

# UConn HEALTH

September 30, 2020

TO: Members of the Board of Trustees

FROM: Andrew Agwunobi, MD, MBA  
CEO, Executive Vice President for Health Affairs



Jeffrey P Geoghegan, CPA  
Chief Financial Officer



RE: Deficiency Request for Fiscal Years 2020, 2021 and State Appropriation  
Request for the Biennium Fiscal Years 2022 and 2023 for UConn Health

## RECOMMENDATION:

That the Board of Trustees approve the following:

- State Deficiency Request for Fiscal Year 2020 and 2021 in the amount of \$76.9 million to cover the shortfall caused by the pandemic and the unfunded legacy costs.
- State Appropriation Request for the Biennium Fiscal Years 2022 and 2023: \$199.5 million for Fiscal Year 2022 and \$206.9 million for Fiscal Year 2023 for the University of Connecticut Health Center.

## RESOLUTION:

“Be it resolved that the Board of Trustees approve the Fiscal Year 2020 and 2021 State Deficiency Request of \$76.9 million and Fiscal Year 2022 and Fiscal Year 2023 State Appropriation Requests of \$199.5 million and \$206.9 million respectively.”

## BACKGROUND:

For fiscal years 2020 and 2021 UConn Health is facing a \$76.9 million deficit, after having already implemented a variety of mitigating items, such as management furloughs, UConn Health wide financial improvement plan and a reduction in capital spending. UConn Health will request this funding from the State.

Every two years, the Governor submits a biennial budget request to the Legislature. The process of preparing the Governor’s budget submission begins with state agencies submitting their biennial budget requests to the Office of Policy and Management (“OPM”). The biennial budget request for fiscal years 2022 and 2023 is due in fall 2020.

UConn Health has calculated our request as the amount of State appropriation needed to support our current level of services, plus unfunded legacy costs and annualization of collective bargaining increases of \$797,595 in FY22. In addition, our request includes \$5.1 million for the 27<sup>th</sup> payroll in FY23.

**UConn Health  
State Appropriation Request**

**FY 2021 Appropriation**

Operating Fund	\$	116,556,690
AHEC		375,832
Workers' Compensation Claims		2,917,484
Bioscience		16,000,000
<b>FY 2021 Total Approved Appropriation</b>	<b>\$</b>	<b>135,850,006</b>

Collective Bargaining (Annualization of AI in Jan 2021)	\$	797,595
Workers' Compensation Claims		87,525
Bioscience		-
<b>Total Appropriation Request</b>	<b>\$</b>	<b>136,735,126</b>

FY 2022 Unfunded Legacy Costs		62,762,683
<b>FY 2022 Total Request</b>	<b>\$</b>	<b>199,497,809</b>

Collective Bargaining	\$	-
Workers' Compensation Claims		90,150
Bioscience		-
27th payroll		5,143,466
<b>Total Appropriation Request</b>	<b>\$</b>	<b>141,968,742</b>

FY 2023 Unfunded Legacy Costs		64,959,377
<b>FY 2023 Total Request</b>	<b>\$</b>	<b>206,928,119</b>