

APPENDIX A

UNIVERSITY OF CONNECTICUT INFORMATION CONCERNING THE UNIVERSITY

FORWARD LOOKING INFORMATION AND BONDHOLDER CONSIDERATIONS

This Appendix A contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Appendix A are based on information available to the University up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the University assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements. Forward-looking statements included in this Appendix A do not contemplate the economic or other effects related to COVID-19, unless specifically referenced. In addition, where so referenced, actual results could differ materially from those anticipated in such forward-looking statements. For further information regarding COVID-19, see “Global Health Emergency Risk” on page 3 of the Official Statement.

The publication of this Appendix A does not constitute or imply any representation (i) that the foregoing is material to investors, (ii) regarding any other financial, operating or other information about the University or its debt obligations or (iii) that no other circumstances or events have occurred or that no other information exists concerning the University or its debt obligations which may have a bearing on the financial condition of the University, the security for its debt obligations, or an investor’s decision to buy, sell or hold any debt obligations. This information is subject to change without notice. This Appendix A only speaks as of its date and does not imply that there has been no change in any other information relating to the obligations with respect to which this Appendix A is filed as described above. Nothing contained in this Appendix A is, or should be construed as, a representation by the University that the information included in this Appendix A or any previous filings constitutes all of the information that may be material to a current decision to invest in, hold or dispose of any of the obligations, or any other securities issued for the benefit of the University. Moreover, there is no duty created by this filing for the Board, or the University to update the information included in this Appendix A.

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APPENDIX A
UNIVERSITY OF CONNECTICUT

October 17, 2022

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
Charlene M. Russell-Tucker, Commissioner of Education, ex-officio
Bryan Hurlburt, Commissioner 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

Daniel D. Toscano, Chairman
Andrea Dennis-LaVigne, Vice-Chair and Secretary

Andy F. Bessette
Mark L. Boxer
Charles F. Bunnell
Shari G. Cantor
Joshua Crow
Damani R. Douglas
Marilda L. Gandara
Jeanine A. Gouin
Rebecca Lobo
Kevin J. O’Connor
Bryan K. Pollard
Thomas D. Ritter
Philip E. Rubin

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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 4,286 acres of land and are strategically located throughout the State. The University competes with public and private institutions for students.

As of November 2022, the University had approximately 280,000 alumni worldwide and approximately 32,000 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 (the “Board of Trustees”) 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. It is managed by a board of directors (the “Board of Directors”) to which the Board of Trustees has delegated certain duties and authority. 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
Charlene M. Russell-Tucker		Member ex-officio	Commissioner of Education
Bryan Hurlburt		Member ex-officio	Commissioner, Department of Agriculture
David Lehman		Member ex-officio	Commissioner, Department of Economic & Community Development
Sanford Cloud, Jr.	2014*	Member ex-officio, Chair UCH BOD	Chairman and CEO, The Cloud Company, LLC
Andy F. Bessette	2025	Member	Executive Vice President & Chief Administrative Officer, The Travelers Companies, Inc.
Mark L. Boxer	2027	Member	Executive Vice President and Chief Operating Officer, University of Hartford
Charles F. Bunnell	2025	Member	Chief of Staff, The Mohegan Tribe
Shari G. Cantor	2025	Member	Mayor, West Hartford, CT
Joshua Crow	2024	Student Elected Member	Graduate Student
Andrea Dennis-LaVigne	2025	Vice-Chair and Secretary	Veterinarian, Bloomfield Animal Hospital
Damani R. Douglas	2024	Student Elected Member	Undergraduate Student
Marilda L. Gandara	2023	Member	Retired President, Aetna Foundation Inc.
Jeanine A. Gouin	2025	Alumni-Elected Member	U.S. Regional Manager, SLR International Corporation
Rebecca Lobo	2021*	Member	Sports Broadcaster
Kevin J. O'Connor	2023	Member	Senior Vice President & Chief Legal Officer, Carrier
Bryan K. Pollard	2023	Alumni-Elected Member	Associate General Counsel, United Technologies Corporation
Thomas D. Ritter	2021*	Member	Attorney, Brown Rudnick
Philip E. Rubin	2027	Member	Senior Advisor, Haskins Laboratories
Daniel D. Toscano	2027	Chair	Global Head of Leveraged & Acquisition Finance, Morgan Stanley & Co, Inc.

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

Duties of the Board of Trustees. Subject to statewide policy and guidelines established by the Board of Regents for Higher Education, the Board of Trustees 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.

Daniel D. Toscano was appointed Chairman of the Board of Trustees in 2019. Chairman Toscano is a University of Connecticut 1987 graduate with a Bachelor of Sciences degree in finance and earned his MBA from the University of Pennsylvania in 1999. He is currently Global Head of Leveraged & Acquisition Finance at Morgan Stanley & Co., Inc. He served eleven years on the UConn Foundation Board of Directors, including serving as chair of the board for three years and as chair of the Investment Committee for several years prior.

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 Financial Affairs 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.

In addition to the Financial Affairs Committee, other Board of Trustees committees include Academic Affairs; Buildings, Grounds and Environment; Compensation; Construction Management Oversight; Diversity, Equity and Inclusion; Executive; Honors & Awards; Institutional Advancement; Joint Audit and Compliance; Research, Entrepreneurship, and Innovation; Student Life; Trustee-Administration-Faculty-Student (TAFS) and UConn Health.

University Governance and Administration

Governance and 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.

On January 14, 2022, Dr. Andrew Agwunobi announced his resignation as Interim President of the University and CEO of UConn Health effective February 20, 2022. On January 26, 2022, the Board of Trustees appointed Dr. Radenka Maric as the University's new Interim President, effective February 1, 2022, allowing for a transition period between herself and Dr. Agwunobi.

On September 28, 2022 the Board of Trustees appointed Dr. Radenka Maric as the University's new President, effective immediately. Dr. Maric was the Vice President for Research, Innovation and Entrepreneurship, and a Board of Trustees Distinguished Professor at the University, where she oversaw the University's \$377 million research enterprise at the main campus in Storrs, the UConn Health campus in Farmington, the School of Law in Hartford, and four regional campuses around the State. Previously, Dr. Maric served as the inaugural executive director of the University's \$162 million Innovation Partnership Building, which houses state-of-art specialized equipment and research centers of excellence and serves as a nexus for industry-academic partnerships. Dr. Maric is the Connecticut Clean Energy Fund Professor of Sustainable Energy in the University Department of Chemical & Biomolecular Engineering and Department of Materials Science and Engineering. She brings her technical background in materials and energy to create, manage and lead innovative programs designed to commercialize new products and develop emerging markets that utilize advanced materials. She has expertise in integrating emerging market needs with technology capabilities to define vision and strategies of scientific organizations, building and leading diverse teams, prioritizing programs for market development and commercialization, and managing diverse scientific and engineering project portfolios. Dr. Maric has a BS in Materials Science from the University of

Belgrade, Faculty of Technology & Metallurgy, Serbia; and she holds an MS and Ph.D. in Materials Science from Energy Kyoto University, School of Engineering, Japan.

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

<u>Name</u>	<u>Position</u>	<u>Background</u>
Anne D'Alleva	Interim Provost and Executive Vice President for Academic Affairs	PhD and MA, in Art History from Columbia University with a graduate certificate in feminist theory, BA in Art History from Harvard University; over 20 years at UConn, with a joint appointment in Art History and Women's, Gender, and Sexuality Studies; seven years as Dean of the School of Fine Arts, as well as prior appointments as an Associate Dean and Department Head.
Lloyd Blanchard	Interim Vice President for Finance and Chief Financial Officer	PhD and MPA, University of Syracuse, BA Political Science, University of Texas-San Antonio, BA Economics, University of Texas-Austin; over 20 years in higher education and finance including Senior Vice President for Administration and Finance at Medgar Evers College of the City University of New York, and Vice Provost for Fiscal Management at Louisiana State University.
Bruce Liang	Interim CEO and Executive Vice President for Health Affairs	MD, Harvard Medical School, BA Biochemistry and Molecular Biology, Harvard College; held faculty appointments at Harvard and University of Pennsylvania School of Medicine; over 20 years at UConn Health, most recently as the Dean of UConn School of Medicine.

Legal Services. The University receives legal services from the University's Office of the General Counsel, the State's Office of the Attorney General and private counsel on occasion, retained through the Office of the Attorney General or directly as authorized by the Act in connection with the construction, operation, or maintenance of any UCONN 2000 project. 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.

The University Efforts to Mitigate the Impact of COVID-19 on Students and Faculty

Over the past two years, the University has faced numerous challenges due to the COVID-19 pandemic. The University has implemented certain protocols and safety measures, and for Fall 2022 more than 91% of classes are scheduled to be held in-person and housing capacity is expected to return to pre-pandemic levels.

Consistent with federal, state, and local efforts to minimize outbreaks of COVID-19, all University students on our campuses who participate in any on-campus activities for any reason are required to be fully vaccinated, subject to exemption requests, and to report vaccination compliance to the University. Faculty and staff who are student facing are encouraged to be present and on-campus to be available to students and community. The specific protocols and campus guidelines regarding physical distancing, masking, cleaning and hygiene may be found at <https://covid.uconn.edu/campus-guidelines>.

The University is carefully monitoring developments and the directives of federal, state, and local officials to determine what additional precautions and procedures may need to be implemented by the University in response to the pandemic. The University closely monitors all data and trends regarding the presence of COVID-19.

Strategic and Academic Plan

Adopted on February 10, 1995, the Strategic Plan has served as the Board of Trustees' blueprint for the University's future. Just as UCONN 2000 is the General Assembly's blueprint for transforming the physical infrastructure of the University, 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.

The University is currently developing a new Strategic Plan to build upon UConn's prestige as a great public research flagship university. The new plan will do this by tackling three key priorities for transformation: doubling research and scholarship, providing life-transformative education to every UConn student, and becoming a more powerful engine for the State of Connecticut. The University expects to share a draft plan with the Board of Trustees in 2023. The new Strategic Plan will establish a common set of priorities at UConn to unite the University community toward the shared goals of excellence in research, providing a transformative student experience, and driving economic and social well-being in Connecticut.

UCONN 2000: Next Generation Connecticut

The UCONN 2000 Infrastructure Improvement Program established by the Act is designed to modernize, rehabilitate and expand the physical plant of the University. The Act provides for a thirty-two year capital budget program in three phases at a total estimated cost of \$4.6 billion. The Act provides for a plan of financing UCONN 2000 projects with \$4.3 billion of general obligation bonds of the University secured by the State Debt Service Commitment. The balance of the estimated cost of UCONN 2000 projects may be financed by proceeds of special obligation bonds of the University, general obligation bonds of the State or with gifts or other revenue or borrowing resources of the University. The University is currently in the third phase of the program.

In July 2013, Public Act 13-233 established Next Generation Connecticut as part of the third phase of the Act. Next Generation Connecticut, which was amended in 2017, 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 continues to be increasing STEM enrollment, the expansion of faculty, and new and updated facilities to accommodate enhanced STEM research and teaching, as well as the growing student population.

Since the beginning of this initiative, the University has experienced significant growth in applications, enrollment and degrees awarded.

- Storrs Engineering Undergraduate Enrollment increased from 1,978 in FY13 to 3,276 in FY23 or by 66%.
- Storrs STEM Undergraduate Enrollment increased from 7,995 in FY13 to 10,977 in FY23 or by 37%.
- Storrs Undergraduate Enrollment increased from 17,528 in FY13 to 18,983 in FY23 or by 8%.
- Undergraduate STEM Degrees Awarded increased from 2,387 in FY13 to 2,989 in FY22 or by 25%.

The Next Generation Connecticut initiative provides for capital bonding through Fiscal Year 2027. In addition, the initiative provided a limited amount of State operating budget support. These funds partially supported the 174 new faculty hires in FY14 through FY17 with 98 of those hires in the STEM fields. These faculty hires have

helped the University to make significant progress towards growing research. Since the Next Generation Connecticut initiative began, research awards have increased by 118%.

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:

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<u>Projects Authorized</u>	<u>Construction Status¹</u>
A. General Obligation Bonds	
Total – Storrs and Regional Campus Project List	
Academic and Research Facilities	Ongoing
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities- Phase III	Ongoing
Equipment, Library Collections & Telecommunications - Phase III;	Ongoing
Residential Life Facilities	Ongoing
Agricultural Biotechnology Facility; Agricultural Biotechnology Facility Completion; Alumni Quadrant Renovations ² ; Arjona and Monteith (new classroom buildings); Avery Point Campus Undergraduate and Library Building; Avery Point Marine Science Research Center - Phase I; Avery Point Marine Science Research Center - Phase II; Avery Point Renovation; Beach Hall Renovations; Benton State Art Museum Addition (Phases I & II); Benton State Art Museum Addition (Phase III); Biobehavioral Complex Replacement; Bishop Renovation; Business School Renovation – Phase II; Central Warehouse - New; Chemistry Building; Deferred Maintenance & Renovation Lump Sum Balance; Deferred Maintenance & Renovation Lump Sum Balance; East Campus North Renovations ² ; Engineering Building (with Environmental Research Institute); Equipment, Library Collections & Telecommunications - Phase I; Equipment, Library Collections & Telecommunications Completion - Phase II; Family Studies (DRM) Renovation; Farm Buildings Repairs/Replacement; Fine Arts Phase II; Floriculture Greenhouse; Gant Building Renovations; Gant Plaza Deck; Gentry Completion; Gentry Renovation; Grad Dorm Renovations; Hartford Relocation Acquisition/Renovation; Hilltop Dormitory Renovations; Heating Plant Upgrade ³ ; Ice Rink Enclosure; International House Conversion (a.k.a. Museum of Natural History); Intramural, Recreational and Intercollegiate Facilities; Jorgensen Renovation; Koons Hall Renovation/Addition; Lakeside Renovation; Law School Renovations/Improvements; Litchfield Agricultural Center – Phase I;	Completed (A-L)
Manchester Hall Renovation; Mansfield Apartments Renovation; Mansfield Training School Improvements – Phase II; Mansfield Training School Improvements – Phase III; Monteith Renovation; Music Drama Addition; Natural History Museum Completion; North Campus Renovation ² ; North Hillside Road Completion; North Superblock Site & Utilities; Northwest Quadrant Renovation - Phase I; Northwest Quadrant Renovation - Phase II; Old Central Warehouse; Parking Garage-North; Parking Garage #3; Pedestrian Spine path; Pedestrian Walkways; Psychology Building Renovation/Addition; School of Business; School of Pharmacy; School of Pharmacy / Biology Completion; Shippee/Buckley Renovations ² ; South Campus Complex ⁴ ; Stamford Campus Improvements/Housing; Stamford Downtown Relocation – Phase I; Storrs Hall Addition; Student Union Addition; Support Facility; Technology Quadrant-Phase IA; Technology Quadrant-Phase II; Torrey Life Science Renovation; Torrey Renovation Completion and Biology Expansion; Torrington Campus Improvements; Towers Renovation ² ; Underground Steam & Water Upgrade; Underground Steam & Water Upgrade Completion; Waring Building Conversion; Waterbury Downtown Campus; Waterbury Property Purchase; West Campus Renovations; West Hartford Campus Renovations/Improvements; White Building Renovation ; Wilbur Cross Building Renovation; Young Building Renovation/Addition;	Completed (M-Z)
UConn Health	
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities-Health Center	Ongoing
Equipment, Library Collections and Telecommunications-Health Center	Ongoing
CLAC Renovation Biosafety Level 3 Lab; Dental School Renovation; Library/Student Computer Center Renovation;	Completed (A-L)
Main Building Renovation; Medical School Academic Building Renovation; Planning and Design Costs; Research Tower; Support Building Addition/Renovation; The University of Connecticut Health Center New Construction and Renovation;	Completed (M-Z)
B. Special Obligation Student Fee Revenue Bonds	
Alumni Quadrant Renovations ² ; East Campus North Renovations ² ; Hilltop Dormitory New ⁵ ; Hilltop Student Rental Apartments ⁵ ; Intramural, Recreational & Intercollegiate Facilities ⁶ ;	Completed (A-L)
North Campus Renovation (including North Campus Student Suites and Apartments) ² ; Parking Garage-South ⁵ ; Shippee/Buckley Renovations ² ; South Campus Complex ⁴ ; Towers Renovations (including Greek Housing) ² ;	Completed (M-Z)
¹ 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.	
² 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.	
³ In addition, the University has entered 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.	
⁴ 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.	
⁵ 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 University's Student Fee Revenue Bonds, 2000 Series A.	
⁶ The Intramural, Recreational & Intercollegiate Facilities is partially funded with University's Student Fee Revenue Bonds 2018 Series A.	

Campuses and Physical Plant

General Information. Of the six campuses, Storrs is the largest campus with 3,445 acres. There are four undergraduate regional campuses strategically located throughout the State in Avery Point, Stamford, Waterbury, and Hartford. As of Fall 2022, there are 102 residential facilities on the Storrs campus, serviced by eight large dining halls, and three residential facilities on the Stamford campus. Together they have the capacity to provide room and board for approximately 12,500 graduate and undergraduate students. 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 approximately 32,000 in the 2022-23 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 123 majors, 17 graduate degrees in 95 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 80 research, academic support, and cultural centers and institutes across all University campuses.

Climate Change

The University is working hard to minimize the risks, impacts, and associated costs of climate change. In March 2008, the University signed the American College and University Presidents Climate Commitment (ACUPCC), now known as the Second Nature Carbon Commitment (Second Nature). Second Nature recognizes that institutions of higher education have a unique responsibility to not only educate the next generation of individuals responsible for developing the social, economic and technological solutions to reverse global warming, but also to serve as role models by embracing sustainability initiatives on campus. The Second Nature Carbon Commitment reflects the University's pledge to eliminate the Storrs campus' greenhouse gas (GHG) emissions over time. The University set a goal of becoming carbon neutral by 2050 and has reduced its emissions by more than 20% since 2007. The University has a Climate Action Plan (CAP) that is intended to be used as a tool to identify ways to achieve GHG reduction strategies, set timelines for incremental progress, quantify the costs and benefits of proposed projects, and prioritize actions to reach carbon neutrality. In addition, the University continues to evaluate the feasibility of accelerating its carbon neutrality targets and has mobilized members of its faculty, staff and student body to support these efforts. The full CAP and progress to date may be found at <https://sustainability.uconn.edu/climate-action-plan>.

The University also participates in the State's GreenerGov CT Lead by Example initiative in meeting the goals outlined in Governor Lamont's Executive Order 1 (EO-1). EO-1 directs Executive Branch agencies to advance environmental leadership and cost savings for taxpayers by reducing greenhouse gas emissions in buildings and vehicles, water consumption, and improving waste diversion from disposal. Details about the EO-1 and the University's annual Sustainability Performance Plan may be found at <https://portal.ct.gov/GreenerGov>.

Cybersecurity

The University, like many other public and private entities, relies on technology to conduct its operations. The University faces frequent cybersecurity threats including but not limited to hacking, viruses, malware, and phishing on computers and other sensitive digital networks and systems. To reduce the risk of business operations being negatively impacted from cybersecurity attacks, the University maintains an active cybersecurity program which includes a diverse array of cybersecurity and operational controls designed to identify, protect, detect, respond, and recover to the everchanging security threat landscape. This includes a comprehensive policy set related to the security of the University's data and networks.

The University continues to maintain an active security program guided by current and expected threats and supported by a 2021 third party University wide cybersecurity assessment. The program consists of various methods of security awareness and education across multiple constituencies as well as a focus on cybersecurity awareness during the National Cybersecurity Awareness Month in October of each year. The University continues to evaluate and adjust our cybersecurity toolset to improve overall efficiency with a goal towards automation where feasible. The University provides 24/7/365 oversight of the University's data and networks.

Substantive elements of the University's information technology cybersecurity infrastructure were reviewed by an external entity for operational improvements. Four workstreams were pursued: security program assessment and technology review; network architecture assessment; vulnerability assessment and penetration test; and application security reviews. This comprehensive assessment of programs helped the University identify immediate risks and is guiding the prioritization of cybersecurity investments for the next several years.

No assurances can be given however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the University's digital networks and systems and the costs of remedying any such damage could be substantial.

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 60 out of 415 public universities in the country in research and development spending. The Carnegie Foundation currently classifies the institution with only 106 other public institutions nationwide in the highest category of doctoral universities (Very High 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. 6,533 degree seeking students are enrolled in graduate degree programs in academic year 2022-23; of this figure 2,179 are supported on merit based graduate assistantships. This support is available in 92 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 at nearly 43,000 for the Fall 2022 entering class. The University of Connecticut ranks among the Top 30 public universities in the nation according to U.S. News & World Report Best Colleges. Also, the Scholastic Aptitude Test (SAT) scores for students entering the University consistently exceed the statewide and national SAT score averages.

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**Schedule of Freshmen Enrollment - Storrs Campus
Fall 2018 – 2022**

<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>
2018	34,886	2.0%	17,015	3,749	1.8%	22.0%
2019	35,096	0.6	17,346	3,603	(3.9)	20.8
2020	34,437	(1.9)	19,316	3,825	6.2	19.8
2021	36,753	6.7	20,433	3,663	(4.2)	17.9
2022	40,894	11.3	22,293	4,069	11.1	18.3

**Average Total SAT Scores*
Fall 2018 - 2022**

<u>Fall</u>	<u>Storrs Campus</u>	<u>Regional Campuses</u>	<u>Connecticut Average</u>	<u>National Average</u>
2018	1306	1106	1053	1068
2019	1296	1113	1046	1059
2020	1281	1080	1039	1051
2021	1318**	1128**	1072	1060
2022	1315	1112	1025	1050

*Excluding the writing component

**Standardized test average represents students who elected to submit test scores as part of their application materials. UConn is piloting a test-optional undergraduate admissions process through the Fall 2026 admission cycle.

Enrollment. Total enrollment at all campuses has been stable from Fall 2018 through Fall 2022 as set forth below.

**Total Enrollment Data (Head Count)¹
Fall 2018 – 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Undergraduates					
Storrs	19,133	18,847	18,917	18,567	18,983
Regional Campuses	4,845	5,053	5,454	5,270	5,093
Total	23,978	23,900	24,371	23,837	24,076
Graduates/Professionals²	7,668	7,787	7,652	7,656	7,365
UConn Health					
Medicine	425	444	449	452	451
Dental Medicine	186	202	197	201	202
Total	611	646	646	653	653
Grand Total	32,257	32,333	32,669	32,146	32,094

¹ Includes non-degree and part-time students.

² 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 2018 - 2022**

<u>Fall</u>	<u>Undergraduate</u>				<u>Graduate/Professional</u>	
	<u>Storrs Campus</u>		<u>All Campuses</u>		<u>All Campuses*</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>
2018	71.5%	28.5%	76.2%	23.8%	63.2%	36.8%
2019	72.5	27.5	77.2	22.8	62.5	37.5
2020	72.4	27.6	77.3	22.7	65.2	34.8
2021	71.4	28.6	76.4	23.6	64.7	35.3
2022	69.3	30.7	74.5	25.5	61.6	38.4

*Excludes Schools of Medicine and Dental Medicine.

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 2023, students classified as full-time undergraduate residents of Connecticut will pay tuition of \$15,672. Full-time out-of-state undergraduates will pay \$38,340 per year. In the 2023 academic year, total tuition revenues are budgeted to be \$505.2 million. For the academic year 2024, full-time undergraduate residents will pay tuition of \$16,332, and full-time out-of-state undergraduates will pay tuition of \$39,000 per year.

Mandatory Fees. For academic year 2023, undergraduate students must pay a General University Fee of \$1,474 per year. Students also pay \$2,288 per year in other fees, of which \$636 is for student health services, \$500 is for the Student Recreation Center, \$192 is for various student-controlled organizations, \$468 is for infrastructure maintenance, \$168 is a transit fee, and \$150 is a Technology Fee. 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 2023 are the room (\$7,436) and board (\$6,186) fee. Rates reflect a standard double room and the Value Meal Plan, higher and lower cost options are available.

**In-State Undergraduate Tuition & Other Fees
Academic Years 2019 - 2023**

	<u>2019³</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Tuition	\$12,848	\$13,798	\$14,406	\$15,030	\$15,672
Room & Board ¹	12,874	13,258	13,258	13,258	13,622
General University Fee	1,334	1,380	1,380	1,380	1,474
Other Fees ²	<u>1,548</u>	<u>2,048</u>	<u>2,048</u>	<u>2,114</u>	<u>2,288</u>
Total	\$28,604	\$30,484	\$31,092	\$31,782	\$33,056

¹The Room and Board Fee reflects a standard double and the Value Meal Plan. Lower and higher cost options are available.

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

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

**FY 2023 Undergraduate Tuition and Fees
Competitor University Comparison***

	<u>In-State</u>	<u>Out-of-State</u>
Boston College	\$62,950	\$62,950
Boston University	62,360	62,360
Northeastern University	60,542	60,542
Syracuse University	60,135	60,135
Quinnipiac University	51,790	51,790
Pennsylvania State University	19,544	38,360
University of Connecticut	19,434	42,102
University of Vermont	18,890	43,890
University of Massachusetts	16,952	38,172
Rutgers University	16,112	33,812
University of Delaware	15,410	37,930
University of Maryland	11,232	39,468

*Competitors 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 79% 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 up to \$6,895 (for Fiscal Year 2023) 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 all such waivers in the 2023 academic year is budgeted at \$85.0 million.

**Financial Aid to University Students* (excluding Tuition Waivers)
for Fiscal Years 2019 – 2023 (in millions)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u> <u>Budget</u>
University Supported	\$129.2	\$142.8	\$153.1	\$163.8	\$174.7
State	9.0	9.7	10.7	9.9	9.8
Federal	35.3	46.2	51.4	69.5	41.5
Other**	<u>14.8</u>	<u>12.9</u>	<u>14.7</u>	<u>19.7</u>	<u>18.8</u>
Total Aid in Budget***	<u>\$188.3</u>	<u>\$211.7</u>	<u>\$229.8</u>	<u>\$262.8</u>	<u>\$244.9</u>

*In addition to the financial aid listed above, students receive over \$200 million annually in aid from sources outside the University.

**Other funding comes from private sources such as the Foundation and Endowments.

***Note: totals may not add due to rounding.

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, the Joint Audit and Compliance Committee of the Board provides 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 accordance with statutory requirements, a Construction Management Oversight Committee was established in 2006 (the “CMOC”). The CMOC is made up of seven (7) members, four (4) appointed by the Governor and General Assembly and three (3) appointed by the University of Connecticut’s Board of Trustees, all for four-year terms. Following expiration of their appointment terms and absent new appointments, the four non-UConn members resigned. The non-UConn appointing authorities have not made new appointments. Notwithstanding that, the meetings of the CMOC continued to be noticed but the committee was unable to act in the absence of a quorum. As a result, in 2015, the University transferred the duties of the CMOC to the Buildings, Grounds and Environment Committee of the Board. Until such time as the legislature makes the required appointments or eliminates the statutory requirement for the committee, the Board deemed it prudent to assume responsibility to review and approve the University’s construction management policies and procedures and accept the reports of the Construction Assurance Officer.

The University has also implemented and staffed an organizational structure for capital program contracting and procurement and has engaged an outside independent 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, 2021, are included as Schedule 1 and Schedule 2, respectively, herein.

Below is a five-year presentation of the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2017, 2018, 2019, 2020 and 2021. See “UNIVERSITY OF CONNECTICUT HEALTH CENTER” below in this Appendix A for the same information for UConn Health.

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Statements of Revenues, Expenses, and Changes in Net Position

(\$ in thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
OPERATING REVENUES					
Student tuition and fees ¹	\$ 367,351	\$ 386,921	\$ 396,780	\$ 422,519	\$ 397,237
Federal grants and contracts	100,397	106,561	121,593	125,936	147,547
State and local grants and contracts	16,931	19,441	17,959	19,944	16,364
Nongovernmental grants and contracts	28,005	18,386	23,577	21,042	20,012
Sales and services of educational departments	20,325	23,708	22,710	15,688	25,355
Sales and services of auxiliary enterprises ²	209,851	210,990	211,036	169,016	73,577
Other sources	11,909	14,009	29,750	31,960	26,943
Total Operating Revenues	<u>754,769</u>	<u>780,016</u>	<u>823,405</u>	<u>806,105</u>	<u>707,035</u>
OPERATING EXPENSES					
Salaries and wages	556,411	569,359	569,872	602,873	617,225
Fringe benefits	349,328	338,545	417,689	597,737	685,126
Supplies and other expenses	245,357	264,456	279,602	257,977	226,404
Utilities	19,039	19,655	21,063	20,167	17,295
Depreciation and amortization	104,807	108,185	119,346	117,870	122,695
Scholarships and fellowships	11,791	8,870	11,409	23,367	28,866
Total Operating Expenses	<u>1,286,733</u>	<u>1,309,070</u>	<u>1,418,981</u>	<u>1,619,991</u>	<u>1,697,611</u>
Operating Loss	<u>(531,964)</u>	<u>(529,054)</u>	<u>(595,576)</u>	<u>(813,886)</u>	<u>(990,576)</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriation	374,113	342,987	356,898	376,866	397,910
State debt service commitment for interest	64,757	70,740	77,333	78,963	74,170
Federal and state financial aid	34,800	37,986	42,222	64,549	115,892
Gifts	23,628	19,732	28,185	21,790	24,715
Investment income	2,996	6,059	11,957	7,881	794
Interest expense	(59,129)	(64,672)	(70,460)	(71,102)	(66,114)
Disposal of property and equipment, net	(1,418)	(1,524)	(2,345)	(1,912)	(3)
Other nonoperating revenue (expenses), net	(1,776)	(2,475)	745	207	2,594
Net Nonoperating Revenues	<u>437,971</u>	<u>408,833</u>	<u>444,535</u>	<u>477,242</u>	<u>549,958</u>
Loss Before Other Changes in Net Position	<u>(93,993)</u>	<u>(120,221)</u>	<u>(151,041)</u>	<u>(336,644)</u>	<u>(440,618)</u>
OTHER CHANGES IN NET POSITION					
State debt service commitment for principal	281,576	187,269	154,405	-	140,295
Capital grants and gifts	1,388	5,099	3,907	2,276	11,640
Additions to permanent endowments	1,149	338	171	171	164
Athletic conference fees	-	-	-	(16,436)	(3,500)
Transfer to affiliate	-	-	-	-	(2,000)
Net Other Changes in Net Position	<u>284,113</u>	<u>192,706</u>	<u>158,483</u>	<u>(13,989)</u>	<u>146,599</u>
Increase (Decrease) in Net Position	<u>190,120</u>	<u>72,485</u>	<u>7,442</u>	<u>(350,633)</u>	<u>(294,019)</u>
NET POSITION					
Net Position – Beginning of Year, Adjusted	<u>1,053,125</u>	<u>7,743</u> ³	<u>91,418</u> ⁴	<u>98,860</u>	<u>(251,773)</u>
Net Position – End of Year	<u>\$ 1,243,245</u>	<u>\$ 80,228</u>	<u>\$ 98,860</u>	<u>\$ (251,773)</u>	<u>\$ (545,792)</u>

¹ Net of scholarship allowances of \$148,415, \$156,962, \$172,581, \$182,914, and \$197,042 respectively.

² Net of scholarship allowances of \$4,981, \$6,495, \$7,827, \$8,563 and \$7,395 respectively.

³ 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.

⁴ The University of Connecticut overstated compensated absences liability reported as of June 30, 2018. This amount included fringe benefit costs for defined benefit plans that were also included in net pension and net OPEB liabilities upon implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and 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, 2019 was restated by \$11,190.

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 Board of Trustees annually approves separate Spending Plans for the University and UConn Health. The Fiscal Year 2023 Spending Plan was approved by the Board of Trustees on June 29, 2022. 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 a discussion of UConn Health, see "UNIVERSITY OF CONNECTICUT HEALTH CENTER" in this Appendix A.

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 the University's 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 \$4,307.9 million to be financed by general obligation bonds secured by the State's Debt Service Commitment of the University. Per the Act, 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. 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 \$3,345.9 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)

Anticipated Financial and Operational Impact from COVID-19 for Fiscal Year 2023. The continued impact of COVID-19 on social interaction, travel, economies, and financial markets may in the future adversely affect University finances and operations. It may materially adversely affect (i) the ability of the University to conduct its operations and/or the cost of operations and the revenues generated thereby, and (ii) the returns on and value of the University's investment portfolio. The full impact of COVID-19 and the scope of any adverse impact on University finances and operations in the future cannot be fully determined at this time.

Fiscal Year 2023 Budget. The Fiscal Year 2023 budget includes \$1,708.7 million in expenditures and \$1,708.7 million of revenue to balance the budget

Fiscal Year 2023 Revenue Budget. For Fiscal Year 2023, State support is budgeted at a level of \$445.9 million (allotment \$254.6 million and fringe benefits/adjustments \$191.3 million including year-end accounting accruals), a decrease of \$13.6 million or 3.0% less than the Fiscal Year 2022 amount. State support is the second largest source of revenue for the University. The fiscal year 2023 state support includes \$21.7 million of collective bargaining increase funding and \$24.7 million in carry-forward funding to cover various programmatic needs and the 27th payroll. Tuition is the largest source of revenue (excluding waivers) and is budgeted at \$505.2 million, an increase of \$36.9 million or 7.9% over the Fiscal Year 2022 amount. Tuition revenue collections reflect a \$642 annual rate increase. 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. There are various other fees included in this category such as the Student Recreation Center Fee, Infrastructure Maintenance Fee, Application Fees and Late

Payment Fees. The fee collections for Fiscal Year 2023 are budgeted to be \$160.1 million, an increase of \$7.1 million or 4.6% more than the Fiscal Year 2022 amount. Auxiliary Enterprise Revenue is budgeted to be \$201.9 million, which is an increase of \$14.0 million or 7.5% more than the Fiscal Year 2022 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 2023 are budgeted to be \$172.3 million, which is a \$21.8 million increase or 14.5% more than Fiscal Year 2022.

Fiscal Year 2023 Expenditures Budget. Total Fiscal Year 2023 expenditures of \$1,708.7 million are budgeted to increase by \$41.0 million or 2.5% more than the Fiscal Year 2022 amount. Personal services expenditures are budgeted to reach \$601.3 million or \$15.5 million more than Fiscal Year 2022. Fringe benefit expenditures are budgeted to be \$366.1 million or \$22.2 million more than Fiscal Year 2022. Financial Aid expenditures are budgeted to be \$244.9 million, which is a decrease of \$17.9 million or 6.8% less than the Fiscal Year 2022 amount.

In addition to results of operations for Fiscal Years 2019-2022, the following schedule reflects the Fiscal Year 2023 budget.

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Statement of Current Funds Operations¹ (in millions)

	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Current Funds Revenues:				(Unaudited)	
Operating Fund					
State Support	\$ 356.7	\$ 376.7	\$ 397.8	\$459.5	\$445.9
Tuition (Net of Discounts)	426.4	445.3	449.6	468.3	505.2
Fees	137.7	154.5	138.6	153.0	160.1
Auxiliary Enterprise Revenue	218.9	177.6	81.0	187.9	201.9
All Other Revenues	<u>173.6</u>	<u>189.3</u>	<u>237.1</u>	<u>264.1</u>	<u>223.3</u>
Total Operating Fund	\$1,313.3	\$1,343.4	\$1,304.1	\$1,532.8	\$1,536.4
Research Fund	<u>122.2</u>	<u>118.9</u>	<u>140.7</u>	<u>150.5</u>	<u>172.3</u>
Total Current Funds Revenues	\$1,435.5	\$1,462.4	\$1,444.8	\$1,683.3	\$1,708.7
 Current Funds Expenditures:					
Operating Fund					
Personal Services	\$ 501.2	\$ 531.6	\$ 542.0	\$585.8	\$601.3
Fringe Benefits	285.9	305.9	322.4	343.9	366.1
Other Expenses	258.5	250.9	212.1	228.2	250.5
Equipment	23.2	22.3	15.3	19.6	18.1
Student Financial Aid	188.2	211.7	229.8	262.8	244.9
Non-mandatory/Projects	<u>49.6</u>	<u>22.5</u>	<u>2.9</u>	<u>75.2</u>	<u>55.8</u>
Total Operating Fund	\$1,306.6	\$1,344.9	\$1,324.5	\$1,515.5	\$1,536.7
Research Fund Expenditures	<u>122.4</u>	<u>119.8</u>	<u>135.6</u>	<u>152.1</u>	<u>172.0</u>
Total Current Funds Expenditures	\$1,429.0	\$1,464.7	\$1,460.0	\$1,667.7	\$1,708.7
Mitigating Actions				(15.3)	
Lapses			<u>15.3</u>		
Net Gain (Loss)	<u>\$ 6.5</u>	<u>(\$ 2.4)</u>	<u>\$ 0.0</u>	<u>\$ 0.3</u>	<u>\$ 0.0</u>

¹The University prepares and presents its Operating Budget in a current funds format. The current funds format shows gross student tuition and fees and does not net out scholarship allowances, as required in the financial statements which are prepared in the GASB Nos. 34/35 format. Scholarship allowances are shown as an expense item. In addition, the University's current funds format includes equipment purchases as an expense, does not include depreciation or amortization, does not include pension and OPEB expenses as it relates to GASB 68 and does not include the State debt service commitment for principal and interest. All expenses related to legal matters in the current funds format are reflected in the fiscal year that they are paid.

Note: 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 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 22-118 appropriated \$254.6 million to the University for Fiscal Year 2023. In addition, the University expects to receive fringe benefits in the amount of \$191.3 million for a total of State support of \$445.9 million. This amount does not include an additional \$39.2 million that the University will receive in FY23 from the

State’s Federal American Rescue Plan Act of 2021 (“ARPA”) allocation which is included in the All Other Revenues category of the budget.

No assurance can be made that the State will not change the Fiscal Year 2023 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 2019 – 2023 (in millions)**

Fiscal Year	Operating Appropriations¹ and Allotments	Fringe Benefits/ Adjustments	Operating Total
2019	\$195.0	\$161.7	\$356.7
2020	200.0	176.7	376.7
2021	208.8	189.0	397.8
2022	248.6	210.9	459.5
2023	254.6	191.3	445.9

¹ 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**

<u>Fiscal</u> <u>Year</u>	<u>State General</u> <u>Obligation Bonds</u>	<u>UConn 2000</u> <u>Bonds</u> ⁽¹⁾	<u>Total</u>
1996	\$ 18,000,000 (2)	\$ 112,542,000	\$ 130,542,000
1997	9,400,000 (2)	112,001,000	121,401,000
1998		93,146,000	93,146,000
1999		64,311,000	64,311,000
2000	2,000,000 (3)	130,000,000	132,000,000
2001	20,000,000 (3)	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 (4)		100,000,000	100,000,000
2006		79,000,000	79,000,000
2007		89,000,000	89,000,000
2008	8,000,000 (5)	115,000,000	123,000,000
2009		140,000,000	140,000,000
2010		-	-
2011		138,800,000	138,800,000
2012	23,000,000 (6)(7)	157,200,000	180,200,000
2013	20,000,000 (6)	143,000,000	163,000,000
2014		204,400,000	204,400,000
2015	131,500,000 (6)	315,500,000	447,000,000
2016	25,000,000 (8)	312,100,000	337,100,000
2017	16,000,000 (8)	240,400,000	256,400,000
2018		200,000,000	200,000,000
2019		200,000,000	200,000,000
2020		197,200,000	197,200,000
2021		260,000,000	260,000,000
2022	6,460,000 (9)	215,500,000	221,960,000
2023	51,729,200 (9)(10)	125,100,000	176,829,200
2024	14,489,200 (9)	84,700,000	99,189,200
2025	9,220,000 (9)	56,000,000	65,220,000
2026	4,201,600 (9)	14,000,000	18,201,600
2027		9,000,000	9,000,000
Total	\$ 359,000,000	\$ 4,307,900,000	\$ 4,666,900,000

(Footnotes on the following page)

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- ¹ Secured by State Debt Service Commitment. As of the date of delivery of the 2022 Bonds, the University expects to have \$340,200,000 of its General Obligation Bonds secured by the State Debt Service Commitment authorized and unissued.
 - ² For Babbidge Library on the Storrs campus.
 - ³ For the development of a new downtown campus for the University of Connecticut in Waterbury.
 - ⁴ 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 2005-2027 represent authorizations under UCONN 2000 Phase III including UConn Health projects. No UConn Health projects were authorized in Phase I or Phase II.
 - ⁵ 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.
 - ⁶ 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.
 - ⁷ 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.
 - ⁸ Public Act 15-1 (sections 2 & 21) authorized the issuance of \$41,000,000 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 \$16,000,000 was approved on February 1, 2017.
 - ⁹ Public Act 21-111 (sections 99 & 100) authorized the issuance of \$41,600,000 of State General Obligation Bonds for the University to commence a research faculty recruitment and hiring program. This program is expected to support economic development in the State through faculty research and promote core sectors of the State economy by accelerating the pace of applied research and development. To date, these authorizations have not been approved by the State Bond Commission.
 - ¹⁰ Public Act 22-118 (section 307) authorized \$40,000,000 in State General Obligation Bonds for the University of Connecticut Health Center: Deferred maintenance, code compliance and infrastructure improvements. To date, this authorization has not been approved by the State Bond Commission.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$183.9 million in Fiscal Year 2021, representing 26.0% 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, 2021, included in this Appendix A. If nongovernmental grants are excluded, the revenue from federal, state, and local governmental grants and contracts, totaled \$163.9 million for this time period, which represented 23.2% of total operating revenues.

Grants and Contracts for Fiscal Years 2017 - 2021 (In Millions of Dollars)

<u>Fiscal Year</u>	<u>Amount*</u>
2017	\$145.3
2018	144.4
2019	163.1
2020	166.9
2021	183.9

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

The University of Connecticut Foundation, Inc.

The University of Connecticut Foundation, Inc., (the “Foundation”) is a separate entity that supports the mission of the University. For financial reporting purposes, the Foundation is an independent, privately governed institution, which is separately audited. 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 disburses 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 the Foundation totaled approximately \$36.2 million in Fiscal Year 2022 compared to \$33.6 million in Fiscal Year 2021. 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 \$2.6 million and \$3.0 million in Fiscal Years 2022 and 2021, respectively.

Giving University-wide continued at record levels, with contributions of \$115.0 million to support the University students, faculty, and programs during Fiscal Year 2022. Of the \$115.0 million in new gifts and commitments, \$29.4 million was directed for scholarships and fellowships, \$41.5 million for program support, \$24.4 million for research, \$5.9 million for faculty support, and \$13.8 million for capital improvements. Donors contributed \$37.2 million to the University’s endowment. The endowment portfolio was valued at \$594.1 million at the end of Fiscal Year 2022, including \$242.8 million for scholarships and fellowships, \$156.9 million for endowed chairs, professorships and other faculty support, and \$194.4 million for programmatic priorities. Endowed funds are managed by the Foundation Board of Directors’ investment committee, Foundation management, and staff. The endowment is managed as a single portfolio, but funds are invested in various asset classes to diversify risk.

University of Connecticut Foundation, Inc.¹ Summary of Total Assets, Revenue and Expenditures For Fiscal Years 2018 -2022 (in thousands)

Assets	2018	2019	2020	2021	2022 (Unaudited)
Endowment assets	\$ 446,492	\$ 458,743	\$ 458,742	\$ 610,362	\$ 591,768
All other assets	113,857	138,866	158,750	159,420	166,819
Total Assets	\$ 560,349	\$ 597,609	\$ 617,492	\$ 769,782	\$ 758,587
Support and Revenue					
Contributions and educational support	\$ 65,045	\$ 40,184	\$ 38,334	\$ 55,740	\$ 55,771
Payment from the University	10,480	11,167	12,150	12,150	12,150
Investment income, net	32,925	21,987	24,051	139,346	(6,602)
Other revenues	1,591	1,669	1,050	3,332	811
Total Support and Revenue	\$110,041	\$ 75,007	\$ 75,585	\$ 210,568	\$ 62,130
Expenditures					
Disbursements to and on behalf of the University	\$ 28,396	\$ 35,344	\$ 26,049	\$ 33,649	\$ 36,165
Foundation expenses (development, asset mgt, admin)	22,790	24,049	23,081	22,668	24,103
Total Expenditures	\$ 51,186	\$ 59,393	\$ 49,130	\$ 56,317	\$ 60,268
Support and Revenues Over/Under Expenditures	\$ 58,855	\$ 15,614	\$ 26,455	\$ 154,251	\$ 1,862

¹ Audited FY22 figures are not yet available

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 a privately placed Governmental Lease Purchase Agreement, and assumed a promissory note associated with the purchase of the Nathan Hale Inn on the Storrs Campus. As of the date of delivery of the 2022 Bonds, certain General Obligation Bonds, Special Obligation Bonds, and the Governmental Lease Purchase Agreement remain outstanding. The promissory note associated with the purchase of the Nathan Hale Inn was retired on December 1, 2016.

The University of Connecticut Special Obligation Bonds are issued pursuant to the Special Obligation Indenture of Trust, 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, the University has authorized \$374,180,000 of Special Obligation Bonds to finance a portion of the cost of ten UCONN 2000 projects. See “GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES – Status of UCONN 2000 Projects” in this Appendix A. As of the date of delivery of the 2022 Bonds, principal outstanding of Special Obligation Bonds will be \$185,885,000, excluding the 2022 Bonds and including the Refunded Bonds. In addition, \$33,000,000 of Special Obligation Bonds remain authorized and unissued. On August 3, 2022 the Board of Trustees approved a capital budget for the construction of a new South Campus Residence Hall, estimated to be funded in part with \$124,000,000 of Special Obligation Bonds. To date, such bonds have not been authorized for issuance by the Board of Trustees or the Governor.

The University of Connecticut General Obligation Bonds are issued pursuant to the Master Indenture of Trust, as amended (the “Master Indenture”), 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 certain 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 and sinking fund installments for and interest accruing on such General Obligation Bonds. As of the date of delivery of the 2022 Bonds, principal outstanding of the University’s General Obligation Bonds will be \$1,659,600,000.

A privately placed Governmental Lease Purchase Agreement (the “Lease”), with Caterpillar Financial Services Corporation, a Delaware Corporation, is a general obligation of the University 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 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 nor is it secured by the State Debt Service Commitment. Subsequent to 2005, the University amended the Lease twice to lower interest rates and reduce its monthly Lease payments. As of January 2017, the Lease interest rate is 2.22% resulting in a monthly Lease payment of \$461,645. As of the date of delivery of the 2022 Bonds, the principal amount of the Lease outstanding will be \$16,916,104 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.

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, 2021”.

The following schedule sets forth the debt service payments to be made in each fiscal year on the Special Obligation Bonds issued and outstanding as of the date of delivery of the 2022 Bonds, excluding the 2022 Bonds and including the Refunded Bonds.

**Debt Service on Special Obligation Bonds
as of November 15, 2022**

FYE	<u>AMOUNT OUTSTANDING</u>			<u>2022 REFUNDING SERIES A BONDS</u>			<u>TOTAL SPECIAL OBLIGATIONS</u>			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2023	\$ -	\$ 4,580,913	\$ 4,580,913							
2024	9,485,000	8,924,700	18,409,700							
2025	9,960,000	8,453,125	18,413,125							
2026	10,450,000	7,957,425	18,407,425							
2027	11,000,000	7,421,175	18,421,175							
2028	11,555,000	6,858,075	18,413,075							
2029	12,140,000	6,266,475	18,406,475							
2030	12,765,000	5,648,200	18,413,200							
2031	3,910,000	5,235,675	9,145,675							
2032	4,110,000	5,035,175	9,145,175							
2033	4,290,000	4,860,031	9,150,031							
2034	4,475,000	4,675,763	9,150,763							
2035	4,705,000	4,440,381	9,145,381							
2036	4,955,000	4,193,000	9,148,000							
2037	5,185,000	3,962,875	9,147,875							
2038	5,425,000	3,721,000	9,146,000							
2039	5,670,000	3,479,063	9,149,063							
2040	5,925,000	3,224,625	9,149,625							
2041	6,225,000	2,920,875	9,145,875							
2042	6,545,000	2,601,625	9,146,625							
2043	6,880,000	2,266,000	9,146,000							
2044	7,230,000	1,913,250	9,143,250							
2045	7,610,000	1,532,738	9,142,738							
2046	8,020,000	1,122,450	9,142,450							
2047	8,460,000	689,850	9,149,850							
2048	8,910,000	233,888	9,143,888							
Total¹	\$ 185,885,000	\$ 112,218,350	\$ 298,103,350							

¹ Totals may not sum due to rounding.

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The following schedule sets forth the debt service payments to be made in each fiscal year on the General Obligation Bonds issued and outstanding by the University as of the date of delivery of the 2022 Bonds.

**Debt Service on General Obligation Bonds⁽¹⁾
as of November 15, 2022**

<u>Fiscal Year</u> <u>Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 111,225,000	\$ 40,047,747	\$ 151,272,747
2024	130,455,000	74,113,144	204,568,144
2025	125,255,000	67,687,388	192,942,388
2026	121,395,000	61,579,263	182,974,263
2027	117,675,000	55,535,013	173,210,013
2028	113,795,000	49,724,013	163,519,013
2029	113,905,000	44,028,888	157,933,888
2030	107,240,000	38,541,163	145,781,163
2031	102,095,000	33,653,275	135,748,275
2032	95,635,000	28,570,313	124,205,313
2033	95,635,000	23,875,950	119,510,950
2034	95,635,000	19,560,625	115,195,625
2035	81,550,000	15,288,488	96,838,488
2036	70,545,000	11,560,088	82,105,088
2037	57,465,000	8,163,713	65,628,713
2038	41,905,000	5,472,138	47,377,138
2039	28,105,000	3,602,238	31,707,238
2040	19,365,000	2,459,038	21,824,038
2041	19,365,000	1,490,788	20,855,788
2042	11,355,000	539,138	11,894,138
Totals ⁽²⁾	\$ 1,659,600,000	\$ 585,492,403	\$ 2,245,092,403

¹ Secured by State Debt Service Commitment, net of bonds previously refunded.

² 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 2022 Bonds, excluding the 2022 Bonds and including the Refunded Bonds.

Total UCONN 2000 Debt Obligations Outstanding

	Original Par Amount⁽¹⁾	Amount Outstanding Currently⁽¹⁾	Dated Date
General Obligation Debt Service Commitment Bonds			
GO DSC 2013 Series A	\$ 172,660,000	\$ 94,950,000	July 31, 2013
GO DSC 2013 Series A Refunding ⁽²⁾	51,250,000	17,610,000	July 31, 2013
GO DSC 2014 Series A	109,050,000	65,415,000	April 22, 2014
GO DSC 2014 Series A Refunding ⁽³⁾	92,940,000	3,980,000	April 22, 2014
GO DSC 2015 Series A	220,165,000	143,105,000	April 16, 2015
GO DSC 2015 Series A Refunding ⁽⁴⁾	34,625,000	13,735,000	April 16, 2015
GO DSC 2016 Series A	261,510,000	183,050,000	April 21, 2016
GO DSC 2016 Series A Refunding ⁽⁵⁾	80,425,000	18,585,000	April 21, 2016
GO DSC 2017 Series A	311,200,000	233,400,000	January 19, 2017
GO DSC 2018 Series A	276,075,000	220,860,000	May 3, 2018
GO DSC 2019 Series A	174,785,000	139,825,000	May 8, 2019
GO DSC 2019 Series A Refunding ⁽⁶⁾	64,680,000	38,950,000	May 8, 2019
GO DSC 2020 Series A	160,230,000	152,215,000	December 17, 2020
GO DSC 2020 Series A Refunding ⁽⁷⁾	119,085,000	106,735,000	December 17, 2020
GO DSC 2022 Series A	227,185,000	227,185,000	April 13, 2022
Total⁽⁸⁾⁽¹²⁾		\$ 1,659,600,000	
Special Obligation Student Fee Revenue Bonds			
UCONN 2000 SPEC OB 2012-A Refunding ⁽⁹⁾	\$ 87,980,000	\$ 54,795,000	December 13, 2012
UCONN 2000 SPEC OB 2018-A	141,725,000	131,090,000	March 29, 2018
Total⁽¹⁰⁾⁽¹²⁾		\$ 185,885,000	
Capital Leases			
Governmental Lease Purchase Agreement	\$ 75,000,000	\$ 15,466,012	December 18, 2003
Governmental Lease Purchase Agreement	6,900,000	1,450,092	August 15, 2005
Total⁽¹¹⁾⁽¹²⁾		\$ 16,916,104	

-Footnotes on the following page-

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- ¹ “Original Par Amount” includes bonds previously refunded. “Amount Currently Outstanding” is net of bonds previously refunded.
- ² The General Obligation DSC 2013-A Refunding Bonds refunded \$54,375,000 of the outstanding General Obligation DSC Series 2004A and 2005A Bonds.
- ³ The General Obligation DSC 2014-A Refunding Bonds refunded \$97,930,000 of the outstanding General Obligation DSC Series 2004A Refunding and 2005A Bonds.
- ⁴ The General Obligation DSC 2015-A Refunding Bonds refunded \$38,550,000 of the outstanding General Obligation DSC Series 2006A Bonds.
- ⁵ The General Obligation DSC 2016-A Refunding Bonds refunded \$88,535,000 of the outstanding General Obligation DSC Series 2006A Refunding Bonds and 2007A Bonds.
- ⁶ The General Obligation DSC 2019-A Refunding Bonds refunded \$72,060,000 of the outstanding General Obligation DSC Series 2009A Refunding Bonds.
- ⁷ The General Obligation DSC 2020-A Refunding Bonds refunded \$138,340,000 of the outstanding General Obligation DSC Series 2010A and 2011 Series A Refunding Bonds.
- ⁸ The Debt Service on the General Obligation Bonds is payable from the Debt Service Commitment of the State.
- ⁹ The Special Obligation-2012-A Refunding Bonds refunded all of the outstanding \$75,430,000 Special Obligation Series 2002-A Bonds and \$96,130,000 Series 2002-A Refunding Bonds.
- ¹⁰ 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.
- ¹¹ Does not include capital lease obligations subject to annual appropriation.
- ¹² Totals may not sum due to rounding.

Employee Data

Faculty and Staff. As of Fall 2021, the University had 4,929 full-time equivalent (“FTE”) employees. Full and part-time faculty accounted for 1,944 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 2021, 56.1% of full-time teaching faculty were tenured, 18.1% 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 has 974 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 4,546 FTE union members as of Fall 2021. Approximately 8% of university faculty and staff were non-union employees. The University bargains with four units covering 3,874 FTE employees: the University of Connecticut Chapter of the American Association of University Professors (AAUP), the University of Connecticut Professional Employees Association (UCPEA), the Graduate Employee Union (GEU-UAW), and the Postdoctoral Research Associates Union (UAW-Postdocs). The remaining four unions covering 671 FTE employees bargain directly with the State Office of Labor Relations. Law school faculty, University exempt (management) and certain temporary and part-time employees are not represented by bargaining units.

The University has statutory authority to negotiate and enter into collective bargaining agreements with the four labor unions noted above. The collective bargaining agreements with the AAUP and UCPEA have contracts with the term of July 1, 2021 through June 30, 2025 and each unit has a wage re-opener for fiscal year beginning July 1, 2024. The agreement with the GEU-UAW began July 1, 2022 through June 30, 2026. The UAW-Postdocs contract is in effect until June 30, 2024.

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. Additional information on retirement benefits may be found in the Notes to the University’s financial statements included as Schedule 1 herein.

Insurance and Litigation

Insurance. The University, as an agency of the State of Connecticut, relies upon sovereign immunity for protection from liability. However, as an agency of the State, the University participates in the State’s program of

liability coverage. The State has a self-insured retention of \$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 and casualty 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 builder's 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 the construction of new buildings. The University directly purchased workers' compensation insurance as part of an owner-controlled insurance program (OCIP) for select UCONN 2000 Health projects, and coverage for products and completed operations remains in place.

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, net of reserves.

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 (and subsidiaries), 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 2022, UConn Health had approximately 650 professional students in the Schools of Medicine and Dental Medicine, 300 graduate students in Master's and Doctoral programs, and 780 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.

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, one position on the Board of Directors is 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	2026	Member	Orthopedic Surgeon, Eastern Orthopedics
Francis X. Archambault Jr.	2021*	Member	Retired Emeritus Professor, University of Connecticut
Patricia Baker	2031	Appointed by the Governor	Retired President and CEO of the CT Health Foundation
Richard M. Barry	2016*	Secretary	Deputy Chief Risk Officer, Key Bank
Andy F. Bessette	2016*	Appointed by Chairperson, Board of Trustees	EVP & CAO, The Travelers Companies, Inc.
Mark Boxer	2024	Appointed by Chairperson, Board of Trustees	Executive Vice President and Chief Operating Officer, University of Hartford
Richard T. Carbray Jr.	2028	Appointed by Chairperson, Board of Trustees	Owner, RTC Pharmaceutical Consulting
Cheryl A. Chase	2022	Vice-Chair	Co-President, Principal and General Counsel, Chase Enterprises
Sanford Cloud, Jr.	2020*	Chair; Appointed by Chairperson, Board of Trustees	Chairman and CEO, The Cloud Company, LLC
Britt-Marie K. Cole-Johnson	2025	Member	Partner, Robinson & Cole
Joel Freedman	2021*	Appointed by the Governor	Owner, Freedman Consulting, LLC
Claudio Gualtieri		Ex-Officio	Undersecretary, Office of Policy & Management, State of Connecticut
Timothy A. Holt	2025	Member	Retired Director, Virtus Investment Partners and MGIC Investment
Manisha Juthani, MD		Ex-officio	Commissioner, Connecticut Department of Public Health
Radenka Maric		Ex-officio	President, University of Connecticut
Wayne Rawlins	2021*	Member	Vice President & Senior Medical Director of Healthcare Services, ConnectiCare, Inc.
Teresa M. Ressel	2018*	Appointed by the Governor	Private Company Management

* 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, the Vice-Chair, the Secretary, 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 MD and DMD 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 780 medical and dental residents and fellows populate UConn John Dempsey and other regional hospitals.

Graduate Programs. Programs leading to either a PhD 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 \$122.7 million was generated in Fiscal Year 2022 by the research activities of the various faculties, which supplements appropriations from the State.

Student Enrollment

Enrollment. UConn Health’s enrollment in Fall 2022 was approximately 450 in the School of Medicine, 200 in the School of Dental Medicine, and 300 Graduate students. 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 2018 - 2022**

<u>Fall</u>	<u>MCAT</u>	<u>DAT</u>
2018	512.2	21.4
2019	512.1	22.0
2020	512.0	21.6
2021	511.0	21.8
2022	512.0	21.0

**Passing Rates on National Exams
2017 - 2021**

<u>Year</u>	<u>School of Medicine</u>	<u>School of Dental Medicine</u>
2017	99%	100%
2018	97	100
2019	97	100
2020	99	100
2021	98	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 70th and 75th percentiles of public schools nationally.

Tuition. For the 2023 academic year, tuition for Connecticut residents has been set at \$43,156 for School of Medicine students and \$39,703 for School of Dental Medicine students; and tuition for out-of-state students is set at \$74,367 for the School of Medicine and \$80,146 for the School of Dental Medicine.

Mandatory Fees. For academic year 2023, students will pay a fee of \$2,785 for the School of Medicine and \$3,038 for the School of Dental Medicine. 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 2020 - 2024**

	<u>School of Medicine</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tuition	\$38,585	\$40,287	\$41,697	\$43,156	\$44,666
Fees	<u>3,035</u>	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>
Total	\$41,620	\$43,072	\$44,482	\$45,941	\$47,451

	<u>School of Dental Medicine</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tuition	\$35,810	\$37,063	\$38,360	\$39,703	Not avail
Fees	<u>2,627</u>	<u>2,719</u>	<u>2,939</u>	<u>3,038</u>	Not avail
Total	\$38,437	\$39,782	\$41,299	\$42,741	Not avail

**Percentage of Enrollment by Residence Status
Fall 2018 - 2022**

	<u>School of Medicine</u>		<u>School of Dental Medicine</u>	
<u>Fall</u>	<u>In-State</u>	<u>Out-of-State</u>	<u>In-State</u>	<u>Out-of-State</u>
2018	90.8%	9.2%	87.0%	13.0%
2019	96.2	3.8	86.0	14.0
2020	90.7	9.3	90.0	10.0
2021	92.3	7.7	90.0	10.0
2022	91.5	8.5	88.0	12.0

University of Connecticut Health Center Clinical Operations

Clinical Operations, which includes hospital, physician, pharmacy, and dental practice operations, is the vehicle through which UConn Health provides patient care and contracts with managed care and other health care payors. Clinical Operations also does business through the University of Connecticut Health Center Finance Corporation (the “Finance Corporation”), a statutory corporation authorized to enter joint ventures, other affiliations, and contracts in furtherance of the operations of the clinical programs. Through this affiliation, the Finance Corporation engages in joint ventures and other arrangements and operates a separate pharmacy, UConn Health Pharmacy Services Inc. (UHPSI).

UConn John Dempsey Hospital. John Dempsey Hospital (the “Hospital”) has 234 licensed beds (186 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.

UConn Medical Group. The medical faculty practice of UConn Health (“UMG”) is a key component of UConn Health's integrated health care delivery system. UMG includes an extensive array of ambulatory clinics representing a range of specialty and primary care fields. UMG’s operation is an essential element for the education and training of medical students that enables the University of Connecticut School of Medicine to accomplish its mission. Medical students, for example, learn diagnosis and treatment by training side-by-side with faculty clinicians as these doctors see patients.

University Dentists. University Dentists is the dental faculty practice at UConn Health. Together with the Educational Clinics, these entities comprise what is called the Dental Clinics. UD provides services in 8 different specialties such as endodontics, periodontics, prosthodontics, oral pathology, and oral surgery. The practice is open to the public.

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, oral radiology, prosthodontics, or advanced education general dentistry (AEGD).

Finance Corporation. The Finance Corporation, working through its subsidiary entities University of Connecticut Health Center Circle Road Corporation and UHPSI, provides operational support to the other clinical entities. The Finance Corporation provides contracting and operational flexibility which allow clinical operations to operate more as a traditional business instead of a state entity. The Finance Corporation and its Circle Road subsidiary help Clinical Operations meet their space needs through maintaining the Outpatient Pavilion and other clinical space arrangements. The Finance Corporation also operates the UHPSI, which provides pharmaceuticals to outpatients primarily from the various clinics related to UConn Health.

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. 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 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. The Bioscience Connecticut plan was funded with \$592 million of bond funds. Construction work related to the initiative is now complete.

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 public instrumentality of the State of Connecticut, to support the establishment of a bioscience cluster anchored by a research laboratory housed at UConn Health.

In Fiscal Year 2022, \$25 million was added to the amount of bonds which may be issued by the University under the UCONN 2000 program for deferred maintenance projects on the UConn Health campus. As of Fiscal Year-end 2022, substantially all of the funds for UConn Health have been allocated.

Employment

UConn Health employed approximately 4,600 full-time equivalent (FTE) employees as of December 2021. UConn Health employees are State employees. The terms and conditions of employment of almost 4,000 FTE employees as of winter 2021 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 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, 2017, 2018, 2019, 2020 and 2021.

Statement of Revenues, Expenses and Changes in Net Position (\$ in thousands)

	2017	2018	2019	2020	2021
OPERATING REVENUES					
Student tuition and fees ¹	\$ 17,499	\$ 18,613	\$ 20,655	\$ 21,636	\$ 23,475
Patient services ²	539,777	580,697	534,494	513,608	628,899
Federal grants and contracts	58,148	50,748	58,196	58,055	68,185
Nongovernmental grants and contracts	29,009	29,337	30,016	27,872	24,977
Contract and other operating revenues	114,284	127,188	159,745	162,725	155,419
Total operating revenues	758,717	806,583	803,106	783,896	900,955
OPERATING EXPENSES					
Educational and General					
Instruction	169,130	179,948	157,396	170,526	178,910
Research	59,400	56,102	52,832	55,173	57,554
Patient services	713,342	747,637	663,701	846,526	966,535
Academic support	19,186	19,322	15,173	20,087	24,986
Institutional support	82,233	112,126	126,922	89,592	159,055
Operations and maintenance of plant	37,295	38,223	37,659	25,112	26,886
Depreciation	52,046	52,637	72,575	72,893	70,375
Student aid	194	364	71	25	39
Total operating expenses	1,132,826	1,206,359	1,126,329	1,279,934	1,484,340
Operating (loss) income	(374,109)	(399,776)	(323,223)	(496,038)	(583,385)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	278,211	279,513	250,846	296,520	330,872
Transfer to State and outside Programs	0	0	(1,991)	0	0
Gifts	4,079	5,706	6,146	6,950	3,496
COVID-19 Relief Funds	0	0	0	22,518	15,598
Interest income	104	654	1,385	600	31
Interest on capital asset – related debt	(10,214)	(9,909)	(9,619)	(9,354)	(9,028)
Net non-operating revenues	272,180	275,964	246,767	317,234	340,969
Income before other revenues, expenses, gains or losses	(101,929)	(123,812)	(76,456)	(178,804)	(242,416)
Loss on disposal	(989)	(3,092)	(1,898)	(332)	(196)
Transfer from Affiliate	0	0	0	0	2,000
Capital appropriations	43,479	88,806	13,000	0	680
Total other revenues	42,490	85,714	11,102	(332)	2,484
Increase (decrease) in net position	(59,439)	(38,098)	(65,354)	(179,136)	(239,932)
NET POSITION					
Net position-beginning of year	185,771	126,332	(1,014,953)	(1,120,178)	(1,299,314)
Cumulative impact of implementing GASB 68 and 71	0	(1,103,187)	0	0	0
Cumulative effect of accounting changes and error corrections	0	0	(39,871)	0	0
Net position-beginning of year as restated	0	(976,855)	(1,054,824)	(1,120,178)	(1,299,314)
Net position-end of year	\$ 126,332	\$ (1,014,953)	\$ (1,120,178)	\$ (1,299,314)	\$ (1,539,246)

¹ Net of scholarship allowances of \$6,205, \$5,964, \$6,786, \$7,359, and \$6,874 respectively.

² Net of charity care of \$310, \$422, \$396, \$1,345, and \$3,658 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 2023 Budget and the Anticipated Financial and Operational Impact on UConn Health from COVID-19.

The current operating environment carries many challenges including sourcing products and staff, ongoing COVID mutations, and the impact of new emerging/re-emerging health threats such as Monkeypox and Polio. Existing geopolitical tensions in both Ukraine and Asia also continue to strain already stretched global supply lines.

These factors put added uncertainty on UConn Health's outlook for Fiscal Year 2023. In contrast to prior years where the focus was on reassuring patients and growing top line revenues, UConn Health must now navigate the challenges of increased demand in an environment of inflation and scarcity. Current budget projections show that most clinical volumes have grown to exceed their pre-COVID levels. As a result, the current Fiscal Year 2023 budget includes \$1,568.1 million of revenues. At the same time, the 2023 operating budget reflects significant expenditure growth with an expected total of \$1,567.5 million. The resulting expected operational bottom line is \$0.6 million. Additional spikes in COVID or other illnesses, to the extent they exceed operational capacity or deter patients from seeking care, would unfavorably impact projections as would significantly increases in supply costs. UConn Health has already implemented annual financial improvement plans and the current year target is \$5.0 million of financial/operational improvements through clinical volume initiatives, contract reviews, and targeted expenditure reductions. UConn Health continues to monitor local, national, and global trends for their operational impacts.

Fiscal Year 2023 Spending Plan. UConn Health is estimated to end Fiscal Year 2023 with a gain of \$0.6 million. Expected break-even results reflect a commitment by the State of Connecticut per Public Act 22-118 to allocate American Rescue Plan Act of 2021 ("ARPA") funds of \$72.7 million.

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Prior year results in the table below reflect GASB 68, 71 and 75 adjustments made for financial reporting purposes. These adjustments are non-cash in nature and are not included in the annual spending plan.

In addition to actual results of operations for Fiscal Years 2019-2022, the following schedule reflects the Fiscal Year 2023 Budget.

Statement of Current Funds Operations⁽¹⁾ (in millions)

	<u>FY19</u> <u>Actual</u>	<u>FY20</u> <u>Actual</u>	<u>FY21</u> <u>Actual</u>	<u>FY22</u> <u>Actual</u> (Unaudited)	<u>FY23</u> <u>Budget</u>
<u>Revenues:</u>					
State Support	\$250.9	\$296.5	\$330.8	\$386.7	\$418.9
Tuition & Fees	27.4	29.4	30.3	31.1	32.0
Research Grants and Contracts	88.2	85.9	93.2	122.7	111.2
Interns and Residents	69.4	69.2	72.0	74.7	77.2
Net Patient Care	534.5	513.6	628.9	744.8	752.2
Other Income	<u>91.1</u>	<u>119.5</u>	<u>101.9</u>	<u>185.6</u>	<u>186.6</u>
Total Revenues	\$1,061.5	\$1,114.1	\$1,257.1	\$1,545.5	\$1,578.1
<u>Expenses:</u>					
Personal Services	\$418.6	\$443.1	\$465.8	504.6	536.5
Fringe Benefits	256.0	396.0	509.2	330.1	359.3
Medical/Dental House Staff	55.9	58.0	59.9	61.6	63.2
Drugs/Medical Supplies	127.3	124.1	163.5	228.0	232.4
Outside & Other Purchased Services	95.6	98.4	100.8	113.1	23.4
Other Expenses	<u>186.3</u>	<u>170.0</u>	<u>168.3</u>	<u>307.6</u>	<u>362.7</u>
Total Expenses	\$1,139.7	\$1,289.6	\$1,467.5	\$1,544.9	\$1,577.5
Net Gain (Loss)	<u>(\$ 78.2)</u>	<u>(\$ 175.5)</u>	<u>(\$ 210.4)</u>	<u>\$ 0.1</u>	<u>\$ 0.6</u>

¹ Statement of Current Funds Operations results include certain non-operating expenses as well as year-end adjustments such as the GASB 68 and GASB 71 adjustments. These items are not presented in the UConn Health spending plan \$30.5 million, \$161 million, and \$252.7 million for Fiscal Years 2019, 2020, and 2021 respectively.

State Support of UConn Health – Appropriations

The State develops a biennial budget, which includes UConn Health’s appropriation requests. The appropriations are applicable to each specific year and the second year’s appropriation is subject to review and adjustment. In May 2022, the State’s budget for Fiscal Year 2023 was approved by Public Act 22-118. The approved appropriation for UConn Health was \$133.7 million for Fiscal Year 2023. In addition to the appropriation, the State allocated \$37.7 million for temporary operating support in FY23 and provided \$5.1 million in funding for the 27th payroll that will occur in FY23. It also distributes ARPA funds for COVID-19 revenue losses in the amount of \$72.7 million for FY23.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$93.2 million in Fiscal Year 2021, representing 10.3% 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, 2021, included in this Appendix A.

**Governmental Grants and Contracts
for Fiscal Years 2017 - 2021
(In Millions of Dollars)**

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$87.2
2018	80.1
2019	88.2
2020	85.9
2021	93.2

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, net of reserves, 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. On June 30, 2021, the Fund had actuarial reserves of approximately \$41.7 million and assets of approximately \$3.8 million. It was estimated that \$2.2 million could be used in Fiscal Year 2022 in settling cases. Current reserves include provision for the initial ruling in *Monroe Lynch, et al v. State of Connecticut*, which awarded the plaintiffs therein \$37.6 million in the original judgment. Based on UConn Health's post-trial motions, the award was reduced to \$34.6 million. UConn Health has accrued a liability based on the initial judgment as adjusted. UConn Health believes there are substantial grounds for appeal and has filed appeal documents subsequent to June 30, 2021.

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, 2021.

Long-term liability composition and activity for the Fiscal Years ended June 30, 2021, was as follows:

Long-Term Liability for Years Ended June 30, 2021

	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2021	Amounts Due Within One Year
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	
Long-Term Debt					
Capital Lease	\$ 4,289,524	\$0	(\$1,190,228)	\$ 3,099,296	\$ 911,488
Mortgage Agreements Primary Institution	185,663,570	-	(7,103,967)	178,559,603	7,478,498
Malpractice Reserve	9,355,000	37,289,005	(4,974,205)	41,669,800	2,218,000
Compensated Absences	<u>44,666,600</u>	<u>30,805,684</u>	<u>(25,581,461)</u>	<u>49,890,823</u>	<u>20,390,379</u>
Pension Liability	1,018,772,595	320,279,548	(144,471,911)	1,194,580,232	0
OPEB Liability	1,511,625,530	353,430,393	(78,790,734)	1,786,265,189	0
Total Long-Term Liabilities	\$2,774,372,819	\$741,804,630	(\$262,112,506)	\$3,254,064,943	\$30,998,365

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

<u>Fiscal Year Ending June 30th</u>	<u>Total Long Term Debt</u>
2022	\$15,985,039
2023	15,985,039
2024	15,985,040
2025	14,810,096
2026	13,970,852
Thereafter	<u>192,099,213</u>
Totals	\$268,835,279

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Schedule 1

**Audited Financial Statements of the University of Connecticut for Fiscal Year Ended
June 30, 2021**

Schedule 2

**Audited Financial Statements of the University of Connecticut Health Center for
Fiscal Year Ended June 30, 2021**