



Finance, Revenue and Bonding Committee
General Bonding Subcommittee

-March 11, 2019-

Co-Chairs, Ranking Members, and Members of the Committee, thank you for giving us the opportunity to update you on the transformative building initiatives that you have made possible at the University of Connecticut. My name is Susan Herbst, President of the University of Connecticut and with me today is Radenka Maric our Vice-President of Research, Scott Jordan, our CFO and Dr. Andy Agwunobi, CEO, UConn Health.

The University has benefitted tremendously from the UCONN 2000 Infrastructure Improvement Program established by the General Assembly in 1995. We are now in the third phase of this 32-year program, which is designed to modernize, rehabilitate and dramatically expand the physical plant of the University. This phase, which extends through FY27, includes the NextGenCT and the Bioscience Connecticut initiatives. The Bioscience initiative is nearly complete at UConn Health and the NextGenCT program at Storrs and the Regional Campuses is moving along aggressively.

Since the beginning of UCONN 2000, we have seen improvements in many facets of the University such as a 252% increase in freshmen applications, significant growth in student quality and diversity, a 63% increase in undergraduate enrollment, much higher retention rates than ever before, and we are conferring degrees to over 3,900 or 84% more students a year. The University is now ranked 22nd out of 191 public research universities by US News as compared to 38th in the late 90's.

Next Generation Connecticut Capital Program Overview

In 2013, building upon the success of the strategic investments made in our capital program, the General Assembly enacted NextGenCT. The original goals of the program were to hire and support outstanding faculty, train graduates to meet the future workforce needs of Connecticut, develop preeminence in our research and innovation programs, and initiate research and industry partnerships that lead to economic development. The cornerstones of this effort is the development of new facilities and renovation of critical infrastructure. Since we only received operating funding for the first year of the program, our faculty hires and enrollment gains have not been as high as we would like. However, the capital component of NextGenCT is making much progress. It has already supported the historic move of the Greater Hartford campus to downtown Hartford and expansion of critical programs at the Stamford campus as well as renovations at the Avery Point and Waterbury campuses.

Since the NextGenCT initiative began in the fall 2013, we've funded 174 new faculty (98 in STEM fields) and enrolled 1,677 additional undergraduate students (with 1,208 or 61% more in engineering). We have graduated 27% more STEM undergraduates and 25% more STEM graduates since NextGenCT began. Our faculty also made dramatic increases in research productivity at Storrs during this time. For example:

- research awards increased by \$69M or 73%; and
- research proposals increased by \$126M or 23%.

Now in its fifth year, the NextGenCT initiative is moving forward, making strategic investments in Connecticut's future, laying critical groundwork for economic development, and creating hundreds of construction jobs in the process.

Major investment has been necessary to support new and renovated laboratories for STEM research and teaching, classrooms, academic support, residence halls, parking, utilities, information technology, equipment and critical infrastructure upgrades.

Since NextGenCT began, we have:

- Completed a new 212,000 square foot residence hall, which is home to approximately 730 STEM students;
- Opened a 115,000 square foot Engineering and Science building;
- Completed the new downtown Hartford Campus and the Stamford Residential Housing facility (summer 2017);
- Started the renovation of the Gant Science Complex - a 285,000 square foot science and engineering complex; and
- Finished major renovations to numerous facilities, including academic buildings.

The University is moving forward on several other projects to meet the needs of our expanded enrollment and new faculty. Other NextGenCT projects include the addition to the Fine Arts building, and construction of a new STEM Research Center building (*aka* Science 1).

The campus growth has also required major infrastructure upgrades, such as steam line replacement, sewer system upgrades, a supplemental water supply, and various other underground utility improvements.

Governor's Recommended Capital Plan

The Governor has recommended that \$94.4M be deferred from FY20 and reallocated in FY21 and FY22. While this additional deferral is not ideal and will impact the pace of some of our STEM facilities, the University can make this work. On the positive side, the deferral evens out funding over the life of the program which will be helpful in managing the out years of NextGenCT.

As you may be aware, this follows the deferrals of the NextGenCT program in the enacted FY18 & FY19 biennial budget. \$334.1M in projects were deferred and the bonding program was extended by three years from FY24 through FY27.

Both of these deferrals have required us to adjust our priorities within the capital program. While we can make this proposed deferral work, additional deferrals are extremely problematic. Many of the remaining projects are interdependent and a delay to one project will impact and result in delays to multiple projects. In order to avoid additional costs associated with further delaying or shutting down projects in construction, it is critical that future levels of capital funding remain intact to support major projects that are phased over multiple years.

Innovation Partnership Building

In collaboration with industry partners and entrepreneurs, this fall UConn opened the Innovation Partnership Building, which is our first building in our Technology Park at the Storrs campus, made possible by \$169.5M in state bond authorizations.

The Tech Park will enhance Connecticut's global competitiveness and will become a critical component of the State's future economic growth by attracting and retaining the world-class industry partners who have invested nearly \$80M to develop their new technologies in collaboration with the University of Connecticut.

UConn Health

The groundbreaking for the first Bioscience Connecticut project took place on June 11, 2012. Just over six years later, nearly all projects associated with Bioscience Connecticut are complete and the UConn Health campus has been transformed into a modern, state-of-the-art academic medical center campus. Key construction projects that have been finalized include the Main Building Research Lab Renovations, the Technology Incubator Addition, the Academic Addition and Renovations, the Outpatient Pavilion, a new hospital bed tower known as the University Tower, three new parking garages, and many roadway improvements both on and off campus. The final project, Renovations to the Clinical Area of the Main Building, is under construction and is scheduled to be complete this spring.

Additionally, UConn Health has implemented a new Electronic Medical Record system (EMR). This was a \$98M project for an electronic medical record system that integrates all of UConn Health's inpatient and outpatient services. \$41M of the cost was supported with State bonds. The remainder of the project was funded by reallocated UCONN 2000 Storrs funds and UConn Health operating funds.

The renovation of the clinic building to be completed this spring marks the final capital project under the Bioscience Connecticut initiative and, consequently any state general obligations bond funds for UConn Health. UConn Health's campus now includes 24 buildings comprising 3.6M gross square feet, with a current replacement value of \$1.6 billion. It is imperative that UConn Health keep up with maintenance of these buildings and the campus to ensure that these investments are protected. UConn Health requested deferred maintenance funding in the amount of \$11.1M and \$8M over the biennium. The Governor's bonding proposal does not include funding for this request. We look forward to working with the administration and the General Assembly in future years to address these needs.

Conclusion

In conclusion, we are meeting many of the key goals established for Bioscience CT, NextGenCT and the Tech Park. While these deferrals are challenging, the University is committed to protecting the core tenets of the capital components of NextGenCT and ensuring that Connecticut reaps the economic benefits of the program.

Thank you for your strong support of the University of Connecticut.