

**APPENDIX I-A**

**UNIVERSITY OF CONNECTICUT  
INFORMATION CONCERNING THE UNIVERSITY**

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**APPENDIX I-A  
UNIVERSITY OF CONNECTICUT**

April 25, 2019

This Appendix A, furnished by the University of Connecticut (the “University”), contains information as of the date of this Official Statement, except as expressly provided herein. This Appendix A and the schedules attached hereto should be read collectively and in their entirety.

**Board of Trustees**

The Honorable Ned Lamont, Governor, ex-officio  
Dianna R. Wentzell, Commissioner of Education, ex-officio  
Bryan Hurlburt, Commissioner-Designate of Agriculture, ex-officio  
David Lehman, Commissioner of Economic & Community Development, ex-officio  
Sanford Cloud, Jr., Chair, University of Connecticut Health Center Board of Directors, ex-officio

Thomas D. Ritter, Interim Chairman  
Andrea Dennis-LaVigne, Secretary

Andy F. Bessette  
Mark L. Boxer  
Charles F. Bunnell  
Shari G. Cantor  
Richard T. Carbray Jr.  
Marilda L. Gandara  
Jeanine A. Gouin  
Rebecca Lobo  
Denis J. Nayden  
Kevin J. O’Connor  
Thomas D. Ritter  
Philip E. Rubin  
Samuel Surowitz  
Nandan Tumu

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# UNIVERSITY OF CONNECTICUT

## INTRODUCTION

The University of Connecticut (the “University”) was established and exists as an institution for the education of residents of the State of Connecticut (the “State”). The University, originally established in 1881, is one of the nation’s nine colonial land grant colleges. Since it was established, the University has consistently expanded its academic program and physical plant to meet the higher educational needs of State residents. In April 1881, the Connecticut General Assembly established the Storrs Agricultural School after accepting a gift of 170 acres of land, several buildings, and money from Charles and Augustus Storrs. The Storrs Agricultural School opened on September 28, 1881, with 12 students in the first class. Before the turn of the century, there were two name changes, to Storrs Agricultural College in 1893 and to Connecticut Agricultural College in 1899. In 1933, it became Connecticut State College, reflecting its steady advances and broadened mission. In 1939, the General Assembly designated it the University of Connecticut, reflecting its graduate and professional education, research and public service programs. In 1965, the University became the flagship institution of higher education in the State under the new Constitution of the State, which in Article VIII, Section 2 provides that the State shall maintain a system of higher education, including the University, dedicated to excellence in higher education.

In addition to the main campus in Storrs (“Storrs”), there are four undergraduate regional campuses (one of which also houses the graduate School of Social Work), a School of Law and a complex of health and educational facilities (sometimes referred to herein as the “University of Connecticut Health Center” or “UConn Health” or “UCH”). UConn Health consists of the School of Medicine, the School of Dental Medicine, medical and dental educational clinics, UConn Medical Group and the UConn John Dempsey Hospital. The Storrs and regional campuses and UConn Health comprise 4,316 acres of land and are strategically located throughout the State. The University competes with public and private institutions for students.

As of November 2018, the University had nearly 258,000 alumni worldwide and 32,257 students (including UConn Health) studying in 14 colleges and schools offering eight undergraduate and 23 graduate and professional degree programs.

The State’s support for the University reflects the status of the University as the flagship institution of the State system of higher education.

## GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES

### Board of Trustees

**Composition.** The Board of Trustees of the University consists of 21 persons. The Governor, the Commissioner of Education, the Commissioner of Agriculture, the Commissioner of Economic & Community Development and the Chair of UConn Health Board of Directors are ex-officio members of the Board of Trustees. The Governor is the ex-officio President of the Board of Trustees and is authorized to appoint twelve members of the Board of Trustees who reflect the State’s geographic, racial and ethnic diversity. Two members of the Board of Trustees are elected by the University alumni, and two are elected by the students enrolled at the institutions under jurisdiction of the Board of Trustees.

Although the University is governed by a single Board of Trustees with one chief executive officer, UConn Health maintains a separate budget and is by statute a separate entity for purposes of maintaining operating funds and State appropriations. Pursuant to Section 35 of Public Act No. 01-173, the Board of Trustees created a board of directors for the governance of UConn Health, and determined such duties and authority, as it deemed necessary and appropriate to delegate to said board of directors. Information concerning UConn Health is included under the heading “UNIVERSITY OF CONNECTICUT HEALTH CENTER” below in this Appendix A.

**Membership.** The name, term, position and affiliation or profession of each member of the Board of Trustees is as follows:

| <u>Name</u>              | <u>Term Ends</u> | <u>Position</u>                     | <u>Affiliation/Profession</u>  |
|--------------------------|------------------|-------------------------------------|--|
| The Honorable Ned Lamont |                  | President ex-officio                | Governor   |
| Dianna R. Wentzell       |                  | Member ex-officio                   | Commissioner of Education  |
| Bryan Hurlburt           |                  | Member ex-officio                   | Commissioner-Designate,<br>Department of Agriculture   |
| David Lehman             |                  | Member ex-officio                   | Commissioner, Department of<br>Economic & Community<br>Development                           |
| Sanford Cloud, Jr.       | 2014*            | Member ex-officio,<br>Chair UCH BOD | Chairman and CEO, The Cloud<br>Company, LLC  |
| Andy F. Bessette         | 2019             | Vice-Chair                          | Executive Vice President & Chief<br>Administrative Officer, The<br>Travelers Companies, Inc. |
| Mark L. Boxer            | 2022             | Member                              | Global Chief Information Officer,<br>Cigna Corporation                                       |
| Charles F. Bunnell       | 2019             | Member                              | Chief of Staff, External &<br>Governmental Affairs, The Mohegan<br>Tribe                     |
| Shari G. Cantor          | 2019             | Vice-Chair                          | Mayor, West Hartford, CT   |
| Richard T. Carbray, Jr.  | 2019             | Vice-Chair                          | Retired Pharmacist   |
| Andrea Dennis-LaVigne    | 2019             | Secretary and Vice-<br>Chair        | Veterinarian, Bloomfield Animal<br>Hospital  |
| Marilda L. Gandara       | 2023             | Vice-Chair                          | Retired President, Aetna Foundation<br>Inc.  |
| Jeanine A. Gouin         | 2021             | Member                              | Vice President, Milone & McBroom,<br>Inc.  |
| Rebecca Lobo             | 2021             | Member                              | Sports Broadcaster   |
| Denis J. Nayden          | 2019             | Vice-Chair                          | Chairman, James Alpha Holdings,<br>LLC   |
| Kevin J. O'Connor        | 2024             | Member                              | Attorney   |
| Thomas D. Ritter         | 2021             | Interim Chair                       | Attorney   |
| Philip E. Rubin          | 2023             | Member                              | Senior Advisor, Haskins<br>Laboratories  |
| Samuel Surowitz          | 2020             | Student Member                      | Undergraduate Student  |
| Nandan Tumu              | 2021             | Student Member                      | Graduate Student   |

\* Board members continue to serve until re-appointed or replacements are appointed.

**Duties of the University of Connecticut Board of Trustees.** Subject to statewide policy and guidelines established by the Board of Regents for Higher Education, the Board of Trustees of the University is authorized to establish rules and general policies for the governance of the University, including its mission, regional campuses, degrees and academic programs. The Board of Trustees appoints the President, manages the investments and directs the expenditures of the University. The Board of Trustees is required by law to review and approve the annual University budget and facility, planning and capital expenditure budget priorities. The Board of Trustees may employ the faculty and other personnel needed to operate and maintain the University. The Board of Trustees is authorized to fix the compensation of University personnel, establish terms and conditions of their employment and prescribe their duties and qualifications. The Board of Trustees is authorized to constitute its professional staff and establish compensation and classification schedules for such personnel.

**Officers of the Board of Trustees.** The officers of the Board of Trustees, apart from the Governor who is President ex-officio, are the Chair, Vice-Chairs and Secretary. The Chair is privileged to make or discuss motions and to vote on all questions. The Chair may designate a Vice-Chair to act in his or her absence.

Thomas E. Kruger of Greenwich, Connecticut, Chairman of the Board of Trustees from 2017 resigned effective after the Board of Trustees meeting on April 24, 2019. The Governor has appointed Thomas D. Ritter, Interim Chairperson.

**Committees of the Board of Trustees.** The Board of Trustees acts as a committee of the whole on all matters requiring action. The Board of Trustees is authorized by the Act to adopt a resolution delegating to the Finance Committee of the Board such matters relating to the issuance and sale of securities in the name of the University on behalf of the State as it may determine appropriate, except as to the authorization of the amount of, the nature of, and property to be financed by, such securities; provided that, the Board of Trustees must retain overall control, responsibility and supervision.

Other Board of Trustees Committees include Academic Affairs; Buildings, Grounds and Environment; Compensation; Construction Management Oversight; Executive; Financial Affairs; Institutional Advancement; Joint Audit and Compliance; Student Life; Special Committee for Investigation; and Special Committee for Opportunities and Strategic Initiatives.

## **University Administration**

**Administration.** The administration of the University is determined in part by legislative enactment, in part by the By-Laws of the Board of Trustees, and in part by regulations made by the President, the University Senate, and the several faculties. The Board of Trustees is authorized by law to appoint a President of the University. The President is the chief executive officer of the University. The President is responsible for carrying out the policies and enforcing the rules adopted by the Board of Trustees.

The Board of Trustees appointed Susan Herbst as the 15th President of the University of Connecticut on December 20, 2010. Prior to her appointment to the presidency, she served as Executive Vice Chancellor and Chief Academic Officer of the University System of Georgia, where she led 15 university presidents and oversaw the academic missions for all 35 public universities in Georgia.

Dr. Herbst announced she is resigning as UConn's President effective during the summer of 2019. On February 5, 2019, the Board of Trustees appointed Thomas C. Katsouleas as the 16<sup>th</sup> President of the University of Connecticut effective August 1, 2019. Dr. Katsouleas currently serves as the provost and executive vice president at the University of Virginia, one of the nation's top three public research universities. He previously served for seven years at Duke University as the dean of the Pratt School of Engineering and professor of electrical and computer engineering. Katsouleas earned his bachelor's degree summa cum laude in 1979 from UCLA, and received his Ph.D. in physics in 1984, also from UCLA. He was a researcher and faculty member at UCLA for seven years after receiving his Ph.D., before joining the University of Southern California faculty as an associate professor of electrical engineering in 1991, becoming full professor in 1997. He also was an associate dean of USC's engineering school and vice provost of information technology services. Katsouleas is a leading scholar in the field of plasma science and has authored or co-authored more than 250 publications.

The names and backgrounds of other principal administrative officers of the University are as follows:

| <u>Name</u>           | <u>Position</u>   | <u>Background</u>  |
|-----------------------|---|--|
| John Elliot           | Interim Provost and Executive Vice President for Academic Affairs; Auran J. Fox Chair in Business | PhD, Cornell University, BS and MBA, University of Maryland; over 20 years in academia including serving as Dean at the Zicklin School of Business at Baruch College and more recently as the Dean of UConn School of Business.  |
| Scott A. Jordan       | Executive Vice President for Administration and Chief Financial Officer                           | M.P.A., Harvard University, B.A., University of Massachusetts; over 25 years in state and local government finance in the Commonwealth of Massachusetts, most recently as Undersecretary of the Massachusetts Executive Office for Administration and Finance.                               |
| Andrew Agwunobi, M.D. | Executive Vice President for Health Affairs   | M.D., University of Jos Nigeria, Pediatric Residency at Howard University Hospital, M.B.A. Stanford Graduate School of Business; over 20 years in healthcare and administration including serving as Director with the Berkeley Research Group and Chief Executive of Providence Healthcare. |

**Legal Services.** The University receives legal services from the University's Office of the General Counsel and from the State's Office of the Attorney General. The University also retains private counsel on occasion through the Office of the Attorney General. The Act authorizes the University, independent of the Office of the Attorney General, to use the legal services of private attorneys in connection with the construction, operation or maintenance of any UCONN 2000 project. Pursuant to the Act, the University has retained attorneys in connection with the construction of UCONN 2000 projects, including claims and litigation arising from such projects. In addition, UConn Health has the statutory authority to engage outside counsel, relative to UConn Health's clinical enterprise, through the University of Connecticut Health Center Finance Corporation.

### **Strategic and Academic Plan**

Adopted on February 10, 1995, the Strategic Plan serves as the Board of Trustees' blueprint for the University's future. It describes a University on the road to educational pre-eminence. Just as UCONN 2000 is the General Assembly's blueprint for transforming the physical infrastructure, the Strategic Plan is the blueprint for reshaping UConn's scholastic and social environment.

In 2013, the University developed a revised Academic Plan to set the future direction and priorities for the University and to identify new goals and strategic initiatives to realize its aspiration to be counted among the nation's top flagship public universities. The Academic Plan is characterized by bold and innovative ideas about how the University can:

- Increase research productivity;
- Adapt to change and implement innovations in teaching pedagogy;
- Develop interdisciplinary ideas for research and scholarship with global implications; and
- Establish models of academic organizational structures.

### **Next Generation Connecticut**

Public Act 13-233, "An Act Concerning Next Generation Connecticut" was adopted in 2013, which, among other things, extended the UCONN 2000 program and increased the statutory authorizations for the UCONN 2000 bonds secured by the State's debt service commitment. In 2017, Public Act 17-2 was adopted which extended the capital bonding program through Fiscal Year 2027 and revised the bonding schedule from Fiscal Year 2018 to Fiscal



Year 2027 but did not change the total amount which may be authorized for UCONN 2000 projects. Next Generation Connecticut also included an operating budget component reflected in the University's State appropriation to support Next Generation Connecticut. The operating funds are subject to the annual legislative appropriations approval process.

Next Generation Connecticut is a major initiative supported by the State that greatly expands educational opportunities, research and innovation in the STEM disciplines at the University. The shared goal of Next Generation Connecticut is to leverage the strength and resources of the University to build Connecticut's future workforce, create jobs and bring new life to the State's economy. The cornerstone of this effort is a major increase in the University's enrollment, the expansion of faculty – above and beyond the University's current faculty hiring initiative – and new and updated facilities to accommodate enhanced STEM research and teaching, as well as the growing student population.

Next Generation Connecticut is comprised of both capital and operating budget components. Given the State's fiscal challenges, the amount of operating funds appropriated from the State in Fiscal Year 2015 through Fiscal Year 2019 has been significantly reduced relative to what was originally planned. This reduction in expected operating funds contributed to a reduction in the capacity to hire new faculty, and created significant challenges for the University in meeting its original goals although the University has made some progress toward meeting such goals.

### Status of UCONN 2000 Projects

Numerous UCONN 2000 projects have been completed from 1997 until the present. The following table lists the UCONN 2000 projects, which have been authorized by the Board of Trustees, the funding source and the construction status of the project:

| <b><u>Projects Authorized</u></b>   | <b><u>Construction Status<sup>1</sup></u></b> |
|---|---|
| <b><u>A. General Obligation Bonds</u></b>   |   |
| <b><u>Total – Storrs and Regional Campus Project List</u></b>   |   |
| Academic and Research Facilities  | Ongoing                                       |
| Agricultural Biotechnology Facility   | Completed                                     |
| Agricultural Biotechnology Facility Completion  | Completed                                     |
| Alumni Quadrant Renovations <sup>2</sup>  | Completed                                     |
| Arjona and Monteith (new classroom buildings)   | Completed                                     |
| Avery Point Campus Undergraduate and Library Building   | Completed                                     |
| Avery Point Marine Science Research Center - Phase I  | Completed                                     |
| Avery Point Marine Science Research Center - Phase II   | Completed                                     |
| Avery Point Renovation  | Completed                                     |
| Beach Hall Renovations  | Completed                                     |
| Benton State Art Museum Addition (Phases I & II)  | Completed                                     |
| Benton State Art Museum Addition (Phase III)  | Completed                                     |
| Biobehavioral Complex Replacement   | Ongoing                                       |
| Bishop Renovation   | Completed                                     |
| Business School Renovation – Phase II   | Completed                                     |
| Central Warehouse - New   | Completed                                     |
| Chemistry Building  | Completed                                     |
| Deferred Maintenance & Renovation Lump Sum Balance  | Completed                                     |
| Deferred Maintenance & Renovation Lump Sum Balance  | Completed                                     |
| Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities- Phase III | Ongoing                                       |
| East Campus North Renovations <sup>2</sup>  | Completed                                     |
| Engineering Building (with Environmental Research Institute)  | Completed                                     |

|   |           |
|---|-----------|
| Equipment, Library Collections & Telecommunications - Phase I             | Completed |
| Equipment, Library Collections & Telecommunications Completion - Phase II | Completed |
| Equipment, Library Collections & Telecommunications - Phase III           | Ongoing   |
| Family Studies (DRM) Renovation   | Completed |
| Farm Buildings Repairs/Replacement  | Ongoing   |
| Fine Arts Phase II  | Ongoing   |
| Floriculture Greenhouse   | Completed |
| Gant Building Renovations   | Completed |
| Gant Plaza Deck   | Completed |
| Gentry Completion   | Completed |
| Gentry Renovation   | Completed |
| Grad Dorm Renovations   | Completed |
| Hartford Relocation Acquisition/Renovation                                | Completed |
| Hilltop Dormitory Renovations   | Completed |
| Heating Plant Upgrade <sup>3</sup>  | Completed |
| Ice Rink Enclosure  | Completed |
| International House Conversion (a.k.a. Museum of Natural History)         | Completed |
| Intramural, Recreational and Intercollegiate Facilities                   | Completed |
| Jorgensen Renovation  | Completed |
| Koons Hall Renovation/Addition  | Completed |
| Lakeside Renovation   | Completed |
| Law School Renovations/Improvements                                       | Completed |
| Litchfield Agricultural Center – Phase I                                  | Completed |
| Manchester Hall Renovation  | Completed |
| Mansfield Apartments Renovation   | Completed |
| Mansfield Training School Improvements – Phase II                         | Completed |
| Mansfield Training School Improvements – Phase III                        | Ongoing   |
| Monteith Renovation   | Completed |
| Music Drama Addition  | Completed |
| Natural History Museum Completion   | Completed |
| North Campus Renovation <sup>2</sup>                                      | Completed |
| North Hillside Road Completion  | Completed |
| North Superblock Site & Utilities   | Completed |
| Northwest Quadrant Renovation - Phase I                                   | Completed |
| Northwest Quadrant Renovation - Phase II                                  | Completed |
| Old Central Warehouse   | Completed |
| Parking Garage-North  | Completed |
| Parking Garage #3   | Completed |
| Pedestrian Spinepath  | Completed |
| Pedestrian Walkways   | Completed |
| Psychology Building Renovation/Addition                                   | Completed |
| Residential Life Facilities   | Ongoing   |
| School of Business  | Completed |
| School of Pharmacy  | Completed |
| School of Pharmacy / Biology Completion                                   | Ongoing   |
| Shippee/Buckley Renovations <sup>2</sup>                                  | Completed |
| South Campus Complex <sup>4</sup>   | Completed |
| Stamford Campus Improvements/Housing                                      | Completed |
| Stamford Downtown Relocation – Phase I                                    | Completed |
| Storrs Hall Addition  | Completed |
| Student Union Addition  | Completed |
| Support Facility  | Completed |

|  |           |
|--|-----------|
| Technology Quadrant-Phase IA   | Completed |
| Technology Quadrant-Phase II   | Completed |
| Torrey Life Science Renovation   | Completed |
| Torrey Renovation Completion and Biology Expansion   | Completed |
| Torrington Campus Improvements   | Completed |
| Towers Renovation <sup>2</sup>   | Completed |
| Underground Steam & Water Upgrade  | Completed |
| Underground Steam & Water Upgrade Completion   | Completed |
| Waring Building Conversion   | Completed |
| Waterbury Downtown Campus  | Completed |
| Waterbury Property Purchase  | Completed |
| West Campus Renovations  | Completed |
| West Hartford Campus Renovations/Improvements  | Completed |
| White Building Renovation  | Completed |
| Wilbur Cross Building Renovation   | Completed |
| Young Building Renovation/Addition   | Completed |
| <b>UConn Health</b>  |           |
| CLAC Renovation Biosafety Level 3 Lab  | Completed |
| Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities-Health Center   | Ongoing   |
| Dental School Renovation   | Completed |
| Equipment, Library Collections and Telecommunications-Health Center  | Ongoing   |
| Library/Student Computer Center Renovation   | Completed |
| Main Building Renovation   | Completed |
| Medical School Academic Building Renovation  | Ongoing   |
| Planning and Design Costs  | Completed |
| Research Tower   | Completed |
| Support Building Addition/Renovation   | Completed |
| The University of Connecticut Health Center New Construction and Renovation  | Ongoing   |
| <b>B. <u>Special Obligation Student Fee Revenue Bonds</u></b>  |           |
| Alumni Quadrant Renovations <sup>2</sup>   | Completed |
| East Campus North Renovations <sup>2</sup>   | Completed |
| Hilltop Dormitory New <sup>5</sup>   | Completed |
| Hilltop Student Rental Apartments <sup>5</sup>   | Completed |
| Intramural, Recreational & Intercollegiate Facilities <sup>6</sup>   | Ongoing   |
| North Campus Renovation (including North Campus Student Suites and Apartments) <sup>2</sup>  | Completed |
| Parking Garage-South <sup>5</sup>  | Completed |
| Shippee/Buckley Renovations <sup>2</sup>   | Completed |
| South Campus Complex <sup>4</sup>  | Completed |
| Towers Renovations (including Greek Housing) <sup>2</sup>  | Completed |
|  |           |
| <sup>1</sup> Some projects listed as ongoing might be substantially complete for use purposes. Also, note that some projects might reflect a completed status for recently completed work, but future funding may still be available for which work has not yet begun. |           |
| <sup>2</sup> Partially funded with proceeds from the University's General Obligation Bonds and partially funded with the proceeds of the University's Student Fee Revenue Bonds, 2002 Series A.  |           |
| <sup>3</sup> In addition, the University has entered into a tax-exempt lease financing for a Cogeneration Facility for the Heating Plant in the amount of \$81.9 million under the UCONN 2000 authority.   |           |
| <sup>4</sup> Partially funded with proceeds from the University's General Obligation Bonds and partially funded with the University's Student Fee Revenue Bonds, 1998 Series A.  |           |
| <sup>5</sup> The Hilltop Dormitory New and the Hilltop Student Rental Apartments comprise the Hilltop Housing Complex which was funded along with the Parking Garage South with the proceeds of the Student Fee Revenue Bonds, 2000 Series A.                          |           |
| <sup>6</sup> The Intramural, Recreational & Intercollegiate Facilities is partially funded with Student Fee Revenue Bonds 2018 Series A.   |           |

## **Campuses and Physical Plant**

**General Information.** Of the six campuses, Storrs is the largest campus with 3,421 acres. There are four undergraduate regional campuses strategically located throughout the State in Avery Point, Stamford, Waterbury and Hartford. As of Fall 2018, there are 101 residential facilities all on the Storrs campus, serviced by eight large dining halls, and three residential facilities on the Stamford campus. Together they provide room and board for approximately 12,700 graduate and undergraduate students. During Fall 2017, the new regional Hartford Campus was completed and the University sold its West Hartford campus to a private company on October 10, 2018. On April 27, 2016, the Board of Trustees approved the closure of the Torrington campus and starting in the Fall 2016 semester, the Torrington students were offered the opportunity to continue their program requirements at any of the other University campuses. The University is working to sell the land and buildings to the City of Torrington, a private purchaser or a combination. The University Extension facility remains active at the Torrington location and is expected to remain there for at least another eight years in order to fulfill the terms of a gift. In the event the former Torrington campus is sold, the University would become a tenant in the Extension facility. In addition to the regional campuses, the University includes the University of Connecticut School of Law, located in Hartford, and UConn Health, located in Farmington. Collectively these campuses are serving a student body of 32,257 in the 2018-19 academic year.

## **Academic Programs and Degrees Conferred**

The University offers a broad spectrum of liberal arts and sciences, professional and graduate education degree programs through its 14 colleges and schools, including the School of Dental Medicine, School of Medicine and School of Law. The University confers eight kinds of undergraduate degrees in 116 majors, 17 graduate degrees in 88 research and professional practice fields of study and 6 graduate professional programs. The University also offers individualized majors and interdisciplinary fields of study. The University has several special facilities and programs. Research and academic program support is carried out both in the departments of 14 schools and colleges and at more than 100 research centers and institutes across all University campuses.

## **COMPETITION AND COMPETITIVENESS**

### **Accreditation and Ranking**

The New England Commission of Higher Education and several other accreditation bodies for specific schools and programs accredit the University.

The National Science Foundation ranks the University 57 out of 400 public universities in the country in research and development spending. The Carnegie Foundation currently classifies the institution with only 81 other public institutions nationwide in the highest category of Doctoral Universities (Highest Research Activity). To qualify for this classification, universities must annually award at least 20 doctorates and demonstrate high levels of research based on several aggregate and per-capita (full-time faculty) measures, including research and development expenditures, postdoctoral appointees, non-faculty research staff, and doctoral conferrals in humanities, social sciences, STEM fields, and other fields (e.g., business, education, public policy, social work).

The quality of the University's diverse graduate programs is enhanced by the presence of exceptional graduate students. Nearly 6,800 students matriculated in graduate degree programs in academic year 2018-19; of this figure approximately 2,200 are supported on merit based graduate assistantships. This support is available in 88 fields of study in the arts and sciences and professional disciplines.

### **Student Admissions and Enrollment**

**Admissions.** The University continues to be in high demand with freshmen applications for all campuses over 38,000 for the Fall 2018 entering class. The University of Connecticut is rated as "highly competitive" by

Barron's Profiles of American Colleges 2018, 34th Edition. Also, the Scholastic Aptitude Test (SAT) scores for students entering the University consistently exceed the statewide and national SAT score averages.

**Schedule of Freshmen Enrollment - Storrs Campus  
Fall 2014 – 2018**

| <u>Fall</u> | <u>Freshmen Applications</u> | <u>Change in Applications</u> | <u>Accepted</u> | <u>Enrolled</u> | <u>Change in Enrolled as A Percentage</u> | <u>Enrolled as a Percentage of Accepted</u> |
|-------------|------------------------------|-------------------------------|-----------------|-----------------|---|---|
| 2014        | 31,280                       | 13.8%                         | 15,629          | 3,588           | (4.4%)                                    | 23.0%                                       |
| 2015        | 34,978                       | 11.8                          | 18,598          | 3,774           | 5.2                                       | 20.3  |
| 2016        | 35,980                       | 2.9                           | 17,560          | 3,822           | 1.3                                       | 21.8  |
| 2017        | 34,198                       | (5.0)                         | 16,360          | 3,683           | (3.6)                                     | 22.5  |
| 2018        | 34,886                       | 2.0                           | 17,015          | 3,749           | 1.8                                       | 22.0  |

**Average Total SAT Scores\*  
Fall 2014 - 2018**

| <u>Fall</u> | <u>Storrs Campus</u> | <u>Regional Campuses</u> | <u>Connecticut Average</u> | <u>National Average</u> |
|-------------|----------------------|--------------------------|----------------------------|-------------------------|
| 2014        | 1234                 | 1034                     | 1017                       | 1010                    |
| 2015        | 1233                 | 1042                     | 1010                       | 1006                    |
| 2016        | 1233                 | 1022                     | 1000                       | 1002                    |
| 2017**      | 1294                 | 1093                     | 1041                       | 1060                    |
| 2018        | 1306                 | 1106                     | 1041                       | 1060                    |

\*Excluding the writing component

\*\*For fall 2017 and forward, results are reflective of a newly designed SAT and therefore, cannot be compared to previous year's results.

**Enrollment.** Undergraduate enrollment at all campuses increased from Fall 2014 through 2018 as set forth below.

**Total Enrollment Data (Head Count)<sup>1</sup>  
Fall 2014 – 2018**

|  |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Undergraduates</b>                      | <b><u>2014</u></b>   | <b><u>2015</u></b>   | <b><u>2016</u></b>   | <b><u>2017</u></b>   | <b><u>2018</u></b>   |
| Storrs                                     | 18,395               | 18,826               | 19,324               | 19,241               | 19,133               |
| Regional Campuses                          | <u>4,578</u>         | <u>4,581</u>         | <u>4,306</u>         | <u>4,604</u>         | <u>4,845</u>         |
| <b>Total</b>                               | <b><u>22,973</u></b> | <b><u>23,407</u></b> | <b><u>23,630</u></b> | <b><u>23,845</u></b> | <b><u>23,978</u></b> |
| <b>Graduates/Professionals<sup>2</sup></b> | <b><u>7,591</u></b>  | <b><u>7,653</u></b>  | <b><u>7,810</u></b>  | <b><u>7,745</u></b>  | <b><u>7,668</u></b>  |
| <b>UConn Health</b>                        |                      |                      |                      |                      |                      |
| Medicine                                   | 384                  | 396                  | 408                  | 411                  | 425                  |
| Dental Medicine                            | <u>171</u>           | <u>168</u>           | <u>179</u>           | <u>181</u>           | <u>186</u>           |
| <b>Total</b>                               | <b><u>555</u></b>    | <b><u>564</u></b>    | <b><u>587</u></b>    | <b><u>592</u></b>    | <b><u>611</u></b>    |
| <b>Grand Total</b>                         | <b><u>31,119</u></b> | <b><u>31,624</u></b> | <b><u>32,027</u></b> | <b><u>32,182</u></b> | <b><u>32,257</u></b> |

<sup>1</sup> Includes non-degree and part-time students.

<sup>2</sup> Includes master's and doctoral students at all campuses, including UConn Health, and students in the professional degree programs in Law and Pharmacy.

**Percentage of Enrollment by Residence Status  
Fall 2014 - 2018**

| <u>Fall</u> | <u>Undergraduate</u> |                     | <u>All Campuses</u> |                     | <u>Graduate/Professional</u>  |                     |
|-------------|----------------------|---------------------|---------------------|---------------------|---|---------------------|
|             | <u>Storrs Campus</u> |                     |                     |                     | <u>Total University (excl. Schools of Medicine and Dental Medicine)</u> |                     |
|             | <u>In-State</u>      | <u>Out-of-State</u> | <u>In-State</u>     | <u>Out-of-State</u> | <u>In-State</u>   | <u>Out-of-State</u> |
| 2014        | 74.6%                | 25.4%               | 78.9%               | 21.1%               | 65.7%   | 34.3%               |
| 2015        | 72.6                 | 27.4                | 77.2                | 22.8                | 62.5  | 37.5                |
| 2016        | 72.5                 | 27.5                | 76.8                | 23.2                | 61.4  | 38.6                |
| 2017        | 72.0                 | 28.0                | 76.3                | 23.7                | 61.9  | 38.1                |
| 2018        | 71.5                 | 28.5                | 76.2                | 23.8                | 63.2  | 36.8                |

**Tuition and Other Fees (Storrs and Regional Campuses)**

Pursuant to State law, the Board of Trustees is authorized to adopt a comprehensive schedule of tuition and other fees, which is expected to prevail during the following fiscal year.

**Tuition.** For the academic year 2019, students classified as full-time undergraduate residents of Connecticut will pay tuition of \$12,848. Full-time out-of-state undergraduates will pay \$35,216 per year. In the 2019 academic year, total tuition revenues are budgeted to be \$418.5 million. For the academic year 2020, full-time undergraduate residents will pay tuition of \$13,799, and full-time out-of-state undergraduates will pay tuition of \$36,466 per year.

**Mandatory Fees.** For academic year 2019, undergraduate students must pay a General University Fee of \$1,334 per year. Students also pay \$1,548 per year in other fees, of which \$190 is for various student-controlled organizations, \$468 is for infrastructure maintenance, \$160 is a transit fee, and \$150 is a Technology Fee. For academic year 2020, the General University Fee will be \$1,380 per year. In addition, students will begin paying a new fee of \$500 per year for the new Student Recreation Center. Commencing in 1998, certain fees have been pledged for the payment of debt service on the University’s Special Obligation Bonds. See “UNIVERSITY FINANCES – University Indebtedness” in this Appendix A.

**Other Fees.** There are numerous optional fees at the University. The primary optional fees for the academic year 2019 are the room (\$7,028) and board (\$5,846) fee. Higher and lower cost meal plan options are available. For academic year 2020, the room fee will increase to \$7,238 and the board fee will increase to \$6,020.

**In-State Undergraduate Tuition & Other Fees  
Academic Years 2015 - 2020**

|                           | <u>2015</u>     | <u>2016</u>     | <u>2017</u>     | <u>2018</u>     | <u>2019<sup>3</sup></u> | <u>2020</u>     |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------|
| Tuition                   | \$ 9,858        | \$10,524        | \$11,224        | \$11,998        | \$12,848                | \$13,799        |
| Room & Board <sup>1</sup> | 11,818          | 12,172          | 12,172          | 12,514          | 12,874                  | 13,258          |
| General University Fee    | 1,914           | 1,914           | 1,914           | 1,914           | 1,334                   | 1,380           |
| Other Fees <sup>2</sup>   | 928             | 928             | 928             | 968             | 1,548                   | 2,048           |
| <b>Total</b>              | <b>\$24,518</b> | <b>\$25,538</b> | <b>\$26,238</b> | <b>\$27,394</b> | <b>\$28,604</b>         | <b>\$30,485</b> |

<sup>1</sup> The Board Fee reflects the cost of the Value Meal Plan. Lower and higher cost meal plan options are available.

<sup>2</sup> Other Fees includes fees collected by the University on behalf of various student-controlled organizations.

<sup>3</sup> Beginning in 2019, the Student Health Service Fee was moved from the General University Fee category to Other Fees.

**FY 2019 Undergraduate Tuition and Fees  
Peer University Comparison\***

|                                  | <u><b>In-State</b></u> | <u><b>Out-of-State</b></u> |
|----------------------------------|------------------------|----------------------------|
| Boston University                | \$56,001               | \$56,001                   |
| Boston College                   | 53,948                 | 53,948                     |
| Drexel University                | 53,279                 | 53,279                     |
| Fordham University               | 52,687                 | 52,687                     |
| Northeastern University          | 51,522                 | 51,522                     |
| Quinnipiac University            | 47,960                 | 47,960                     |
| Pennsylvania State University    | 18,436                 | 34,858                     |
| University of Vermont            | 18,276                 | 42,516                     |
| University of Massachusetts      | 15,888                 | 34,570                     |
| <b>University of Connecticut</b> | <b>15,730</b>          | <b>38,098</b>              |
| University of Delaware           | 13,680                 | 34,310                     |
| University of Maryland           | 10,595                 | 35,216                     |

\*Per the 2017 College Board Admitted Student Questionnaire, peers include those institutions which share the most cross-admits with the University of Connecticut. Source of tuition and fee rates is institution websites.

**Student Financial Aid**

The University provides financial aid and financial counseling. The University has a policy of admitting students without regard to financial ability to pay and a policy of providing assistance to those admitted who demonstrate need. Approximately 76% of all undergraduates are receiving some form of financial aid.

**Scholarships, Grants and Work-Study.** In addition to University financial aid, there are a number of state, federal and private student financial aid programs available, including the Federal Pell Grant of \$652 to \$6,095 (for Fiscal Year 2019) and the Federal Supplemental Education Opportunities Grant (SEOG) of up to \$4,000. Both are awarded annually based on need. In addition, the University offers a number of merit scholarships. The University also offers Federal Work-Study employment, which is need-based, and Student Labor employment, which is available to all students.

**Loan Programs.** There are several loan programs at the University. Federal Direct Subsidized Stafford Loans are based on financial need, and the Federal Direct Unsubsidized Stafford Loans are available to students who do not qualify for the Federal Direct Subsidized Stafford Loans. Additionally, there is the Federal Direct Parent Loan to Undergraduate Students (PLUS) program, and the Federal Direct Graduate PLUS loan is available to eligible graduate students.

**Tuition Waivers and Graduate Assistantships.** The University is required by law to waive tuition for certain veterans and children of veterans, certain students over the age of 62, graduate assistants, and certain other students. The University is required by collective bargaining agreements to waive tuition for dependents of certain employees. The foregone revenue resulting from such waivers in the 2019 academic year is forecasted at \$70.6 million.

**Financial Aid to University Students (excluding Tuition Waivers)  
for Fiscal Years 2015 – 2019 (in millions)**

|                             | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           | <u>2018</u>           | <u>2019<br/>Budget</u> |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Need Based Grants           | \$90.9                | \$94.7                | \$101.3               | \$106.6               | \$112.5                |
| University Scholarships     | 58.0                  | 62.3                  | 64.8                  | 66.7                  | 76.0                   |
| Non University Scholarships | 19.4                  | 20.4                  | 19.5                  | 19.0                  | 20.1                   |
| Loans                       | <u>186.5</u>          | <u>192.0</u>          | <u>199.0</u>          | <u>194.9</u>          | <u>205.1</u>           |
| <b>Grand Total</b>          | <b><u>\$354.8</u></b> | <b><u>\$369.4</u></b> | <b><u>\$384.7</u></b> | <b><u>\$387.2</u></b> | <b><u>\$413.6</u></b>  |

**UNIVERSITY FINANCES**

**Financial Management**

The University’s Board of Trustees has the authority for fiscal oversight of the University. In addition to the State appropriation, the University receives tuition, fees, auxiliary (including room, board and athletics), grants and contract, and other revenues. Some of these revenues may be restricted or dedicated as to use by the terms of the appropriation, gift, grant or contract.

The authority granted to the University in the Act builds upon the successful implementation of the operational autonomy and responsibility provided in several pieces of legislation known as the Flexibility Acts, enacted in the early 1990’s. The University became responsible and accountable for its operational decisions independent of many of the previously imposed regulatory requirements. The enactment of UCONN 2000 extended the authority vested in the University by the Flexibility Acts.

The financial statements contained in this official statement reflect budget execution results that are based upon spending plans and operating and capital budgets approved by the Board of Trustees. In addition, in Fiscal Year 2004, the Board of Trustees restructured and expanded the role of its Joint Audit and Compliance Committee, with a charge that includes oversight of all University financial reporting and processes and internal control systems, as well as direct engagement in the approval of independent auditing services to augment the University’s internal audit capacity and the work performed by State auditors (the “Auditors of Public Accounts”). The Auditors of Public Accounts annually issue an Independent Auditors’ Report on the financial statements of the University.

In 2006, in compliance with statutory requirements, the University established a Construction Management Oversight Committee, the Buildings, Grounds and Environment Committee of the Board of Trustees and the Construction Assurance Office. The University has also implemented and staffed an organizational structure for capital program contracting and procurement and has engaged an outside auditor to perform annual audits of the UCONN 2000 program.

**Financial Statements of the University**

The audited financial statements of the University of Connecticut and the University of Connecticut Health Center (excluding the University of Connecticut Foundation, Inc.) for the Fiscal Year ended June 30, 2018 are included as Schedule 1 and Schedule 2 to this Official Statement.

Below is a five-year presentation of the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2014, 2015, 2016, 2017 and 2018. See “UNIVERSITY OF CONNECTICUT HEALTH CENTER” below in this Appendix A for the same information for UConn Health.



**Statements of Revenues, Expenses, and Changes in Net Position (in thousands)**

| <b>OPERATING REVENUES</b>                                | <b><u>2014</u></b>        | <b><u>2015</u></b>                 | <b><u>2016</u></b>        | <b><u>2017</u></b>        | <b><u>2018</u></b>               |
|--|---------------------------|------------------------------------|---------------------------|---------------------------|----------------------------------|
| Student tuition and fees <sup>1</sup>                    | \$ 279,577                | \$ 308,174                         | \$ 341,809                | \$ 367,351                | \$ 386,921                       |
| Federal grants and contracts                             | 95,187                    | 93,807                             | 104,725                   | 100,397                   | 106,561                          |
| State and local grants and contracts                     | 20,170                    | 20,823                             | 21,200                    | 16,931                    | 19,441                           |
| Nongovernmental grants and contracts                     | 14,619                    | 20,535                             | 19,490                    | 28,005                    | 18,386                           |
| Sales and services of educational departments            | 19,280                    | 21,028                             | 20,543                    | 20,325                    | 23,708                           |
| Sales and services of auxiliary enterprises <sup>2</sup> | 195,525                   | 201,066                            | 210,455                   | 209,851                   | 210,990                          |
| Other sources  | 10,168                    | 12,263                             | 10,758                    | 11,909                    | 14,009                           |
| <b>Total Operating Revenues</b>                          | <b><u>634,526</u></b>     | <b><u>677,696</u></b>              | <b><u>728,980</u></b>     | <b><u>754,769</u></b>     | <b><u>780,016</u></b>            |
| <b>OPERATING EXPENSES</b>                                |                           |                                    |                           |                           |                                  |
| Salaries and wages                                       | 521,076                   | 542,082                            | 557,497                   | 556,411                   | 569,359                          |
| Fringe benefits  | 237,715                   | 271,164                            | 287,553                   | 349,328                   | 338,545                          |
| Supplies and other expenses                              | 211,654                   | 217,413                            | 245,871                   | 245,357                   | 264,456                          |
| Utilities  | 20,963                    | 23,212                             | 19,737                    | 19,039                    | 19,655                           |
| Depreciation and amortization                            | 95,377                    | 95,990                             | 98,767                    | 104,807                   | 108,185                          |
| Scholarships and fellowships                             | 10,953                    | 10,713                             | 12,437                    | 11,791                    | 8,870                            |
| <b>Total Operating Expenses</b>                          | <b><u>1,097,738</u></b>   | <b><u>1,160,574</u></b>            | <b><u>1,221,862</u></b>   | <b><u>1,286,733</u></b>   | <b><u>1,309,070</u></b>          |
| <b>Operating Loss</b>                                    | <b><u>(463,212)</u></b>   | <b><u>(482,878)</u></b>            | <b><u>(492,882)</u></b>   | <b><u>(531,964)</u></b>   | <b><u>(529,054)</u></b>          |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                  |                           |                                    |                           |                           |                                  |
| State appropriation                                      | 308,069                   | 350,699                            | 384,747                   | 374,113                   | 342,987                          |
| State debt service commitment for interest               | 42,091                    | 46,635                             | 53,092                    | 64,757                    | 70,740                           |
| Federal and state financial aid                          | 32,647                    | 35,684                             | 38,968                    | 34,800                    | 37,986                           |
| Gifts  | 21,703                    | 23,828                             | 25,380                    | 23,628                    | 19,732                           |
| Investment income  | 799                       | 889                                | 1,448                     | 2,996                     | 6,059                            |
| Interest expense   | (45,955)                  | (46,420)                           | (51,333)                  | (59,129)                  | (64,672)                         |
| Disposal of property and equipment, net                  | (1,043)                   | (473)                              | (8,486)                   | (1,418)                   | (1,524)                          |
| Other nonoperating revenue (expenses), net               | (1,873)                   | (1,540)                            | (3,893)                   | (1,776)                   | (2,475)                          |
| <b>Net Nonoperating Revenues</b>                         | <b><u>356,438</u></b>     | <b><u>409,302</u></b>              | <b><u>439,923</u></b>     | <b><u>437,971</u></b>     | <b><u>408,833</u></b>            |
| <b>Loss Before Other Changes in Net Position</b>         | <b><u>(106,774)</u></b>   | <b><u>(73,576)</u></b>             | <b><u>(52,959)</u></b>    | <b><u>(93,993)</u></b>    | <b><u>(120,221)</u></b>          |
| <b>OTHER CHANGES IN NET POSITION</b>                     |                           |                                    |                           |                           |                                  |
| State debt service commitment for principal              | 80,346                    | 56,430                             | 103,400                   | 281,576                   | 187,269                          |
| Capital allocation                                       | (20)                      | 131,500                            | -                         | -                         | -                                |
| Capital grants and gifts                                 | 21,643                    | 25,412                             | 5,071                     | 1,388                     | 5,099                            |
| Additions to permanent endowments                        | 743                       | 66                                 | 14                        | 1,149                     | 338                              |
| <b>Net Other Changes in Net Position</b>                 | <b><u>102,712</u></b>     | <b><u>213,408</u></b>              | <b><u>108,485</u></b>     | <b><u>284,113</u></b>     | <b><u>192,706</u></b>            |
| <b>Increase (Decrease) in Net Position</b>               | <b><u>(4,062)</u></b>     | <b><u>139,832</u></b>              | <b><u>55,526</u></b>      | <b><u>190,120</u></b>     | <b><u>72,485</u></b>             |
| <b>NET POSITION</b>                                      |                           |                                    |                           |                           |                                  |
| <b>Net Position – Beginning of Year, Adjusted</b>        | <b><u>1,439,422</u></b>   | <b><u>857,767</u></b> <sup>3</sup> | <b><u>997,599</u></b>     | <b><u>1,053,125</u></b>   | <b><u>7,743</u></b> <sup>4</sup> |
| <b>Net Position – End of Year</b>                        | <b><u>\$1,435,360</u></b> | <b><u>\$ 997,599</u></b>           | <b><u>\$1,053,125</u></b> | <b><u>\$1,243,245</u></b> | <b><u>\$ 80,228</u></b>          |

<sup>1</sup> Net of scholarship allowances of \$123,312, \$134,279, \$140,283, \$148,415, and \$156,962, respectively.

<sup>2</sup> Net of scholarship allowances of \$3,213, \$3,338, \$4,056, \$4,981, and \$6,495, respectively.

<sup>3</sup> During fiscal year 2015, the University of Connecticut adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, beginning net position for the fiscal year ended June 30, 2015 was restated by \$577,593 for the cumulative effect of applying these standards.

<sup>4</sup> During fiscal year 2018, the University of Connecticut adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, beginning net position for the fiscal year ended June 30, 2018 was restated by \$1,235,502 for the cumulative effect of applying this standard.

Reclassifications were made for prior fiscal years to reflect changes in the classifications of operating revenues and expenses, nonoperating revenues (expenses), and other changes in net position. These changes had no effect on net position presented on the Statements of Revenues, Expenses, and Changes in Net Position.

## **Budget and Budgeting Procedure of the University**

The University submits a biennial operating budget request to the Governor and General Assembly through the Secretary of the Office of Policy and Management (the Governor's fiscal office). The operating budget request sets forth a proposed expenditure plan for the amount necessary to meet cost increases while providing a constant level of services. It may also include an amount for new or expanded programs. The operating budget includes various revenue sources including the State appropriation, tuition, fees, auxiliaries and other revenue sources. The Governor may reduce State agency allotments by not more than 5% unless approved by the Appropriations Committee of the General Assembly, which shall, within ten days, approve or reject such reduction. The University's Board of Trustees annually approves separate Spending Plans for the University and UConn Health. The Fiscal Year 2019 Spending Plan was approved by the Board of Trustees on June 27, 2018. It is anticipated that the Fiscal Year 2020 Spending Plan will be presented to the Board of Trustees for approval on June 26, 2019. See "UNIVERSITY FINANCES-State Support of the University-Appropriations" in this Appendix A.

UConn Health submits a separate operating budget request and receives a separate appropriation and allotment. For discussion of UConn Health, see "UNIVERSITY OF CONNECTICUT HEALTH CENTER" in this Appendix A.

During each fiscal year, the Board of Trustees of the University must quarterly submit to the General Assembly and the Office of Policy and Management, a report of the actual expenditures of the University of Connecticut Operating and Research Funds.

The University's Capital Budget request process has been replaced by the Act. The Act provides for a thirty-two year Capital Budget program of the University and authorizes projects estimated to cost \$4,619.3 million of which \$4,282.9 million was or will be financed by general obligation bonds secured by the States Debt Service Commitment of the University. The estimated cost of UCONN 2000 projects which is not to be financed by the University's Bonds secured by the State Debt Service Commitment may be funded by the issuance of the University's Special Obligation Bonds, other University Debt Obligations, State General Obligation Bonds or by gifts or other revenue or borrowing resources of the University. For Bonds secured by the State Debt Service Commitment, phase I for Fiscal Years 1996-99 totaled \$382 million, phase II for Fiscal Years 2000-05 totaled \$580 million and phase III for Fiscal Years 2005-27 totals \$3,320.9 million. The University is required to provide a semi-annual update as to the progress of capital projects approved as part of UCONN 2000.

### **University Budget (Storrs and Regional Campuses)**

**Fiscal Year 2019 Budget.** The Fiscal Year 2019 budget forecast includes \$1,367.5 million in expenditures and \$1,367.5 million of revenue, yielding a balanced budget.

**Fiscal Year 2019 Revenue.** For Fiscal Year 2019, State support is budgeted at a level of \$346.8 million (allotment \$189.7million and fringe benefits \$1million including year-end accounting accruals), a decrease of \$3.8 million or 1.1% less than the Fiscal Year 2018 amount. State support is the second largest source of revenue for the University. Tuition is the largest source of revenue (excluding waivers) and is budgeted at \$418.5 million, an increase of \$15.8 million or 3.9% over the Fiscal Year 2018 amount. Tuition revenue collections reflect an \$855 annual rate increase for in-state students and a \$1,150 annual rate increase for out-of-state students. Fee revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off-campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which supports multiple student support programs. Finally, there are various other fees included in this category such as the Infrastructure Maintenance Fee, Application Fees and Late Payment Fees. The fee collections for Fiscal Year 2019 are budgeted to be \$135.7 million, a decrease of \$0.4 million or 0.3% less than the Fiscal Year 2018 amount. Auxiliary Enterprise Revenue is budgeted to be \$214.3 million, which is a decrease of \$3.2 million or 1.5% less than the Fiscal Year 2018 amount. Residence halls and rental properties, dining services and athletics generate most of the Auxiliary Enterprise Revenue. With respect to the Research Fund, the granting agency or donor restricts most of the revenues. Research Fund revenues for Fiscal Year 2019 are budgeted to be \$113.2 million, which is a \$5.7 million increase or 5.3% more than Fiscal Year 2018.

**Fiscal Year 2019 Expenditures.** Total Fiscal Year 2019 expenditures of \$1,367.5 million are budgeted to increase by \$25.6 million or 1.9% from the Fiscal Year 2018 amount. Personal services expenditures are budgeted to reach \$503.9 million or \$1.1 million less than Fiscal Year 2018. Fringe benefit expenditures are budgeted to be \$277.1 million or \$18.0 million more than Fiscal Year 2018. Financial Aid expenditures are budgeted to be \$183.9 million, which is an increase of \$13.7 million or 8.0% over the Fiscal Year 2018 amount.

In addition to actual results of operations for Fiscal Years 2015-2018, the following schedule reflects the Fiscal Year 2019 budget forecast.

**Statement of Current Funds Operations (in millions)**

|   | <b><u>FY15</u></b>      | <b><u>FY16</u></b>      | <b><u>FY17</u></b>      | <b><u>FY18</u></b>      | <b><u>FY19</u></b>      |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b><u>Actual</u></b>    | <b><u>Actual</u></b>    | <b><u>Actual</u></b>    | <b><u>Actual</u></b>    | <b><u>Budget</u></b>    |
| <b>Current Funds Revenues:</b>          |                         |                         |                         |                         |                         |
| Operating Fund                          |                         |                         |                         |                         |                         |
| State Support                           | \$ 350.7                | \$ 384.5                | \$ 374.0                | \$ 343.0                | \$346.8                 |
| Tuition (Net of Discounts)              | 319.7                   | 353.4                   | 377.5                   | 402.7                   | 418.5                   |
| Fees                                    | 124.3                   | 133.5                   | 136.5                   | 136.1                   | 135.7                   |
| Auxiliary Enterprise Revenue            | 204.4                   | 214.5                   | 214.8                   | 217.5                   | 214.3                   |
| All Other Revenues                      | <u>129.9</u>            | <u>138.7</u>            | <u>130.6</u>            | <u>137.5</u>            | <u>139.1</u>            |
| Total Operating Fund                    | \$1,120.9               | \$1,215.4               | \$1,230.4               | \$1,236.8               | \$1,254.4               |
| Research Fund                           | <u>99.5</u>             | <u>105.8</u>            | <u>107.5</u>            | <u>107.5</u>            | <u>113.2</u>            |
| <b>Total Current Funds Revenues</b>     | <b><u>\$1,220.4</u></b> | <b><u>\$1,321.2</u></b> | <b><u>\$1,337.9</u></b> | <b><u>\$1,344.3</u></b> | <b><u>\$1,367.5</u></b> |
| <b>Current Funds Expenditures:</b>      |                         |                         |                         |                         |                         |
| Operating Fund                          |                         |                         |                         |                         |                         |
| Personal Services                       | \$ 482.8                | \$ 496.7                | \$ 495.8                | \$ 505.0                | \$503.9                 |
| Fringe Benefits                         | 230.1                   | 239.5                   | 241.7                   | 259.1                   | 277.1                   |
| Other Expenses                          | 215.2                   | 230.1                   | 219.6                   | 241.2                   | 214.4                   |
| Equipment                               | 4.9                     | 21.1                    | 17.3                    | 29.6                    | 236.3                   |
| Student Financial Aid                   | 142.7                   | 150.8                   | 160.5                   | 170.2                   | 183.9                   |
| Non-mandatory/Projects                  | <u>49.3</u>             | <u>82.1</u>             | <u>94.9</u>             | <u>31.7</u>             | <u>33.7</u>             |
| Total Operating Fund                    | \$1,125.0               | \$1,220.3               | \$1,229.7               | \$1,236.8               | \$1,255.4               |
| Research Fund Expenditures              | <u>94.2</u>             | <u>98.2</u>             | <u>101.2</u>            | <u>105.1</u>            | <u>112.1</u>            |
| <b>Total Current Funds Expenditures</b> | <b><u>\$1,219.2</u></b> | <b><u>\$1,318.5</u></b> | <b><u>\$1,330.9</u></b> | <b><u>\$1,341.9</u></b> | <b><u>\$1,367.5</u></b> |
| <b>Net Gain (Loss)</b>                  | <b><u>\$ 1.2</u></b>    | <b><u>\$ 2.7</u></b>    | <b><u>\$ 7.0</u></b>    | <b><u>\$ 2.4</u></b>    | <b><u>\$ 0.0</u></b>    |

Note: use of decimals may result in rounding differences – Totals may not add due to rounding.

**State Support of the University – Appropriations**

The State develops a biennial budget, which includes the University appropriation request. The appropriations are applicable to each specific year and the second year's appropriation is subject to review and adjustment. The University has historically received a substantial percentage of its operating revenue from the State General Fund Appropriation. In the Connecticut State system of higher education, the University of Connecticut receives more State support than any other State institution of higher education. The annual State appropriation the University receives is in the form of a block grant and is allotted quarterly. The University has independent authority to purchase goods and services; hire, fire and promote administrators, faculty and staff; and plan, design and construct

capital projects. Public Act 18-81 appropriated \$190.6 million to the University for Fiscal Year 2019. The Fiscal Year 2019 appropriation has since been reduced by the State by \$0.9 million for allocable bottom line savings for the State budget. This reduction results in a forecasted allotment of \$189.7 million for Fiscal Year 2019.

No assurance can be made that the State will not change the Fiscal Year 2019 funding prior to the end of such Fiscal Year. Any State funding cuts are expected to be managed by the University through reduced hiring, reduced operating costs, fewer projects, and other deficit mitigation efforts.

**Schedule of State Operating Support and Fringe Benefits to the University  
for Fiscal Years 2015 – 2019 (in millions)**

| <b>Fiscal<br/>Year</b> | <b>Operating<br/>Appropriations<sup>1</sup><br/>and Allotments</b> | <b>Fringe<br/>Benefits/<br/>Adjustments</b> | <b>Operating<br/>Total</b> |
|------------------------|--|---|----------------------------|
| 2015                   | \$222.2  | \$128.5                                     | \$350.7                    |
| 2016                   | 240.6  | 143.9                                       | 384.5                      |
| 2017                   | 217.8  | 156.3                                       | 374.1                      |
| 2018                   | 191.3  | 151.7                                       | 343.0                      |
| 2019                   | 188.7  | 158.1                                       | 346.8                      |

<sup>1</sup> Excludes State Debt Service Commitment for UCONN 2000 general obligation bonds issued to fund University capital projects.

**State Support of the University - Bond Issuance**

In addition to appropriating funds for the general operating support of the University, the State has authorized its general obligation bonds to fund capital projects of the University.

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**State Legislative Bond Authorizations for the University  
for Fiscal Years 1996 - 2027**

| <b>Fiscal<br/>Year</b> | <b>State General<br/>Obligation Bonds</b> | <b>UCONN<br/>2000<sup>1</sup></b> | <b>Total</b>                  |
|------------------------|---|-----------------------------------|-------------------------------|
| 1996                   | \$18,000,000 <sup>2</sup>                 | \$112,542,000                     | \$130,542,000                 |
| 1997                   | 9,400,000 <sup>2</sup>                    | 112,001,000                       | 121,401,000                   |
| 1998                   |   | 93,146,000                        | 93,146,000                    |
| 1999                   |   | 64,311,000                        | 64,311,000                    |
| 2000                   | 2,000,000 <sup>3</sup>                    | 130,000,000                       | 132,000,000                   |
| 2001                   | 20,000,000 <sup>3</sup>                   | 100,000,000                       | 120,000,000                   |
| 2002                   |   | 100,000,000                       | 100,000,000                   |
| 2003                   |   | 100,000,000                       | 100,000,000                   |
| 2004                   |   | 100,000,000                       | 100,000,000                   |
| 2005 <sup>4</sup>      |   | 100,000,000                       | 100,000,000                   |
| 2006                   |   | 79,000,000                        | 79,000,000                    |
| 2007                   |   | 89,000,000                        | 89,000,000                    |
| 2008                   | 8,000,000 <sup>5</sup>                    | 115,000,000                       | 123,000,000                   |
| 2009                   |   | 140,000,000                       | 140,000,000                   |
| 2010                   |   | 0                                 | 0                             |
| 2011                   |   | 138,800,000                       | 138,800,000                   |
| 2012                   | 23,000,000 <sup>6,7</sup>                 | 157,200,000                       | 180,200,000                   |
| 2013                   | 20,000,000 <sup>6</sup>                   | 143,000,000                       | 163,000,000                   |
| 2014                   |   | 204,400,000                       | 204,400,000                   |
| 2015                   | 131,500,000 <sup>6</sup>                  | 315,500,000                       | 447,000,000                   |
| 2016                   | 25,000,000 <sup>8</sup>                   | 312,100,000                       | 337,100,000                   |
| 2017                   | 16,000,000 <sup>8</sup>                   | 240,400,000                       | 256,400,000                   |
| 2018                   |   | 200,000,000                       | 200,000,000                   |
| 2019                   |   | 200,000,000                       | 200,000,000                   |
| 2020                   |   | 291,600,000                       | 291,600,000                   |
| 2021                   |   | 186,200,000                       | 186,200,000                   |
| 2022                   |   | 101,400,000                       | 101,400,000                   |
| 2023                   |   | 98,000,000                        | 98,000,000                    |
| 2024                   |   | 85,000,000                        | 85,000,000                    |
| 2025                   |   | 70,100,000                        | 70,100,000                    |
| 2026                   |   | 63,600,000                        | 63,600,000                    |
| 2027                   |   | 40,600,000                        | 40,600,000                    |
| <b>Total</b>           | <b><u>\$272,900,000</u></b>               | <b><u>\$4,282,900,000</u></b>     | <b><u>\$4,555,800,000</u></b> |

*(Footnotes on the following page)*

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- <sup>1</sup> Secured by State Debt Service Commitment.
  - <sup>2</sup> For Babbidge Library on the Storrs campus.
  - <sup>3</sup> For the development of a new downtown campus for the University of Connecticut in Waterbury.
  - <sup>4</sup> For Fiscal Year 2005, \$50,000,000 was authorized under UCONN 2000 Phase II and an additional \$50,000,000 was authorized under UCONN 2000 Phase III. Fiscal Years 2005-24 represent authorizations under UCONN 2000 Phase III including UConn Health projects. No UConn Health projects were authorized in Phase I or Phase II.
  - <sup>5</sup> Special Act 04-2 authorized the issuance of \$8,000,000 of State General Obligation Bonds for renovation, alterations and improvements to the University's Law Library in Hartford which was approved by the State Bond Commission on March 28, 2008.
  - <sup>6</sup> Public Act 11-57, as amended by Public Act 14-98, authorized the issuance of \$169,500,000 of State General Obligation Bonds to create a Technology Park on the Storrs Campus. \$18,000,000 was approved by the State Bond Commission on August 26, 2011. \$20,000,000 was approved by the State Bond Commission on April 26, 2013. \$131,500,000 was approved by the State Bond Commission on May 11, 2015.
  - <sup>7</sup> Public Act 11-75 authorized \$5,000,000 in State General Obligation Bonds for a comprehensive cancer center and the University sponsored health disparities institute which was approved by the Bond Commission on October 28, 2011.
  - <sup>8</sup> Public Act 15-1 (sections 2 & 21) authorized the issuance of \$41 million of State General Obligation Bonds for the UConn Health Integrated Electronic Medical Record (EMR). The Integrated EMR will provide the health information technology required for compliance with federal and state regulations, enable interoperability and improve efficiencies for all UConn Health entities with access to clinical data updated in real-time in a single patient database. \$25,000,000 was approved by the State Bond Commission on January 29, 2016, and the final \$16,000,000 was approved on February 1, 2017.

## Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$144.4 million in Fiscal Year 2018, representing 18.5% of total operating revenues reported by the University in the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year ended June 30, 2018, included in this Appendix A. If nongovernmental grants are excluded, the revenue from federal, state and local governmental grants and contracts, totaled \$126.0 million for this time period, which represented 16.1% of total operating revenues.

### Governmental Grants and Contracts for Fiscal Years 2014 - 2018 (in Millions of Dollars)

| <u>Fiscal Year</u> | <u>Amount*</u> |
|--------------------|----------------|
| 2014               | \$130.0        |
| 2015               | 135.2          |
| 2016               | 145.4          |
| 2017               | 145.3          |
| 2018               | 144.4          |

\*Amounts were updated to reflect financial statement reclassifications of revenues (Federal financial aid) from operating to nonoperating revenues.

## The University of Connecticut Foundation, Inc.

Two other entities also support the mission of the University: The University of Connecticut Foundation, Inc., (the "Foundation"), and the University of Connecticut Law School Foundation, Inc., (the "Law School Foundation"). For financial reporting purposes, the Law School Foundation is included as a component unit with the University; the Foundation is an independent, privately governed institution, which is separately audited. On July 1, 2017, the Law School Foundation entered into an agreement with the Foundation and transferred all gift assets and operations to the Foundation. The Foundation operates exclusively for charitable and educational purposes, raising funds to promote, encourage, and assist education and research at the University and UConn Health. The Foundation

solicits and accepts donations of properties, monies, and securities and invests and administers these gifts. The Foundation materially supports the mission of both the University and UConn Health.

Gift revenue to the University, both capital and noncapital, is derived from gifts made directly to the University and from the Foundation. These spendable funds are provided to the University for educational, cultural, recreational, and research activities. The Foundation disburse funds to the University as requests are made, provided the request is in accordance with donor restrictions, if any. These disbursements paid to the University and to third parties on behalf of the University from both Foundations totaled approximately \$28.4 million in Fiscal Year 2018 compared to \$29.4 million in Fiscal Year 2017. In addition, the University receives gifts directly. Total non-operating gifts and capital gifts and grants revenue to the University from all sources amounted to \$5.0 million and \$3.9 million in Fiscal Years 2018 and 2017, respectively.

Giving University-wide continued at record levels, with contributions of \$82.5 million to support the University students, faculty, and programs during Fiscal Year 2018. Of the \$82.5 million in new gifts and commitments, \$22.3 million was directed for scholarships and fellowships, \$45.9 million for program support, \$7.6 million for research, \$2.8 million for faculty support, and \$3.9 million for capital improvements. Donors contributed \$42.2 million to the University's endowment.

|   | <u>2014</u><br><u>\$000's</u> | <u>2015</u><br><u>\$000's</u> | <u>2016</u><br><u>\$000's</u> | <u>2017</u><br><u>\$000's</u> | <u>2018</u><br><u>\$000's</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b><u>Assets</u></b>                                |                               |                               |                               |                               |                               |
| Endowment assets                                    | \$369,444                     | \$368,179                     | \$362,419                     | \$401,505                     | \$446,492                     |
| All other assets                                    | <u>108,308</u>                | <u>102,537</u>                | <u>100,473</u>                | <u>102,645</u>                | <u>113,857</u>                |
| <b>Total Assets</b>                                 | <b>\$477,752</b>              | <b>\$470,716</b>              | <b>\$462,892</b>              | <b>\$504,150</b>              | <b>\$560,349</b>              |
| <b><u>Support and Revenue</u></b>                   |                               |                               |                               |                               |                               |
| Contributions and educational support               | \$ 34,597                     | \$ 32,504                     | \$ 40,741                     | \$ 35,603                     | \$ 65,045                     |
| Payment from the University                         | 8,270                         | 9,139                         | 9,450                         | 10,050                        | 10,480                        |
| Investment income, net                              | 47,826                        | 10,067                        | (3,070)                       | 45,653                        | 32,925                        |
| Other revenues                                      | <u>733</u>                    | <u>1,712</u>                  | <u>1,694</u>                  | <u>1,985</u>                  | <u>1,591</u>                  |
| <b>Total Support and Revenue</b>                    | <b>\$ 91,426</b>              | <b>\$ 53,422</b>              | <b>\$ 48,815</b>              | <b>\$93,291</b>               | <b>\$110,041</b>              |
| <b><u>Expenditures</u></b>                          |                               |                               |                               |                               |                               |
| Disbursements to and on behalf of the University    | \$ 50,936                     | \$ 37,355                     | \$ 34,181                     | \$ 27,598                     | \$ 28,396                     |
| Foundation expenses (development, asset mgt, admin) | <u>17,068</u>                 | <u>17,067</u>                 | <u>19,711</u>                 | <u>20,932</u>                 | <u>22,790</u>                 |
| <b>Total Expenditures</b>                           | <b>\$ 68,004</b>              | <b>\$ 54,422</b>              | <b>\$ 53,892</b>              | <b>\$ 48,530</b>              | <b>\$ 51,186</b>              |
| Less change in net assets not owned by Foundation   | (18)                          | 127                           | (109)                         |                               |                               |
| <b>Support and Revenues Over/Under Expenditures</b> | <b><u>\$ 23,440</u></b>       | <b><u>(\$ 1,127)</u></b>      | <b><u>(\$ 4,968)</u></b>      | <b><u>\$44,761</u></b>        | <b><u>\$ 58,855</u></b>       |

## University Indebtedness

The UCONN 2000 Act, as amended, empowers the University to borrow money and issue securities to finance the acquisition, construction, reconstruction, improvement or equipping of any UCONN 2000 project and to provide for the security and payment of those securities and to refund such securities. Toward this purpose, to date, the University has issued General Obligation Bonds and Special Obligation Bonds, entered into a privately placed Governmental Lease Purchase Agreement, and assumed a promissory note associated with the purchase of the Nathan Hale Inn Hotel on the Storrs Campus.

The University of Connecticut General Obligation Bonds are issued pursuant to the Master Indenture of Trust, as amended (the "Master Indenture"), and are secured by the full faith and credit of the University and are additionally secured by the pledge of and a lien upon the State Debt Service Commitment. The State Debt Service Commitment is defined by the Act and the Master Indenture as the commitment by the State to pay an annual amount for the punctual payment of Special Debt Service Requirements on securities issued as general obligations of the University, as the same shall arise and shall become due and payable. Special Debt Service Requirements include, among other things, the principal on serial General Obligation Bonds or sinking fund installments on term General

Obligation Bonds and interest accruing thereon. As of the date of delivery of the 2019 Bonds, the University's General Obligation Bonds principal outstanding will be \$1,700,180,000 including the 2019 Bonds.

The University of Connecticut also has issued Special Obligation Bonds pursuant to the Special Obligation Indenture of Trust, dated as of January 1, 1997, between the University, as Issuer, and U.S. Bank National Association, as successor to State Street Bank & Trust Company, as Trustee, as amended (the "Special Obligation Master Indenture"). The Board of Trustees approved the Special Obligation Master Indenture on November 8, 1996. Unlike the UCONN 2000 General Obligation Bonds that are paid from the State's General Fund, debt service on the Special Obligation Bonds is paid from certain pledged revenues, including student fees of the University as defined in the Special Obligation Master Indenture. To date, ten projects have been authorized to receive \$374,180,000 of the UCONN 2000 Special Obligation Bond proceeds, and some of these projects also were supported by State General Obligation Bonds or other funding. See "GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES – Status of UCONN 2000 Projects" in this Appendix A. As of the date of delivery of the 2019 Bonds, the Special Obligation Bonds principal outstanding will be \$233,445,000.

A privately placed Governmental Lease Purchase Agreement (the "Lease"), with Caterpillar Financial Services Corporation, a Delaware Corporation, secured by the University's general obligation was entered into to finance the cogeneration facility portion of the UCONN 2000 Heating Plant Upgrade project. The cogeneration facility is part of the UCONN 2000 Heating Plant Upgrade project, as defined under the UCONN 2000 Act, which generates substantially all of the needs for electrical power, heating and cooling on the main campus at Storrs. The \$81,900,000 original principal amount of the Lease, comprised of \$75,000,000 executed in 2003, and, pursuant to an amendment, an additional \$6,900,000 executed in 2005, is a UCONN 2000 debt obligation entered into under certain separately negotiated documents and agreements and is not secured by the Master Indenture or the Special Obligation Master Indenture. Subsequent to 2005, the University has amended the Lease twice to lower interest rates and reduce its monthly Lease payments. As of January 2017, the Lease interest rate became 2.22% resulting in a monthly Lease payment of \$461,645. As of the date of delivery of the 2019 Bonds, the principal amount of the Lease outstanding will be \$34,261,270 with a final maturity date of December 29, 2025. The UCONN 2000 Heating Plant Upgrade project also has been partially funded with General Obligation Bonds of the University secured by the State Debt Service Commitment.

On April 29, 2015, the Board of Trustees authorized the University to assume existing indebtedness of the seller of the Nathan Hale Inn on the Storrs Campus (the "Inn") in the form of a promissory note (the "Note") to Webster Bank in the maximum principal amount of \$5,500,000 and secured by the general obligation of the University. The Governor approved the financing on May 19, 2015. On July 1, 2015, the University assumed the obligations under the Note in the amount of \$5,376,713 with an interest rate of 6.84% and final maturity date of December 1, 2016, thus purchasing the Inn. The Note was issued pursuant to separate financing documents and not under the UCONN 2000 General Obligation or Special Obligation Indentures of Trust and was paid off on its maturity date, December 1, 2016.

In addition to UCONN 2000 indebtedness, the University has certain other limited indebtedness; see Schedule 1, "AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR FISCAL YEAR ENDED JUNE 30, 2018".

The following schedule sets forth the debt service payments to be made in each University fiscal year on the general obligation bonds issued and outstanding by the University as of the date of delivery of the 2019 Bonds, including the 2019 Bonds.



**Debt Service on General Obligation Bonds<sup>1</sup> as of May 8, 2019**

| <u>FYE</u>                | <u>Outstanding General Obligation Bonds</u> |                      |                 | <u>This Issue General Obligation Bonds</u> |                  |                      | <u>Total</u>        |                    |           |                   |           |                    |                         |
|---------------------------|---|----------------------|-----------------|--|------------------|----------------------|---------------------|--------------------|-----------|-------------------|-----------|--------------------|-------------------------|
|                           | <u>June 30</u>                              | <u>Principal</u>     | <u>Interest</u> | <u>Subtotal</u>                            | <u>Principal</u> | <u>Interest</u>      | <u>Debt Service</u> |                    |           |                   |           |                    |                         |
| 2020                      | \$  | 116,120,000          | \$              | 69,623,690                                 | \$               | 185,743,690          | \$                  | 15,155,000         | \$        | 11,168,490        | \$        | 26,323,490         | \$212,067,180.44        |
| 2021                      |   | 111,125,000          |                 | 64,227,640                                 |                  | 175,352,640          |                     | 15,095,000         |           | 10,641,225        |           | 25,736,225         | \$201,088,865.02        |
| 2022                      |   | 105,645,000          |                 | 58,999,121                                 |                  | 164,644,121          |                     | 15,325,000         |           | 9,880,725         |           | 25,205,725         | \$189,849,846.26        |
| 2023                      |   | 102,040,000          |                 | 53,910,221                                 |                  | 155,950,221          |                     | 15,115,000         |           | 9,129,575         |           | 24,244,575         | \$180,194,796.26        |
| 2024                      |   | 97,410,000           |                 | 48,935,821                                 |                  | 146,345,821          |                     | 15,355,000         |           | 8,377,675         |           | 23,732,675         | \$170,078,496.26        |
| 2025                      |   | 92,500,000           |                 | 44,135,340                                 |                  | 136,635,340          |                     | 15,130,000         |           | 7,616,800         |           | 22,746,800         | \$159,382,140.00        |
| 2026                      |   | 88,520,000           |                 | 39,632,490                                 |                  | 128,152,490          |                     | 15,365,000         |           | 6,855,675         |           | 22,220,675         | \$150,373,165.00        |
| 2027                      |   | 85,125,000           |                 | 35,219,128                                 |                  | 120,344,128          |                     | 15,125,000         |           | 6,093,425         |           | 21,218,425         | \$141,562,552.50        |
| 2028                      |   | 81,370,000           |                 | 31,020,003                                 |                  | 112,390,003          |                     | 15,100,000         |           | 5,337,800         |           | 20,437,800         | \$132,827,802.50        |
| 2029                      |   | 81,370,000           |                 | 26,951,503                                 |                  | 108,321,503          |                     | 15,315,000         |           | 4,577,425         |           | 19,892,425         | \$128,213,927.50        |
| 2030                      |   | 81,370,000           |                 | 22,939,278                                 |                  | 104,309,278          |                     | 8,740,000          |           | 3,976,050         |           | 12,716,050         | \$117,025,327.50        |
| 2031                      |   | 76,510,000           |                 | 19,173,238                                 |                  | 95,683,238           |                     | 8,740,000          |           | 3,539,050         |           | 12,279,050         | \$107,962,287.50        |
| 2032                      |   | 67,525,000           |                 | 15,369,525                                 |                  | 82,894,525           |                     | 8,740,000          |           | 3,102,050         |           | 11,842,050         | \$94,736,575.00         |
| 2033                      |   | 67,525,000           |                 | 12,080,663                                 |                  | 79,605,663           |                     | 8,740,000          |           | 2,665,050         |           | 11,405,050         | \$91,010,712.50         |
| 2034                      |   | 67,525,000           |                 | 9,170,838                                  |                  | 76,695,838           |                     | 8,740,000          |           | 2,228,050         |           | 10,968,050         | \$87,663,887.50         |
| 2035                      |   | 53,440,000           |                 | 6,304,200                                  |                  | 59,744,200           |                     | 8,740,000          |           | 1,791,050         |           | 10,531,050         | \$70,275,250.00         |
| 2036                      |   | 42,435,000           |                 | 3,873,000                                  |                  | 46,308,000           |                     | 8,740,000          |           | 1,354,050         |           | 10,094,050         | \$56,402,050.00         |
| 2037                      |   | 29,360,000           |                 | 1,882,000                                  |                  | 31,242,000           |                     | 8,735,000          |           | 917,175           |           | 9,652,175          | \$40,894,175.00         |
| 2038                      |   | 13,800,000           |                 | 552,000                                    |                  | 14,352,000           |                     | 8,735,000          |           | 524,100           |           | 9,259,100          | \$23,611,100.00         |
| 2039                      |   | -                    |                 | -  |                  | -                    |                     | 8,735,000          |           | 174,700           |           | 8,909,700          | \$8,909,700.00          |
| <b>Totals<sup>2</sup></b> | <b>\$</b>                                   | <b>1,460,715,000</b> | <b>\$</b>       | <b>563,999,696</b>                         | <b>\$</b>        | <b>2,024,714,696</b> | <b>\$</b>           | <b>239,465,000</b> | <b>\$</b> | <b>99,950,140</b> | <b>\$</b> | <b>339,415,140</b> | <b>\$ 2,364,129,837</b> |

<sup>1</sup> Secured by State Debt Service Commitment, net of bonds previously refunded.

<sup>2</sup> Totals may not sum due to rounding.

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The following table sets forth all bonds and capital leases issued by the University under the UCONN 2000 program and outstanding as of the date of delivery of the 2019 Bonds, including the 2019 Bonds.

### Total UCONN 2000 Debt Obligations Outstanding

|  | <u>Original Par Amount<sup>1</sup></u> | <u>Amount Outstanding Currently<sup>1</sup></u> | <u>Dated Date</u> | <u>Final Maturity Date</u> |
|--|--|---|-------------------|----------------------------|
| <b><u>General Obligation Debt Service Commitment Bonds</u></b> |  |   |                   |                            |
| GO DSC 2010 Series A   | \$97,115,000                           | \$53,400,000                                    | May 25, 2010      | February 15, 2030          |
| GO DSC 2010 Series A Refunding <sup>2</sup>                    | 36,095,000                             | 6,095,000                                       | May 25, 2010      | February 15, 2021          |
| GO DSC 2011 Series A   | 179,730,000                            | 107,820,000                                     | December 8, 2011  | February 15, 2031          |
| GO DSC 2011 Series A Refunding <sup>3</sup>                    | 31,905,000                             | 14,520,000                                      | December 8, 2011  | February 15, 2023          |
| GO DSC 2013 Series A   | 172,660,000                            | 129,490,000                                     | July 31, 2013     | August 15, 2033            |
| GO DSC 2013 Series A Refunding <sup>4</sup>                    | 51,250,000                             | 34,295,000                                      | July 31, 2013     | February 15, 2024          |
| GO DSC 2014 Series A   | 109,050,000                            | 81,780,000                                      | April 22, 2014    | February 15, 2034          |
| GO DSC 2014 Series A Refunding <sup>5</sup>                    | 92,940,000                             | 9,675,000                                       | April 22, 2014    | February 15, 2025          |
| GO DSC 2015 Series A   | 220,165,000                            | 176,135,000                                     | April 16, 2015    | February 15, 2035          |
| GO DSC 2015 Series A Refunding <sup>6</sup>                    | 34,625,000                             | 24,135,000                                      | April 16, 2015    | February 15, 2026          |
| GO DSC 2016 Series A   | 261,510,000                            | 222,275,000                                     | April 21, 2016    | March 15, 2036             |
| GO DSC 2016 Series A Refunding <sup>7</sup>                    | 80,425,000                             | 31,855,000                                      | April 21, 2016    | March 15, 2027             |
| GO DSC 2017 Series A   | 311,200,000                            | 280,080,000                                     | January 19, 2017  | January 15, 2037           |
| GO DSC 2017 Series A Refunding <sup>8</sup>                    | 33,950,000                             | 26,885,000                                      | January 19, 2017  | January 15, 2022           |
| GO DSC 2018 Series A   | 276,075,000                            | 262,275,000                                     | May 3, 2018       | April 15, 2038             |
| GO DSC 2019 Series A   | 174,785,000                            | 174,785,000                                     | May 8, 2019       | November 1, 2038           |
| GO DSC 2019 Series A Refunding <sup>9</sup>                    | 64,680,000                             | <u>64,680,000</u>                               | May 8, 2019       | November 1, 2028           |
| <b>Total<sup>10,15</sup></b>                                   |  | <b>\$1,700,180,000</b>                          |                   |                            |
| <b><u>Special Obligation Student Fee Revenue Bonds</u></b>     |  |   |                   |                            |
| UCONN 2000 SPEC OB 2010-A Refunding <sup>11</sup>              | \$47,545,000                           | \$21,310,000                                    | June 16, 2010     | November 15, 2027          |
| UCONN 2000 SPEC OB 2012-A Refunding <sup>12</sup>              | 87,980,000                             | 71,135,000                                      | December 13, 2012 | November 15, 2029          |
| UCONN 2000 SPEC OB 2018-A                                      | 141,725,000                            | <u>141,000,000</u>                              | March 29, 2018    | November 15, 2047          |
| <b>Total<sup>13, 15</sup></b>                                  |  | <b>\$ 233,445,000</b>                           |                   |                            |
| <b><u>Capital Leases</u></b>                                   |  |   |                   |                            |
| Governmental Lease Purchase Agreement                          | \$ 75,000,000                          | \$ 31,324,306                                   | December 18, 2003 | December 29, 2025          |
| Governmental Lease Purchase Agreement                          | 6,900,000                              | <u>2,936,964</u>                                | August 15, 2005   | December 29, 2025          |
| <b>Total<sup>14, 15</sup></b>                                  |  | <b>\$ 34,261,270</b>                            |                   |                            |

<sup>1</sup> "Original Par Amount" includes bonds previously refunded. "Amount Currently Outstanding" is net of bonds previously refunded.

<sup>2</sup> The General Obligation 2010-A Refunding Bonds refunded \$35,885,000 of the outstanding GO DSC Series 1999-A, 2001-A, 2003-A and 2004-A Bonds.

<sup>3</sup> The General Obligation 2011-A Refunding Bonds refunded \$33,735,000 of the outstanding GO DSC Series 2003-A and 2004 Bonds.

<sup>4</sup> The General Obligation 2013-A Refunding Bonds refunded \$54,375,000 of the outstanding GO DSC Series 2004A and 2005A Bonds.

<sup>5</sup> The General Obligation 2014-A Refunding Bonds refunded \$97,930,000 of the outstanding GO DSC Series 2004A and 2005A Bonds.

<sup>6</sup> The General Obligation 2015-A Refunding Bonds refunded \$38,550,000 of the outstanding GO DSC Series 2006A Bonds.

<sup>7</sup> The General Obligation 2016-A Refunding Bonds refunded \$88,535,000 of the outstanding GO DSC Series 2006A Refunding Bonds and 2007A Bonds.

<sup>8</sup> The General Obligation 2017-A Refunding Bonds refunded \$36,095,000 of the outstanding GO DSC Series 2007A Refunding Bonds.

<sup>9</sup> The General Obligation 2019-A Refunding Bonds refunded \$72,060,000 of the outstanding GO DSC Series 2009A Refunding Bonds.

<sup>10</sup> Debt Service on the General Obligation Bonds is payable from the Debt Service Commitment of the State.

<sup>11</sup> The SPEC OB 2010-A Refunding Bonds refunded all of the outstanding \$33,560,000 SPEC OB Series 1998-A Bonds and part of the 2002-A Bonds.

<sup>12</sup> The SPEC-OB-2012-A Refunding Bonds refunded all of the outstanding \$75,430,000 SPEC-OB Series 2002-A Bonds and \$96,130,000 Series 2002-A Refunding Bonds.

<sup>13</sup> Debt Service on the Special Obligation Bonds are payable from certain Pledged Revenues of the University as further defined in the Special Obligation Indenture of Trust, dated as of January 1, 1997 as amended.

<sup>14</sup> Does not include capital lease obligations subject to annual appropriation.

<sup>15</sup> Totals may not sum due to rounding.

## Employee Data

**Faculty and Staff.** As of November 2018, the University had 4,948 full-time equivalent (“FTE”) employees. Full and part-time faculty accounted for 1,568 FTE employees. The University hires adjunct lecturers on a semester-by-semester basis, as needed, who are not included in the above employee count. In Fall 2018, 55.7% of full-time teaching faculty were tenured, 19.9% were tenure track and the remaining were non-tenure track faculty. The average age range of full-time faculty was 45-49. Additionally, the University also has 918 FTE graduate student assistants who receive stipends; and other non-permanent employees (i.e. special payroll, students) not captured in any of the prior categories.

Six bargaining units represented approximately 4,433 FTE union members as of November 2018. Approximately 10% of University faculty and staff were non-union employees. The University bargains with two units covering 3,717 FTE employees: the American Association of University Professors (AAUP) and the University of Connecticut Professional Employees Association (UCPEA). Law school faculty, University exempt (management) and certain temporary and part-time employees are not represented by bargaining units. The remaining four unions covering 715 FTE employees bargain directly with the State. In addition, the University bargains directly with the Graduate Employee Union Local 6950 (GEU-UAW) for graduate student assistants.

The University has statutory authority to negotiate and enter into collective bargaining agreements with the labor unions that represent its faculty (AAUP) and non-teaching professionals (UCPEA). The University has reached agreement on successor contracts with these unions. The collective bargaining agreements are currently in effect and will be in full force and effect through June 30, 2021. The University has recently negotiated a successor agreement with the GEU-UAW which is currently in effect and will be in full force and effect until June 30, 2022. The University is currently negotiating an agreement with the UAW that will cover a unit of post-doctoral research associates.

**Retirement Plans and Post-Employment Benefits.** Most State employees are eligible to receive retirement benefits under a State retirement plan. Various retirement plans are available for University employees none of which are administered by the University.

In 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, that addresses accounting and financial reporting requirements for governmental employers that provide their employees with pension benefits administered through a qualified trust and was effective for employer fiscal years beginning after June 15, 2014. This statement establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. In accordance with GASB 68, the University records its proportionate share of the State’s collective net pension liability, collective deferred inflows and deferred outflows of resources related to pensions, and collective pension expense for each defined benefit plan offered to its employees.

In addition to pension benefits, the State provides post-retirement health care and life insurance benefits to University employees through the State Employee Post-Employment Benefits Plan. In fiscal year 2018, the University adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, that addresses new accounting and financial reporting requirements for other post-employment benefits (OPEB) provided to state and local government employees. In accordance with GASB 75, the University records its proportionate share of the State’s collective net OPEB liability, collective deferred inflows and deferred outflows of resources related to OPEB, and collective OPEB expense. For further discussion, see Schedule 1, “AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR FISCAL YEAR ENDED 2018.”

## Insurance and Litigation

**Insurance.** The University, as an agency of the State, relies upon sovereign immunity for protection from liability. However, the University participates in the State’s program of liability coverage. The State is self-insured for the first \$4,000,000. The State purchases excess liability policies beyond its self-insured retention. The State also purchases other coverages to mitigate risk, including property, casualty and hazard insurance for all State agencies.

The State pays the premiums for such insurance policies. The University may request disbursement of insurance proceeds, which the State receives from a claim arising out of the loss of University property. The Act authorizes the University to purchase insurance for its assets, actions and activities. With regard to design and construction projects, the University requires errors and omissions insurance from the lead project design professional (project architect of record), and selected sub-consultants on all construction projects. The University requires that contractors engaged on all construction projects provide and maintain general liability, automobile and statutory workers' compensation coverage. With regard to builders risk policies and protection of construction work in progress for existing buildings, the State, through its property policy provides builders risk coverage subject to a deductible. The University requires the contractors to provide builders risk insurance for construction projects involving new buildings. The University directly purchases workers' compensation insurance as part of an owner-controlled insurance program (OCIP) for select UCONN 2000 Health projects.

**Litigation.** The University (not including UConn Health) is currently defending various legal matters in state and federal courts. None of those suits, either individually or in the aggregate, are likely to have a material adverse impact on the University's financial position.

## **UNIVERSITY OF CONNECTICUT HEALTH CENTER**

An organizational unit of the University of Connecticut, UConn Health is a comprehensive State-owned academic Health Center, which has the traditional tripartite missions of education, patient care and research. In conjunction with this mission, UConn Health is focused on community service and public health. Its main campus is located in a complex of buildings in suburban Farmington, Connecticut. UConn Health was established in 1961 and is currently comprised of the School of Medicine, the School of Dental Medicine (and their associated Educational Clinics), the UConn John Dempsey Hospital, the University Medical Group, University of Connecticut Finance Corporation, research laboratories, health sciences/medical library and administrative and other support facilities. It operates more than 400 clinical and educational programs throughout Connecticut and is a referral center for persons with certain illnesses requiring complex patient care. As of Fall 2018, UConn Health had 611 professional students in the Schools of Medicine and Dental Medicine, graduate students in Master's and Doctoral programs, and approximately 850 residents, interns and postdoctoral fellows. It also provides an extensive array of continuing education activities to health professionals throughout the State. UConn Health submits separate operating and capital budgets to the Governor and the General Assembly and receives its appropriation and allotment separate from the University. See "UNIVERSITY FINANCES – Budget and Budgeting Procedure of the University" in this Appendix A. The University issued a Solicitation of Interest seeking proposals for a public private partnership for its Clinical Enterprise (John Dempsey Hospital and UConn Medical Group). See "University of Connecticut Health Center Clinical Operations" in this Appendix A.

## **GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES**

### **Board of Directors**

**Composition.** The Board of Directors of UConn Health consists of up to 18 members. Pursuant to Section 35 of Public Act No. 01-173, the Board of Trustees for the University created the board of directors for the governance of UConn Health, and has determined such duties and authority as it deemed necessary and appropriate to delegate to said board of directors. The Board consists of nine members at large appointed by a nominating committee of the Board of Directors, three members appointed by the Chairperson of the Board of Trustees, three members appointed by the Governor and three voting ex-officio members (the Secretary of the State's Office of Policy and Management, the President of the University and the Commissioner of Public Health or their designees).

**Membership.** Currently, two positions on the Board of Directors are vacant. The name, term, position and affiliation or profession of each member of the Board of Directors is as follows:

| <u>Name</u>                    | <u>Term Ends</u> | <u>Position</u>                                    | <u>Affiliation/Profession</u>   |
|--------------------------------|------------------|--|---|
| Kenneth Alleyne                | 2020             | Member   | Orthopedic Surgeon, Eastern Orthopedics   |
| Francis X. Archambault Jr.     | 2016*            | Member   | Retired Emeritus Professor, University of Connecticut                               |
| Richard M. Barry               | 2016*            | Member   | Deputy Chief Risk Officer, Key Bank   |
| Andy F. Bessette               | 2016*            | Appointed by Chairperson, Board of Trustees        | EVP & CAO, The Travelers Companies, Inc.  |
| Richard T. Carbray Jr.         | 2015*            | Appointed by Chairperson, Board of Trustees        | Owner, Apex Pharmacy, Home Care and Nutritional Center                              |
| Cheryl A. Chase                | 2015*            | Vice-Chair   | Co-president, Principal and General Counsel, Chase Enterprises                      |
| Sanford Cloud, Jr.             | 2014*            | Chair; Appointed by Chairperson, Board of Trustees | Chairman and CEO, The Cloud Company, LLC  |
| John F. Droney                 | 2016*            | Member   | Partner, Hinckley Allen Snyder, LLP   |
| Anne Foley                     |                  | Ex-Officio   | SPV to the Secretary; Office of Policy & Management, State of Connecticut           |
| Joel Freedman                  | 2017*            | Appointed by the Governor                          | Owner, Freedman Consulting, LLC   |
| Susan Herbst                   |                  | Ex-officio   | President, University of Connecticut  |
| Timothy A. Holt                | 2016*            | Member   | Retired Director, Virtus Investment Partners and MGIC Investment                    |
| Renée D. Coleman-Mitchell, MPH |                  | Ex-officio   | Commissioner, Connecticut Department of Public Health                               |
| Wayne Rawlins                  | 2015*            | Member   | Vice President & Senior Medical Director of Healthcare Services, ConnectiCare, Inc. |
| Teresa M. Ressel               | 2012*            | Appointed by the Governor                          | Private Company Management  |
| Kathleen D. Woods              | 2013*            | Appointed by the Governor                          | Chairperson, Farmington Woods Golf Club   |

\* Board members continue to serve until re-appointed or replacements are appointed.

**Duties of the University of Connecticut Health Center Board of Directors.** Subject to duties outlined by the University's Board of Trustees, the Board is authorized to establish rules and general policies for the governance of UConn Health and its academic programs. The Board of Directors manages and directs the expenditures of UConn Health. The Board of Directors is required by law to review and approve UConn Health budget requests and propose facility, planning and capital expenditure budget priorities.

**Officers of the Board of Directors.** The officers of the Board of Directors are the Chair of the Board (Sanford Cloud Jr.), the Vice-Chair (Cheryl Chase), the Secretary (John Droney) and the Treasurer (vacant). The Chair is privileged to make or discuss motions and to vote on all questions.

## Academic Programs of the School of Medicine and School of Dental Medicine

**Post Baccalaureate Programs.** The Schools of Medicine and Dental Medicine each conduct a four-year post baccalaureate program leading to the M.D. and D.M.D. degrees, respectively.

**Residency.** The School of Medicine and the School of Dental Medicine each offer residency programs, which provide advanced training in preparation for licensure practice and certification within a field of specialization. Approximately 760 residents and fellows populate UConn John Dempsey and other regional hospitals.

**Graduate Programs.** Programs leading to either a Ph.D. or Master's degree in medically related sciences are offered in nine biomedical sciences and in community health and dental sciences. There are also programs of post-doctoral education of biomedical scientists.

**Continuing Education.** The schools provide facilities and/or opportunities for the practicing professionals to continue their education by offering a wide variety of courses, lectures, seminars, and visiting lectureships.

**Research.** The faculty of the Schools of Medicine and Dental Medicine are generally expected to develop an active research program, both to advance knowledge within their field of expertise and to enhance the quality of the educational program. Approximately \$80.1 million was generated in Fiscal Year 2018 by the research activities of the various faculties, which supplements appropriations from the State.

### Student Enrollment

**Enrollment.** UConn Health's enrollment in Fall 2018 was 425 in the School of Medicine, 186 in the School of Dental Medicine, and 311 Graduate students. Historically, enrollment at UConn Health has been flat. A key component of the Bioscience Connecticut initiative is to grow enrollment 30%. The 425 enrolled students represent an increase of 15% over the School of Medicine's 2014 enrollment showing significant progress towards its Bioscience Connecticut goals.

Each year, approximately 400 students work toward their medical doctor's degree and 180 toward their doctor of medical dentistry degree. Admission to each school is highly competitive, but both schools offer preferential consideration to qualified Connecticut residents in their admissions policies. School of Dental Medicine students have a long history of outstanding performance on the National Boards.

### Average Total MCAT and DAT Scores Fall 2014 - 2018

| <u>Fall</u> | <u>MCAT</u> | <u>DAT</u> |
|-------------|-------------|------------|
| 2014        | 31.9        | 21.2       |
| 2015        | 31.7        | 21.2       |
| 2016*       | 509.3       | 21.6       |
| 2017*       | 511.3       | 21.5       |
| 2018        | 512.2       | 21.4       |

\*Beginning in Fall 2016, the new test, which was revised to cover a broader range of material and better equip medical schools with ways to more completely assess applicants, uses a new scoring system. The new scoring methodology changed the scale from a maximum of 45 to a maximum of 528.

**Passing Rates on National Exams  
2014 - 2018**

| <u>Year</u> | <u>School of Medicine</u> | <u>School of Dental Medicine</u> |
|-------------|---------------------------|----------------------------------|
| 2014        | 98%                       | 100%                             |
| 2015        | 99                        | 100                              |
| 2016        | 98                        | 100                              |
| 2017        | 99                        | 100                              |
| 2018        | 97                        | 100                              |

**Tuition and Other Fees**

Pursuant to State law, the Board of Directors is authorized to adopt a comprehensive schedule of tuition and other fees which are expected to prevail during the following fiscal year. Such tuition and fees must comply with the policy of the Office of Higher Education that requires them to be between the 70<sup>th</sup> and 75<sup>th</sup> percentiles of public schools nationally.

**Tuition.** For the academic year 2019, students classified as full-time residents of Connecticut were charged tuition of \$36,932 for the School of Medicine and \$34,599 for the School of Dental Medicine. Out-of-state students were charged \$71,012 for the School of Medicine and \$72,353 for the School of Dental Medicine. For the 2020 academic year, tuition for Connecticut residents has been set at \$38,585 for School of Medicine students and \$35,810 for School of Dental Medicine students.

**Mandatory Fees.** For academic year 2019, students will pay a fee of \$3,160 for the School of Medicine and \$2,538 for the School of Dental Medicine per year. This fee includes payments for commencement, student affairs, and a student activity fee. An optional student health plan is available for an additional fee.

**Annual Cost of an In-State Student Enrolled  
at UConn Health by School  
Academic Years 2016 - 2020**

|              | <u>School of Medicine</u> |                 |                 |                 |                 |
|--------------|---------------------------|-----------------|-----------------|-----------------|-----------------|
|              | <u>2016</u>               | <u>2017</u>     | <u>2018</u>     | <u>2019</u>     | <u>2020</u>     |
| Tuition      | \$30,013                  | \$32,554        | \$34,706        | \$36,932        | \$38,585        |
| Fees*        | 8,500                     | 7,500           | 3,660           | 3,160           | 2,910           |
| <b>Total</b> | <b>\$38,513</b>           | <b>\$40,054</b> | <b>\$38,366</b> | <b>\$40,092</b> | <b>\$41,495</b> |

|              | <u>School of Dental Medicine</u> |                 |                 |                 |                 |
|--------------|----------------------------------|-----------------|-----------------|-----------------|-----------------|
|              | <u>2016</u>                      | <u>2017</u>     | <u>2018</u>     | <u>2019</u>     | <u>2020</u>     |
| Tuition      | \$28,231                         | \$30,667        | \$32,599        | \$34,599        | \$35,810        |
| Fees*        | 7,682                            | 6,681           | 2,940           | 2,538           | 2,627           |
| <b>Total</b> | <b>\$35,913</b>                  | <b>\$37,348</b> | <b>\$35,539</b> | <b>\$37,137</b> | <b>\$38,437</b> |

\* Beginning in 2018, the optional student health fee is excluded.

**Percentage of Enrollment by Residence Status  
Fall 2014 - 2018**

| <u>Fall</u> | <u>School of Medicine</u> |                     | <u>School of Dental Medicine</u> |                     |
|-------------|---------------------------|---------------------|----------------------------------|---------------------|
|             | <u>In-State</u>           | <u>Out-of-State</u> | <u>In-State</u>                  | <u>Out-of-State</u> |
| 2014        | 93.2%                     | 6.8%                | 85.8%                            | 14.2%               |
| 2015        | 93.4                      | 6.6                 | 88.9                             | 11.1                |
| 2016        | 91.2                      | 8.8                 | 90.0                             | 10.0                |
| 2017        | 92.5                      | 7.5                 | 89.0                             | 11.0                |
| 2018        | 90.8                      | 9.2                 | 87.0                             | 13.0                |

**University of Connecticut Health Center Clinical Operations**

Per Public Act 17-2, on April 2, 2018, UConn Health submitted a report to the General Assembly on the status of efforts to explore a public-private partnership aimed at strengthening UConn Health by continuing the journey of financial stabilization and growth of clinical operations. The process included a nation-wide Solicitation of Interest distributed in October 2018. By the December 2018 deadline for responses, UConn Health had received several responses, none of which met the goals outlined in such solicitation. UConn Health is in the process of deciding whether to negotiate with the responders to determine if the goals of UConn Health can be met. The UConn Health Board of Directors and the University Board of Trustees must approve any agreement.

**UConn Medical Group and University Dentists.** The faculty practices of UConn Health, UConn Medical Group (UMG) and University Dentists are the key components of UConn Health's integrated health care delivery system administratively designated "University of Connecticut Clinical Operations" ("Clinical Operations"). Clinical Operations include an extensive array of ambulatory clinics representing the range of specialty and primary fields that comprise medicine and dentistry operated by UMG and University Dentists. Clinical Operations is the vehicle through which UConn Health contracts with managed care and other health care payors and engages in joint ventures and other arrangements. Clinical Operations also does business through the University of Connecticut Health Center Finance Corporation (the "Finance Corporation"), a statutory corporation authorized to enter into joint ventures, other affiliations and contracts in furtherance of the operations of the clinical programs.

**UConn John Dempsey Hospital.** UConn Health's John Dempsey Hospital is also a key component in Clinical Operations. The Hospital has 234 licensed beds (193 staffed), and is located in Farmington, a suburb of Hartford. It serves as the primary teaching hospital for the Schools of Medicine and Dental Medicine, and participates in the clinical education of students from other health profession education programs. As the primary teaching hospital, it contains a full range of services, including surgery, medicine, cardiac care, psychiatry, and obstetrics and gynecology. The Hospital is also the focus of specialized programs, including programs dealing with arthritis, lupus, alcoholism, cancer, hemophilia, high-risk pregnancies, dental diseases in the handicapped, and taste and smell deficiencies. The Hospital also provides emergency dental care through an agreement with the Educational Clinics.

**Educational Clinics.** The Educational Clinics offer comprehensive dental care provided by dental students (pre-doctoral students) in multidisciplinary clinics or by dental residents (postdoctoral students) receiving advanced or specialty training under the supervision of licensed clinical faculty. The Predoctoral Teaching Program is designed to train dental students to be future general dentists or specialists. Dental care provided in the predoctoral program is provided by students under the supervision of experienced dentists. The Postdoctoral Teaching Program is a practice comprised of licensed dentists who spend 2 to 6 years under intensive training to be specialists in endodontics, periodontics, oral surgery, orthodontics, pediatric dentistry, prosthodontics, or advanced education general dentistry (AEGD).



## Patient Service Revenue

Pursuant to the Master Indenture, patient revenues or any other revenues derived from clinical operations of the University are not pledged towards the repayment of Bonds.

## Strategic Plan Initiative

**Our Mission.** UConn Health is dedicated to helping people achieve and maintain healthy lives and restoring wellness/health to maximum attainable levels.

In this quest, UConn Health will continuously enable students, professionals and agencies to promote the health of Connecticut's citizens. UConn Health will consistently pursue excellence and innovation in the education of health professionals; the discovery, dissemination and utilization of new knowledge; the provision of patient care; and the promotion of wellness.

**Market Assessment and Regional Planning.** UConn Health employs a variety of means to assess the market. Using data available from the Connecticut Hospital Association and the Office of Health Care Access, UConn John Dempsey Hospital assesses its performance relative to other hospitals and in terms of market share. Both UConn John Dempsey Hospital and UConn Medical Group use publicly available and purchased data sets relative to population and disease trends, utilization rates for services, physician and service demand. UConn Health executives and product line leaders, both physician and non-physician staff, through professional associations, networking with peers and patient interactions, supply data, information and expertise that is used for assessment and planning. Public input is sought through formal and informal interactions with UConn Health Board of Directors, the UConn Board of Trustees, the State Legislature, Town of Farmington, Connecticut officials, community leaders, patients and the many people who attend the public programs of UConn Health. Strategic plans are developed given the market assessment, in combination with an assessment of the strengths of UConn Health programs and staff. UConn Health has focused efforts on programs that integrate the academic, research, and clinical strengths of the institution to serve the health care needs of the citizens of the State. In order to best extend the access to UConn Health services, UConn Health has established and continues to seek relationships with other health care providers including and especially primary care providers.

UConn Health is expected to continue to be challenged by managed care and federal reimbursement rates. UConn Health has adopted a strategy of actively monitoring the market and pursuing agreements with all managed care payors. UConn Health has entered into participation agreements with most of the major HMOs and PPOs. Payors are increasingly interested in shared risk arrangements with providers. UConn Health has executed a number of shared risk agreements and will likely be requested to do more. UConn Health is actively developing the programs and systems necessary to accept and manage risk.

**Bioscience Connecticut.** UConn Health has benefitted from the major economic revitalization plan called Bioscience Connecticut (Public Act 10-104, as amended by Public Act 11-75). Bioscience Connecticut's aim is to make the State a leader in bioscience research and in turn, jumpstart the State's economy by creating jobs and generating long-term economic growth. Program initiatives related to UConn Health were:

- Renovating existing UConn Health facilities to increase bioscience research capacity and productivity, increasing the number of basic and clinical/translational scientists, and expanding small business incubator facilities to foster new business start-ups.
- Increasing UConn Health's medical and dental schools' enrollment by 30 percent, and establishing a loan forgiveness program to attract more graduates to practice primary care medicine and dentistry in Connecticut.
- Constructing a new patient tower and a new ambulatory care center, and increasing the number of UConn Health primary and specialty care clinicians.

The \$864 million Bioscience Connecticut plan was funded with \$592 million of bond funds. Construction of the ambulatory care center (also known as the "Outpatient Pavilion") was financed by a \$203 million credit tenant lease between Teachers Insurance and Annuity Association and the University of Connecticut Health Center Finance

Corporation through a bankruptcy remote special purpose entity named UCHCFC Circle Road Corp. UConn Health operating funds, private financing or philanthropy will be utilized to fund the remainder of the program.

In October 2011, the Connecticut General Assembly adopted legislation, which established the Connecticut Bioscience Collaboration Program (the “Collaboration”) and authorized \$290.7 million of State general obligation bonds to be issued between fiscal years 2012 and 2021 and to be deposited in the Connecticut Bioscience Collaboration Fund. This fund is held and administered by Connecticut Innovations Incorporated, a separate authority of the State of Connecticut, to support the establishment of a bioscience cluster anchored by a research laboratory housed at UConn Health. As of fiscal year end 2018, \$257.0 million of the \$290.7 million had been allocated with the remainder expected to be allocated in fiscal years 2019, 2020 and 2021.

Construction work related to the Bioscience Connecticut initiative is largely complete with only the Clinic Building Renovations remaining under construction. The new John Dempsey Hospital University Tower, which also includes the third and final parking garage, opened in May 2016. Work on the final phase of the Hospital project was substantially completed by late 2016. The Outpatient Pavilion was completed and the building was occupied by mid-September 2016. The Main Building Lab Renovations were completed in March of 2017. The Academic Building Addition and Renovation project was completed in October of 2017. The Incubator Lab addition to the Cell and Genome Sciences Building was completed in January 2016 and the labs are now being leased to companies for technology development. The Clinic Building Renovations began in July 2016. Phases 1, 2 and 3 of the renovations are complete and the final phase, phase 4, will be complete in May 2019. The renovations focused on the Dental School clinical practice areas, the Cardiology clinical area, a multi-specialty clinic and the Main Lobby renovation.

### **Employment**

UConn Health employed approximately 4,400 full-time equivalent (FTE) employees as of December 2018. UConn Health employees are State employees. The terms and conditions of employment of almost 3,800 FTE employees as of December 2018 are governed by collective bargaining agreements with nine bargaining units. The State bargains with all bargaining units representing UConn Health employees except the University Health Professions (the “UHP”) and the American Association of University Professors (the “AAUP”). UConn Health has statutory authority to negotiate and enter into collective bargaining agreements with the labor unions that represent its faculty (AAUP) and non-teaching professionals (UHP). UConn Health has reached agreement on successor contracts with these unions. The collective bargaining agreements are currently in effect and will be in full force and effect through June 30, 2021. The remaining seven unions bargain directly with the State. University exempt (management) and certain temporary and part-time employees are not represented by bargaining units.

## **UConn Health FINANCES**

### **Financial Statements of UConn Health**

Below is a five-year presentation of the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2014, 2015, 2016, 2017 and 2018.

*[Remainder of page intentionally left blank]*

### **Statement of Revenues, Expenses and Changes in Net Position**

(\$ in thousands)

|  | <u>2014</u>               | <u>2015</u>                | <u>2016</u>                | <u>2017</u>                | <u>2018</u>                 |
|--|---------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| <b>OPERATING REVENUES</b>                                      |                           |                            |                            |                            |                             |
| Student tuition and fees <sup>1</sup>                          | \$ 15,794                 | \$ 16,557                  | \$ 15,728                  | \$ 17,499                  | \$ 18,613                   |
| Patient services <sup>2</sup>                                  | 450,315                   | 512,960                    | 532,876                    | 539,777                    | 580,697                     |
| Federal grants and contracts                                   | 62,527                    | 57,920                     | 59,529                     | 58,148                     | 50,748                      |
| Nongovernmental grants and contracts                           | 23,803                    | 24,407                     | 27,116                     | 29,009                     | 29,337                      |
| Contract and other operating revenues                          | <u>106,772</u>            | <u>109,324</u>             | <u>108,017</u>             | <u>114,283</u>             | <u>127,188</u>              |
| <b>Total operating revenues</b>                                | <b><u>\$659,211</u></b>   | <b><u>\$ 721,168</u></b>   | <b><u>\$743,266</u></b>    | <b><u>\$758,716</u></b>    | <b><u>\$806,583</u></b>     |
| <b>OPERATING EXPENSES</b>                                      |                           |                            |                            |                            |                             |
| Educational and General  |                           |                            |                            |                            |                             |
| Instruction  | \$152,618                 | \$ 163,703                 | \$ 168,299                 | \$ 169,130                 | \$ 179,948                  |
| Research   | 59,518                    | 56,961                     | 58,233                     | 59,400                     | 56,102                      |
| Patient services   | 581,558                   | 607,436                    | 648,072                    | 713,342                    | 747,637                     |
| Academic support   | 20,824                    | 22,458                     | 18,070                     | 19,186                     | 19,322                      |
| Institutional support  | 66,416                    | 83,260                     | 80,638                     | 82,233                     | 112,126                     |
| Operations and maintenance of plant                            | 31,548                    | 35,363                     | 38,714                     | 37,295                     | 38,223                      |
| Depreciation   | 32,780                    | 37,830                     | 41,468                     | 52,046                     | 52,637                      |
| Student aid  | <u>50</u>                 | <u>32</u>                  | <u>84</u>                  | <u>194</u>                 | <u>364</u>                  |
| <b>Total operating expenses</b>                                | <b><u>945,312</u></b>     | <b><u>1,007,043</u></b>    | <b><u>1,053,578</u></b>    | <b><u>1,132,826</u></b>    | <b><u>1,206,359</u></b>     |
| <b>Operating (loss) income</b>                                 | <b><u>(\$286,101)</u></b> | <b><u>(\$ 285,875)</u></b> | <b><u>(\$ 310,312)</u></b> | <b><u>(\$ 374,110)</u></b> | <b><u>(\$ 399,776)</u></b>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                        |                           |                            |                            |                            |                             |
| State appropriations   | \$266,139                 | \$ 280,645                 | \$ 289,287                 | \$ 278,211                 | \$ 279,513                  |
| Gifts  | 7,299                     | 7,175                      | 6,866                      | 4,079                      | 5,706                       |
| Interest income  | 93                        | 176                        | 141                        | 104                        | 654                         |
| Interest on capital asset – related debt                       | <u>(1,007)</u>            | <u>(3,820)</u>             | <u>(10,487)</u>            | <u>(10,214)</u>            | <u>(9,909)</u>              |
| Net nonoperating revenues                                      | <u>272,524</u>            | <u>284,176</u>             | <u>285,807</u>             | <u>272,180</u>             | <u>275,964</u>              |
| <b>Income before other revenues, expenses, gains or losses</b> | <b><u>(\$ 13,577)</u></b> | <b><u>(\$ 1,699)</u></b>   | <b><u>(\$ 24,505)</u></b>  | <b><u>(\$ 101,930)</u></b> | <b><u>(\$ 123,812)</u></b>  |
| Loss on disposal   | (573)                     | (3,902)                    | (695)                      | (989)                      | (3,092)                     |
| Capital appropriations   | <u>193,214</u>            | <u>159,810</u>             | <u>175,000</u>             | <u>43,479</u>              | <u>88,806</u>               |
| Total other revenues   | <u>192,641</u>            | <u>155,908</u>             | <u>174,305</u>             | <u>42,490</u>              | <u>85,714</u>               |
| <b>Increase (decrease) in net position</b>                     | <b><u>\$179,064</u></b>   | <b><u>\$ 154,209</u></b>   | <b><u>\$ 149,800</u></b>   | <b><u>(\$ 59,440)</u></b>  | <b><u>(\$ 38,098)</u></b>   |
| <b>NET POSITION</b>  |                           |                            |                            |                            |                             |
| Net position-beginning of year                                 | <u>\$397,730</u>          | <u>\$ 576,794</u>          | <u>\$ 35,971</u>           | <u>\$ 185,771</u>          | <u>\$ 126,332</u>           |
| Cumulative impact of implementing GASB 68, 71 and 75           | -                         | <u>(695,032)</u>           | -                          | -                          | <u>(1,103,187)</u>          |
| Net position-beginning of year as restated                     | -                         | <u>(118,238)</u>           | -                          | -                          | <u>(976,855)</u>            |
| Net position-end of year                                       | <u><u>\$576,794</u></u>   | <u><u>\$ 35,972</u></u>    | <u><u>\$ 185,771</u></u>   | <u><u>\$ 126,331</u></u>   | <u><u>(\$1,014,953)</u></u> |

<sup>1</sup> Net of scholarship allowances of \$4,517, \$5,556, \$6,205, \$6,250 and \$5,964 respectively.

<sup>2</sup> Net of charity care of \$630, \$328, \$438, \$310 and \$422 respectively.

**Note:** Although governed by a single Board of Trustees with one chief executive officer, the University and UConn Health maintain separate budgets and are by statute separate entities for purposes of maintaining operating funds and State appropriations. See “UCONN HEALTH FINANCES – Budget and Budgeting Procedure of UConn Health”.

## **Budget and Budgeting Procedure of UConn Health**

UConn Health submits a separate biennial operating budget to the Governor and General Assembly through the Secretary of the Office of Policy and Management. The operating budget request sets forth a proposed expenditures plan for the amount necessary to meet cost increases while providing a constant level of service. The budget may also include funds for expansion of UConn Health programs. The operating budget includes various revenue sources including patient services, federal and private grant funding and State appropriations. The General Assembly appropriates and allocates funds directly to UConn Health. The Governor may reduce State agency allotments by not more than five percent unless such reduction is approved by the Appropriations Committee of the General Assembly which shall, within ten days, approve or reject such reduction. UConn Health's Board of Directors approves annually the Unrestricted Operating Budgets for UConn Health, which then must be approved by the University's Board of Trustees.

During each fiscal year, the Board of Trustees must quarterly submit to the General Assembly and the Office of Policy and Management, a report of the actual expenditures of UConn Health.

UConn Health's capital budget request process is combined with the University as part of UCONN 2000 Phase III for Fiscal Years 2005-2027. Rather than annual requests, the University is required to provide a semi-annual update as to the progress of capital projects approved as part of UCONN 2000.

**Fiscal Year 2019.** UConn Health is budgeted to end Fiscal Year 2019 with a loss of \$18.2 million as compared to the prior year loss before other changes in net position of \$123.8 million. Prior year losses reflect GASB 68, 71 and 75 adjustments made for financial reporting purposes and not included in the operating budget. The amount of these adjustments is reflected in the table below. The operating budget reflects salary and fringe benefit increases under previously negotiated collective bargaining agreements. Pharmaceutical and medical supply expense increases are reflective of UConn Health's growing patient volumes. These cost increases are expected to be offset by increased net patient revenues and increased in-kind fringe benefits from the State.

*[Remainder of page intentionally left blank]*

In addition to actual results of operations for Fiscal Years 2015-2018, the following schedule reflects the Fiscal Year 2019 budget.

**Statement of Current Funds Operations<sup>1</sup> (in millions)**

|                                    | <b>FY<br/>2015</b>     | <b>FY<br/>2016</b>      | <b>FY<br/>2017</b>       | <b>FY<br/>2018</b>      | <b>FY<br/>2019</b>      |
|------------------------------------|------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| <b><u>Revenues:</u></b>            | <b><u>Actual</u></b>   | <b><u>Actual</u></b>    | <b><u>Actual</u></b>     | <b><u>Actual</u></b>    | <b><u>Budget</u></b>    |
| State Support                      | \$226.8                | \$235.3                 | \$224.3                  | \$225.6                 | \$238.8                 |
| Tuition & Fees                     | 21.5                   | 21.5                    | 23.7                     | 24.2                    | 25.5                    |
| Research Grants and Contracts      | 82.3                   | 86.8                    | 87.2                     | 80.1                    | 80.2                    |
| Interns and Residents              | 60.0                   | 63.3                    | 63.0                     | 67.1                    | 69.0                    |
| Net Patient Care                   | 428.7                  | 450.4                   | 459.5                    | 501.0                   | 538.3                   |
| Correctional Managed Health Care   | 88.9                   | 86.6                    | 82.7                     | 79.7                    | 0.0                     |
| Other Income                       | <u>48.2</u>            | <u>47.2</u>             | <u>46.7</u>              | <u>60.9</u>             | <u>72.1</u>             |
| <b>Total Revenues</b>              | <b>\$956.4</b>         | <b>\$991.1</b>          | <b>\$987.1</b>           | <b>\$1,083.6</b>        | <b>\$1,023.9</b>        |
| <b><u>Expenses:</u></b>            |                        |                         |                          |                         |                         |
| Personal Services                  | \$366.7                | \$389.1                 | \$385.7                  | \$389.7                 | \$412.5                 |
| Fringe Benefits                    | 181.8                  | 208.7                   | 293.0                    | 315.3                   | 254.1                   |
| Correctional Managed Health Care   | 88.9                   | 86.6                    | 82.7                     | 79.7                    | 0.0                     |
| Medical/Dental House Staff         | 51.7                   | 52.4                    | 52.9                     | 53.6                    | 55.8                    |
| Drugs/Medical Supplies             | 74.7                   | 76.9                    | 87.7                     | 95.1                    | 98.6                    |
| Outside & Other Purchased Services | 72.8                   | 71.3                    | 75.5                     | 93.2                    | 96.2                    |
| Other Expenses                     | <u>121.5</u>           | <u>130.6</u>            | <u>111.5</u>             | <u>135.8</u>            | <u>124.9</u>            |
| <b>Total Expenses</b>              | <b>\$958.1</b>         | <b>\$1,015.6</b>        | <b>\$1,089.0</b>         | <b>\$1,162.4</b>        | <b>\$1,042.1</b>        |
| <b>Net Gain (Loss)</b>             | <b><u>(\$ 1.7)</u></b> | <b><u>(\$ 24.5)</u></b> | <b><u>(\$ 101.9)</u></b> | <b><u>(\$123.8)</u></b> | <b><u>(\$ 18.2)</u></b> |

## State Support of UConn Health – Appropriations

The State develops a biennial budget, which includes UConn Health’s appropriation request. The appropriations are applicable to each specific year and the second year’s appropriation is subject to review and adjustment. Public Act 18-81 appropriated \$119.7 million to UConn Health for Fiscal Year 2019. The Fiscal Year 2019 appropriation has since been reduced by the State by \$0.5 million for allocable bottom line savings for the State budget. This reduction results in a forecasted allotment of \$119.2 million for Fiscal Year 2019.

No assurance can be made that the State will not change the Fiscal Year funding prior to the end of such Fiscal Year. Any State funding cuts are expected to be managed by UConn Health through reduced hiring, reduced operating costs, fewer projects, and other deficit mitigation efforts.

## Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$80.1 million in Fiscal Year 2018, representing 9.9% of total operating revenues reported by UConn Health in the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year ended June 30, 2018, included in this Appendix A.

### Governmental Grants and Contracts for Fiscal Years 2014 - 2018 (in Millions of Dollars)

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 2014               | \$86.3        |
| 2015               | 82.3          |
| 2016               | 86.6          |
| 2017               | 87.2          |
| 2018               | 80.1          |

## Professional Liability, Litigation and Insurance

**Professional Liability.** Connecticut statutes provide that the State Claims Commissioner may authorize suit against the State, including its agencies (such as UConn Health), if the Claims Commissioner deems it just and equitable and where a claimant has presented an issue of law or fact under which the State, were it a private person, could be liable. State officers and employees cannot be personally liable for damage or injury, not wanton, reckless or malicious, caused in the discharge of their duties or within the scope of their employment.

**Litigation.** UConn Health is currently defending various legal matters in state and federal courts. None of those suits, either individually or in the aggregate, are likely to have a material adverse impact on UConn Health’s financial position.

**Insurance.** UConn Health operates a statutorily created insurance fund designated the “Medical Malpractice Fund” (the “Fund”). The Fund is a separate trust fund of the Finance Corporation. The Fund is required by State law to be established and operated by the Finance Corporation and to be held by the State Treasurer. The Fund is charged with all payments required to satisfy claims against UConn Health arising from the delivery of health care services. Since the Fund was established in 1987, UConn Health has not maintained private professional liability insurance. The Fund has paid all claims against UConn Health and the State for professional liability since 1987. The Hospital Group has implemented quality assurance, risk assessment and peer review processes to mitigate, identify and

evaluate risks. The Fund is a cash based fund that maintains the investment balance to cover expected current payments for the fiscal year. To the extent that claims for cases exceed current year premium charged by UConn Health, UConn Health may petition the State to make up the difference. However, operational subsidies from the State and/or UConn Health may be affected by the performance of UConn Health's malpractice program. At June 30, 2018, the Fund had actuarial reserves of approximately \$15.0 million and assets of approximately \$7.1 million. It was estimated that \$3.3 million could be used in Fiscal Year 2019 in settling cases.

### UConn Health Long-Term Liabilities

Summarized information on UConn Health long-term liabilities is presented in the breakout of long-term debt presented below.

In addition to the Malpractice Fund, UConn Health also maintains certain accrued compensated absences, to the extent that they are not expected to be utilized in the current year, as long-term liabilities. These amounts have been accrued as payables and will offset future payroll expenses as they are utilized.

The following schedules present UConn Health's composition and current year activity related to long-term debt and a breakout of debt service payments to be made in each of UConn Health's upcoming fiscal years related to debt outstanding as of June 30, 2018.

Long-term liability composition and activity for the Fiscal Years ended June 30, 2018 was as follows:

#### Long-Term Liability for Years Ended June 30, 2018

|   | <u>June 30, 2017</u><br><u>Balance</u> | <u>Additions</u>    | <u>Reductions</u>   | <u>June 30, 2018</u><br><u>Balance</u> | <u>Amounts Due</u><br><u>Within</u><br><u>One Year</u> |
|---|--|---------------------|---------------------|--|--|
| Long-Term Debt                          |  |                     |                     |  |  |
| Capital Lease John Dempsey Hospital     | \$ 2,186,599                           | -                   | \$ 485,482          | \$ 1,701,117                           | \$ 494,853   |
| Mortgage Agreements Primary Institution | 204,913,696                            | -                   | 6,090,659           | 198,823,037                            | 6,411,004  |
| Malpractice Reserve                     | 24,857,000                             | -                   | 9,876,000           | 14,981,000                             | 3,285,000  |
| Compensated Absences                    | <u>51,993,744</u>                      | <u>29,830,669</u>   | <u>32,645,767</u>   | <u>49,178,646</u>                      | <u>18,461,664</u>                                      |
| <b>Total Long-Term Liabilities</b>      | <b>\$283,951,039</b>                   | <b>\$29,830,669</b> | <b>\$49,097,908</b> | <b>\$264,683,800</b>                   | <b>\$28,652,521</b>                                    |

Estimated cash basis interest and principal requirements for the long-term debt are as follows:

| <u>Fiscal Year</u><br><u>Ending June 30<sup>th</sup></u> | <u>Total Long</u><br><u>Term Debt</u> |
|--|---------------------------------------|
| 2019   | \$16,508,114                          |
| 2020   | 16,508,114                            |
| 2021   | 16,508,114                            |
| 2022   | 16,173,569                            |
| 2023   | 15,985,039                            |
| Thereafter   | <u>236,865,201</u>                    |
| <b>Totals</b>  | <b>\$318,548,151</b>                  |





## **Schedule 1**

### **Audited Financial Statements of the University of Connecticut**

**Schedule 2**

**Audited Financial Statements of the University of Connecticut Health Center**