Science Building

- $100 million project
- Two-thirds financed by UK Athletics
- Current Chemistry-Physics Building has second highest utilization rate
- Major utility work to begin December 2013
- Designed to accommodate multi-disciplinary science education and research
HB 7: Commonwealth Stadium

- $110 facility renovation
- Privately financed by UK Athletics

The project will:
- Modernize the facility
- Improve the fan experience
- Support student-athletes
- Ensure UK Athletics remains a self-sustaining entity

- Construction will begin in December 2013
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