

June 29, 2022

TO: Members of the Board of Trustees

FROM: Lloyd A. Blanchard 
Interim Vice President for Finance and Chief Financial Officer

SUBJECT: Fiscal Year 2023 Capital Budget for the University of Connecticut

RECOMMENDATION:

That the Board of Trustees approve a capital budget of \$230,000,000, as detailed in Attachment A, for Fiscal Year 2023 which is comprised of \$53,170,800 of University funds, \$125,100,000 of UCONN 2000 State GO bond funds, and \$51,729,200 of State GO bond funds. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the Fiscal Year 2023 capital budget of \$230,000,000 for the University of Connecticut.”

BACKGROUND:

In order to manage all capital fund sources in a strategic and transparent manner, UConn is proposing an all funds capital budget for approval.

The proposed capital budget for FY23 of \$230,000,000 includes \$53,170,800 of University funds, \$125,100,000 of UCONN 2000 State General Obligation bond funds, and \$51,729,200 of State General Obligation bond funds. The two attached documents reflect the capital budget spending plan detail:

- Attachment A - the proposed FY23 capital budget spending plan
- Attachment B - the UCONN 2000 Phase III State Bond Phasing Plan by Statutory Named Line

The FY23 capital budget does not provide approval for specific projects, per our capital policies and procedures; all capital projects, no matter the fund source, costing \$500,000 or more are submitted for Board action on a project-by-project basis. Projects costing less than \$500,000 are approved by the internal capital governance committees.

Program & Planning Adjustments:

The University has benefitted tremendously from the UCONN 2000 Infrastructure Improvement Program established by the General Assembly in 1995. We are now in the third phase of this 32-year program, which is designed to modernize, rehabilitate, and dramatically expand the physical plant of the University. This phase, which extends through FY27, includes the NextGenCT and the Bioscience Connecticut initiatives. The Bioscience initiative at UConn Health, completed in 2018 and the NextGenCT program at Storrs and the Regional Campuses is moving along aggressively. We are about to begin year 9 of the 13-year NextGenCT program.

Numerous projects are currently in construction with required funding to be allotted in FY23 through FY27. Construction is currently underway on the Gant Science Complex, which is undergoing major renovations to accommodate current and future University needs in response to growing student enrollment in STEM programs. These improvements will include classrooms, lecture halls, teaching and research laboratories, faculty offices and support spaces. In FY23, funds will be utilized to maintain the critical information technology infrastructure university-wide as well as support new academic and research equipment. Finally, a significant portion of the capital budget will fund the construction of the new South Campus Residence Hall and the required improvements to Mirror Lake and nearby infrastructure.

We are appreciative of the State’s support of the NextGenCT capital initiative and the recognition that planned levels of capital funding remain intact to support these projects to avoid additional costs associated with delaying or shutting down projects in construction. Also, while it is critical to have a long-term capital plan with a stable funding source, it is important to recognize that the plan is a live document which is continuously under review by senior management. This approach allows the University the flexibility to be responsive to changing project needs as well as external market factors/drivers.

The table below reflects the UCONN 2000 State GO bond authorizations (in millions):

UCONN 2000 Bonding Schedule (\$M)		Statute
Phase I	FY96-FY99	\$382.0
Phase II	FY00-FY05	580.0
Phase III	FY05-FY22	3,057.1
	FY23	125.1
	FY24	84.7
	FY25	56.0
	FY26	14.0
	FY27	9.0
	Total	\$4,307.9

Indenture Amendments:

The law specifically gives the Board of Trustees the authority to make revisions to project budgets and related indentures. It would be virtually impossible to manage a thirty-two-year capital program without the authority to make such adjustments. These revisions are complex because 1) there are many projects, 2) UConn must operate within statutory annual bond caps, 3) tax-related expenditure requirements must be observed, and 4) the adjustments to numerous lines generally involve projects that span a number of years. While revisions may affect current projects, given the annual bond caps, they also have a rollout effect over the next decade. The Board of Trustees has the authority to amend past indentures in order to reflect changes as project budgets are finalized or other events affect the capital budget for a given prior fiscal year. At this time, the University is proposing revisions to the 23rd and 26th Supplemental Indentures which reflect the financial closeouts of the Fine Arts Production Center and the UCH Clinic Building Renovation projects.

State General Obligation Bonds

From time to time, in addition to the UCONN 2000 program, the State will authorize General Obligation bonds for special initiatives. In 2021, the Innovation Faculty Hires and Entrepreneurial Ecosystem Initiative was approved. This program spans FY22 through FY26 and includes \$46.1 million of State bonding. These State funds along with a University investment will support the hiring of faculty innovators, lab/equipment start-up costs, and entrepreneurial support such as angel and venture funds. The University has requested the FY22 and FY23 bonding amounts for the Faculty Hires initiative from the State; however, to date these authorizations have not been approved by the State Bond Commission.

Additionally, during 2022 the Governor and General Assembly authorized \$40,000,000 for UConn Health for deferred maintenance, code compliance and infrastructure improvements. These funds will support critical needs at UConn Health so that they may continue to maintain and reinvest in the assets of the State to avoid additional costs over the long term.

The FY23 State General Obligation bond amount is \$51,729,200. This authorization is pending allotment by the State Bond Commission.

University Funds:

Since there are insufficient State bonds to fund all capital projects, UConn utilizes other fund sources for high priority capital and maintenance initiatives. These requests are reviewed and approved in the same way as State bond funded projects. In addition, the University may choose to utilize cash balances to temporarily fund capital projects in advance of the issuance of new UConn Revenue bonds or to bridge cash flow for State bond funded projects. The FY23 capital budget includes \$53,170,800 of University funds for facilities repairs & improvements, programmatic renovations, and the new hockey arena.

University of Connecticut				
FY23 Capital Budget Spending Plan				
Proposed Projects by Statutory Named Lines & by Program*				
UCONN 2000 Bond Funded Projects by Statutory Named Lines	Total	By Program		
		Academic/ Research	Deferred Maint.	Other
Academic and Research Facilities	\$32.0			
Gant Science Building Renovations - STEM 32.0		32.0		
Deferred Maintenance	26.5			
Academic Renovations - PharmBio Backfill 1.0		1.0		
Mirror Lake & South Campus Infrastructure 23.2			23.2	
Contingency 2.3				2.3
Equipment	12.0			
Academic & Research 2.9		2.9		
Information Technology 6.7			6.7	
Other 2.4			1.6	0.8
Residential Life Facilities	54.7			
South Campus Residence Hall 54.7				54.7
Total UCONN 2000 Bond Funded Projects	\$125.1	\$35.9	\$31.5	\$57.8
Other Funded Projects (University, Gifts, State GO Bonds)				
Facilities Repairs & Improvements	10.0		10.0	
Programmatic Renovations	6.0	6.0		
Hockey Arena	34.8			34.8
Faculty Innovators (State GO Bonds)	11.7	11.7		
UCH Deferred Maintenance (State GO Bonds)	40.0			40.0
Other/Contingency	2.4			2.4
Total Other Funded Projects	\$104.9	\$17.7	\$10.0	\$77.2
Grand Total FY23 Capital Budget	\$230.0	\$53.6	\$41.5	\$134.9
*Projects less than \$500,000 are approved by UConn administrative committee. Projects costing \$500,000 or more are				

UCONN 2000 Bonds				
State Bond Phasing Plan by Statutory Named Line for Informational Purposes Only - Revised 6/29/22				
Project	FY05-FY22	FY23	FY24-FY27	Total Phase III
Academic and Research Facilities	\$401,007,429	\$32,000,000	\$45,697,010	\$478,704,439
Arjona and Monteith (new classroom buildings)	128,219,871			128,219,871
Avery Point Campus Undergraduate & Library Building	10,461,246			10,461,246
Avery Point Renovation	8,327,448			8,327,448
Beach Hall Renovations	5,146,688			5,146,688
Benton State Art Museum Addition	2,903,509			2,903,509
Biobehavioral Complex Replacement	3,495,807			3,495,807
Bishop Renovation	2,480,141			2,480,141
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities	816,306,272	26,450,000	37,175,384	879,931,656
Engineering Building	92,579,390			92,579,390
Equipment, Library Collections & Telecommunications	185,091,656	12,000,000	37,400,000	234,491,656
Family Studies (DRM) Renovation	2,868,306			2,868,306
Farm Buildings Repairs/Replacement	6,408,304			6,408,304
Fine Arts Phase II	38,792,721			38,792,721
Floriculture Greenhouse	6,691,799			6,691,799
Gant Building Renovations	12,455,770			12,455,770
Gentry Renovation & Completion	9,628,209			9,628,209
Hartford Relocation Acquisition/Renovation	139,027,625			139,027,625
Heating Plant Upgrade	11,877,724			11,877,724
Intramural, Recreational & Intercollegiate Facilities	31,009,921			31,009,921
Jorgensen Renovation	3,899,129			3,899,129
Koons Hall Renovation/Addition	1,461,146			1,461,146
Lakeside Renovation	3,800,000			3,800,000
Law School Renovations/Improvements	16,660,677			16,660,677
Manchester Hall Renovation	772,577			772,577
Mansfield Training School Improvements	3,000,000			3,000,000
Natural History Museum Completion	500,000			500,000
North Hillside Road Completion	6,700,000			6,700,000
Old Central Warehouse Renovation	126,000			126,000
Parking Garage #3	75,214			75,214
Psychology Building Renovation/Addition	24,337,399			24,337,399
Residential Life Facilities	160,972,476	54,650,000	43,427,606	259,050,082
School of Pharmacy/Biology	6,000,000			6,000,000
Stamford Campus Improvements/Housing	1,500,870			1,500,870
Storrs Hall Addition	14,664,091			14,664,091
Student Union Addition	13,000,000			13,000,000
Support Facility (Architectural & Engineering Services)	16,583			16,583
Torrey Life Science Renovation & Completion	1,530,373			1,530,373
Torrington Campus Improvements	369,156			369,156
Waterbury Downtown Campus	1,608,764			1,608,764
West Hartford Campus Renovations/Improvements	6,774,305			6,774,305
Young Building Renovation/Addition	23,651,403			23,651,403
SUBTOTAL FOR STORRS & REGIONAL CAMPUS	\$2,206,200,000	\$125,100,000	\$163,700,000	\$2,495,000,000
CLAC Renovation Biosafety Level 3 Lab	15,901,466			15,901,466
Deferred Maintenance-UCH	76,959,697			76,959,697
Dental School Renovation	3,525,000			3,525,000
Equipment, Library Collections & Telecom-UCH	116,429,390			116,429,390
Library/Student Computer Center Renovation	1,266,460			1,266,460
Main Building Renovation	117,484,316			117,484,316
Medical School Academic Building Renovation	39,578,232			39,578,232
Planning & Design Costs	25,000,000			25,000,000
Research Tower	67,992,229			67,992,229
Support Building Addition/Renovation	100,000			100,000
UCH New Construction and Renovation	386,663,210			386,663,210
SUBTOTAL FOR HEALTH CENTER	\$850,900,000	-	-	\$850,900,000
GRAND TOTAL	\$3,057,100,000	\$125,100,000	\$163,700,000	\$3,345,900,000

UConn 2000 Capital Program



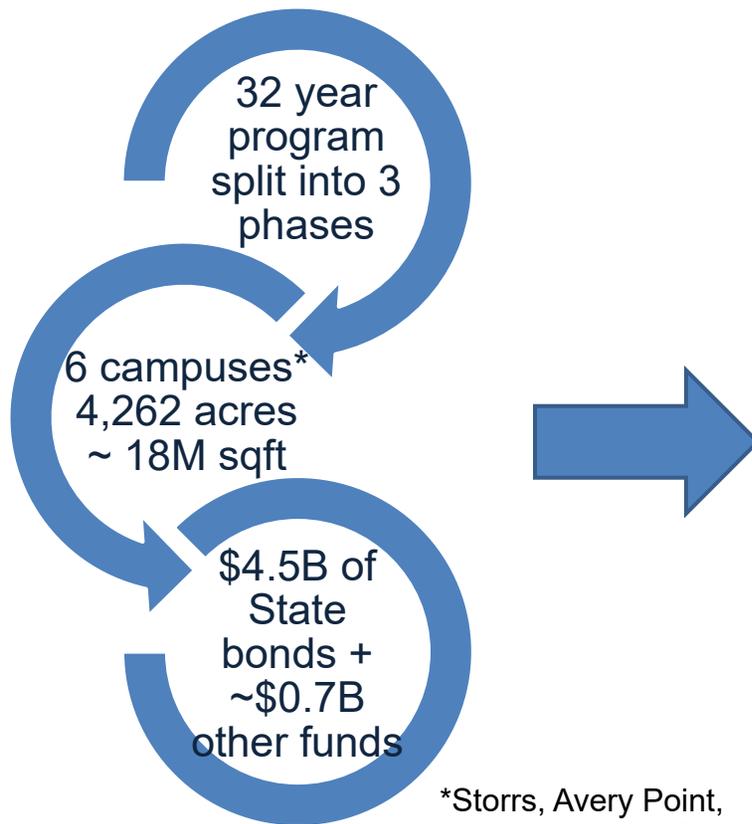
**Board of Trustees
Buildings, Grounds and
Environment Committee**

June 14, 2022



UCONN 2000 Capital Program

The UCONN 2000 capital program was enacted to attract and retain CT's high-achieving students through a dramatic transformation and modernization of the physical plant of the University.



Over \$4.6B in capital expenditures since FY96 from all fund sources

Capital Expenditures (\$M)	
\$3,586.7	State-supported UCONN 2000 GO Bonds
259.6	Other State-supported bonds (i.e. Tech Park, Waterbury)
341.6	UConn-supported Special Obligation bonds
372.6	Non-State funds (i.e. UConn operating funds, gifts)
\$4,577.8M Total Expenditures (as of 3/31/22)	

*Storrs, Avery Point, Farmington, Hartford, Stamford, Waterbury

UConn Capital Budget Plan

The long-term capital budget plan is continuously reviewed to ensure funding for our highest priorities.

UCONN 2000 Bond Funded Projects (in millions)		Prior Auth	FY23	FY24-FY27	Budget	Status for FY23
Academic /Research	NW Quad: Gant Science Building Renovation	\$170.3	\$32.0	\$45.7	\$248.0	Construction
	Academic Renovations - PharmBio		1.0	19.0	20.0	Planning
	Academic Renovations -Research Labs & Classrooms	62.4		11.0	73.4	Design/Construction
	Major Equipment (Faculty Start-up)	24.7	2.9	20.3	47.8	Ongoing
Total Academic/Research Priorities			\$35.9	\$95.9		
DM	Mirror Lake & South Infrastructure	46.9	23.2	10.5	80.5	Construction
	Major Equipment - Information Technology	32.8	6.7	8.4	47.9	Ongoing
	Major Equipment - Replacement	12.3	1.6	5.0	18.9	Ongoing
Total Deferred Maintenance			\$31.5	\$23.9		
Other	Major Equipment - Other	52.6	0.8	3.8	57.2	Ongoing
	Residential Life Facilities - South Campus	17.9	54.7	32.9	105.5	Design/Construction
	Contingency		2.3	7.2	9.5	
Total UCONN 2000 Bond Funded Projects			\$125.1	\$163.7		
Other Funded Projects (University, Gifts, State GO Bond)					0	
Academic	Programmatic Renovations		6.0	20.9	26.9	Design/Construction
	Faculty Innovators (State GO Bonds)	6.5	11.7	27.9	46.1	Ongoing
DM	Facilities Repairs & Improvements	87.5	10.0	12.5	110.0	Design/Construction
Other	Hockey	35.2	34.8	0.0	70.0	Construction
	Contingency		2.4	9.0	11.4	
Total Other Funded Projects			\$64.9	\$70.3	135.2	
Total Capital Budget - Storrs & Regional Campuses			\$190.0	\$234.0		

UConn 2000 State GO Bonds

UConn 2000 State supported General Obligation bonds have funded the majority of the capital budget.

Bonding Schedule (\$M)		Phase I	Phase II	Phase III	Status
UConn	FY96-FY99	\$382.0			Complete
UConn	FY00-FY05		\$580.0		
21 st Century UConn	FY05-FY14			\$627.2	
Bioscience CT	FY05-FY19			825.9	Active
NextGenCT	FY15-FY27			1,867.8	
UConn Health	FY22			25.0	
Total		\$4,307.9			

FY23	125.1
FY24	84.7
FY25	56.0
FY26	14.0
FY27	9.0

- Only \$288.8M remains in the NextGenCT initiative over the next 5 years (FY23-FY27).

Faculty Innovators

The Innovation Faculty Hires and Entrepreneurial Ecosystem initiative (PA 21-111) included \$46.1M over five years to hire faculty to create new business ventures & expand our entrepreneurial ecosystem.

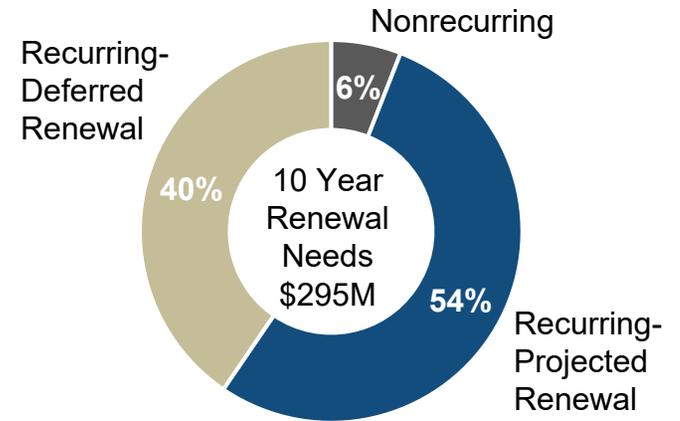
Program Costs (\$M)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
New GO Bonds	\$6.5	\$11.7	\$14.5	\$9.2	\$4.2	\$0
UConn Funds		0.3	1.0	2.3	3.3	3.8
Total	\$6.5	\$12.0	\$15.5	\$11.5	\$7.5	\$3.8
New Faculty	2	4	4			

- UConn will fund \$6.8M over five years and \$3.8M annually after year five
- The first two years of funding - \$18.2M – has been formally requested from the State (Bond Commission)

UConn Health Deferred Maintenance

For FY23, the State has authorized \$40M of new State GO bond funds for UConn Health.

- The UCH 2018 Facilities Condition Assessment (FCA) identified \$295 Million in Deferred Maintenance needs.
- Last year the State added \$25M to the UCONN 2000 Program for UCH deferred maintenance to begin addressing this need.
 - Funds were prioritized for projects to protect physical assets, address safety and code issues, replace building components to extend the life of systems, and infrastructure upgrades.
- This year the State added \$40M of bond funds, outside of the UCONN 2000 Program, to continue support of critical facility and equipment needs.
 - This new funding authorization will require approval through the State Bond Commission.



FY23 Capital Budget

UCONN 2000 Bond Funded Projects by Statutory Named Lines	Total	By Program		
		Academic/Research	Deferred Maint.	Other
Academic and Research Facilities	\$32.0			
Gant Science Building Renovations - STEM	32.0	32.0		
Deferred Maintenance	26.5			
Academic Renovations - PharmBio Backfill	1.0	1.0		
Mirror Lake & South Campus Infrastructure	23.2		23.2	
Contingency	2.3			2.3
Equipment	12.0			
Academic & Research	2.9	2.9		
Information Technology	6.7		6.7	
Other	2.4		1.6	0.8
Residential Life Facilities	54.7			
South Campus Residence Hall	54.7			54.7
Total UCONN 2000 Bond Funded Projects	\$125.1	\$35.9	\$31.5	\$57.8
Other Funded Projects (University, Gifts, State GO Bonds)				
Facilities Repairs & Improvements	10.0		10.0	
Programmatic Renovations	6.0	6.0		
Hockey Arena	34.8			34.8
Faculty Innovators (State GO Bonds)	11.7	11.7		
UCH Deferred Maintenance (State GO Bonds)	40.0			40.0
Other/Contingency	2.4			2.4
Total Other Funded Projects	\$104.9	\$17.7	\$10.0	\$77.2
Grand Total FY23 Capital Budget	\$230.0	\$53.6	\$41.5	\$134.9

- **93% of the Storrs & Regionals capital budget will provide funding for active construction projects.**
- **New State GO bonds for UCH will support critical DM needs.**

Capital Program Challenges



COVID impact: workforce - limitations, interruptions or unavailability; materials - increasing production timelines, shortages and prices.



Economy: significant escalation of ~15-20% annually year/year which will likely moderate but not down to the 4% budgeted in the near future.



Project priorities: Increased costs result in reduced project scopes; future funding insufficient for priority projects.

Major UConn Projects Completed



UConn Hartford Campus

\$139M
3 bldgs & 215,000 sqft
Completed August 2017



Werth Residence Hall

\$95.8M
212,000 sqft & 730 beds
Completed August 2016



Engineering & Science Building

\$92.5M
115,000 sqft
Completed October 2017



Fine Arts Production Facility

\$35.5M
30,000 sqft
Completed April 2020



Monteith Building Renovation

\$23.7M
73,000 sqft
Completed August 2016



Gant Building Renovation Phase I-II

~\$170M
200,000 sqft
Completed Aug 2019, May 2021



Putnam Refectory Renovation

\$18.7M
42,000 sqft
Completed August 2016



STEM Research Center Science 1

~\$220M
200,000 sqft
Est Completion Fall 2022

Bioscience Connecticut (P.A. 11-75)

Making Connecticut a Leader in Bioscience



New Hospital Tower

169 private patient rooms
New & expanded ED
New Operating suite
400 car Staff & Patient garages
Cost: ~ \$324M
Opened: May 2016



Clinical Renovations

Renovation and expansion of the Pat and Jim Calhoun Cardiology Center
Renovation of multi-specialty clinics
Completed: May 2019



Outpatient Pavilion

306,000 sf state-of-the-art clinical building.
1,400 car parking garage.
Private financing: TIAA \$203M
Clinic Opened: Jan 2015
Garage Opened: Nov 2013



Incubator Lab Addition

28,000 sf laboratory addition to Cell & Genome Sciences Building to foster new bioscience and biotech business start-ups.
Cost: ~\$19M
Completed: Jan 2016



Education Construction

Addition/renovations to Academic bldg. Allowed for 30% enrollment growth in Medical and Dental schools. Cost: \$36M
Completed: May 2017



Dental Care Center

Renovation/expansion of clinical facilities for the School of Dental Medicine
174 treatment rooms
Completed: May 2019



Research Space Renovation

Renovated 205,000 sf of 280,000 sf of existing UCH laboratories / research facilities.
Cost: ~ \$116M
Completed: May 2017



Jackson Laboratory

New research facility dedicated to personalized medicine, collaborating with regional universities and hospitals.
Opened: Oct. 2014