

FCR 23

Office of the President
May 10, 2005

Members, Board of Trustees:

APPROVAL OF CONSTRUCTION OF A NEW UNIVERSITY
HEALTH SERVICE FACILITY AND ITS PLAN OF FINANCE

Recommendation: that the Board of Trustees approve the construction of a new 64,770 square foot health service facility, at an estimated scope of \$24 million, to serve the health care needs of University of Kentucky students, faculty, and staff. It also is recommended that the Board express its intent to issue bonds to provide the permanent financing for this project.

Background: The University Health Service (UHS) is currently located on the first floor of the Kentucky Clinic and comprises approximately 14,000 square feet. The UHS has less space per student than any of UK's 19 benchmark universities. The lack of space puts patient privacy at risk; threatens continued accreditation from the Accreditation Association for Ambulatory Health Care (AAAHC); contributes to inefficient delivery of services; and affects the number of patients served.

The new 64,770 square foot three-story facility would be built on the Southwestern side of the Kentucky Clinic between the Clinic and the Wethington Building.

The Student Health Advisory Council (SHAC) voted unanimously to recommend to President Lee T. Todd, Jr. that the student health plan fee be increased by up to \$60 to fund construction. As a result, the student health plan fee will increase by \$30 per semester in 2005-06 and an additional \$30 per semester in 2006-07. The Board approved the 2005-06 fee increase at its March 29 meeting.

House Bill 267 of the 2005 Kentucky General Assembly authorized \$24 million in agency bond authority for construction of this project. The university will issue a new series of its Consolidated Educational Building Revenue Bonds (CEBRB) to cover the cost of this project. The Board will provide specific approval at a later date, prior to the advertising and sale of these bonds.

Action taken: Approved Disapproved Other _____