



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

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

Sources of Funds	Costs and other drivers
State	Scholarships
Students	Personnel
Philanthropy	Instructional programming
F&A Recovery (indirect cost reimbursement)	Cost of capital
Private Partners	Construction cost
Debt proceeds	Operating and maintenance of new and existing facilities
Internal reallocations	Assignable Square Footage
	Other operating expenses

•Other Considerations

- Student Affordability
- Debt Capacity
- State Statutes and Regulations

Initial Results

An aggressive building program is:

- **ACHIEVABLE**
- Dependent on multiple funding sources
 - Greater and more intentional philanthropy
 - Innovative partnerships
 - Smart growth of our student body
 - Continuing investments by the Commonwealth
 - 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

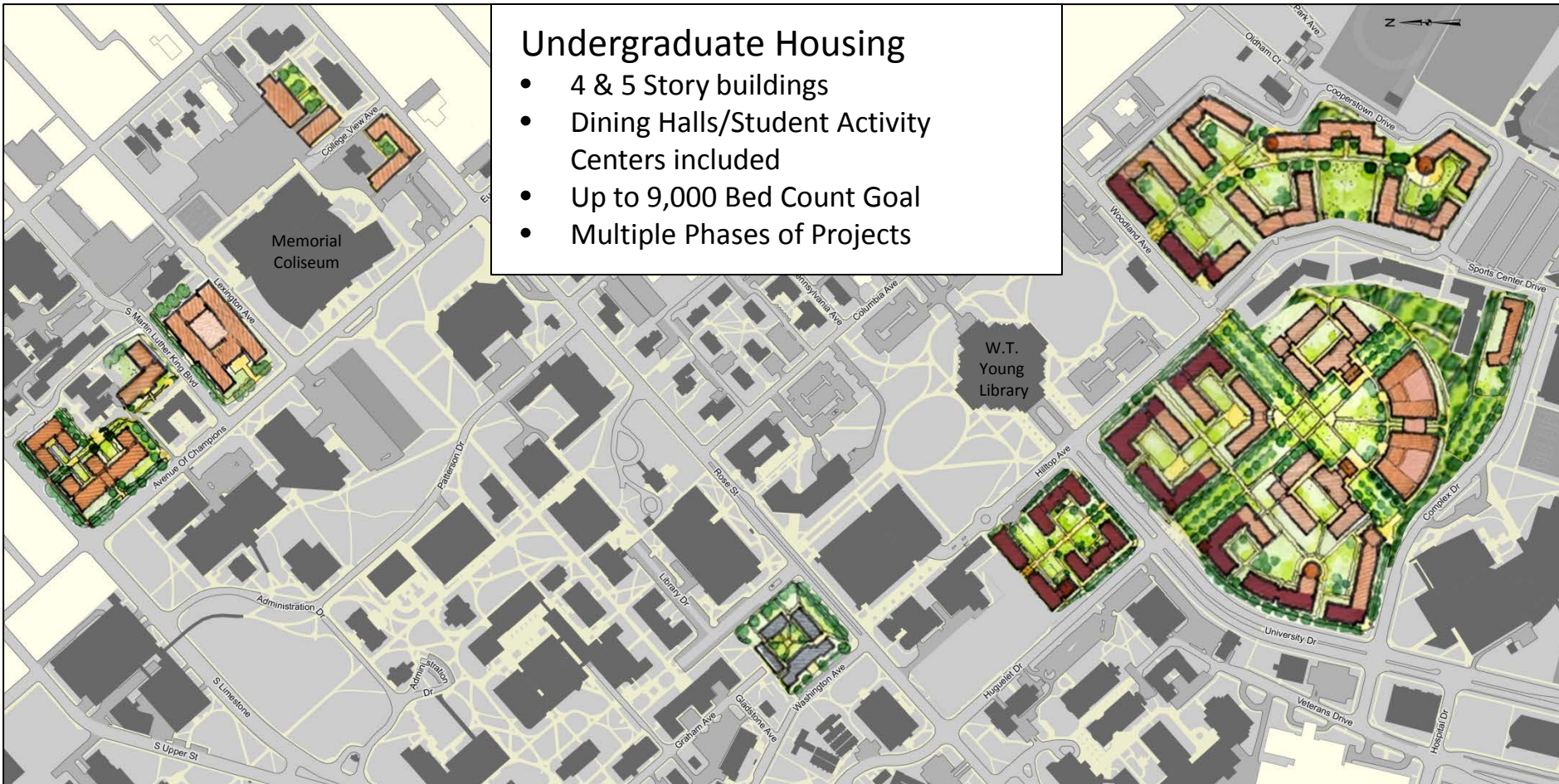
The Housing “Request for Proposal” will...

- 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
 - Conversation with stakeholders
 - Issue an RFP to evaluate public/private partnerships compared to University-financed projects
 - 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