




June 30, 2021

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Financial Officer

SUBJECT: Fiscal Year 2022 Capital Budget

RECOMMENDATION:

That the Board of Trustees approve a capital budget of \$303,560,000, as detailed in Attachment A, for Fiscal Year 2022 which is comprised of \$55,960,000 of University, Gift and State bond funds and \$247,600,000 of UCONN 2000 State bond funds. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the Fiscal Year 2022 capital budget of \$303,560,000 for the University of Connecticut, Storrs and Regional Campuses.”

BACKGROUND:

To manage all capital fund sources in a strategic and transparent manner, UConn is proposing an all funds capital budget for approval. Note that UConn Health includes capital project funds outside of the UCONN 2000 program in their annual Operating Budget Spending Plan proposal.

The proposed capital budget for FY22 of \$303,560,000 includes \$55,960,000 of University, Gift and State bond funds and \$247,600,000 of UCONN 2000 State bond funds. The two attached documents reflect the capital budget spending plan detail:

- Attachment A - the proposed FY22 capital budget spending plan
- Attachment B - the UCONN 2000 Phase III State Bond Phasing Plan by Statutory Named Line

The FY22 capital budget does not provide approval for specific projects, per our capital policies and procedures; all capital projects, no matter the fund source, costing \$500,000 or more are submitted for Board action on a project-by-project basis. Projects costing less than \$500,000 are approved by the internal capital governance committees.

Program & Planning Adjustments:

The University has benefitted tremendously from the UCONN 2000 Infrastructure Improvement Program established by the General Assembly in 1995. We are now in the third phase of this 32-year program, which is designed to modernize, rehabilitate, and dramatically expand the physical plant of the University. This phase, which extends through FY27, includes the NextGenCT and the Bioscience Connecticut initiatives. The Bioscience initiative at UConn Health, completed in 2018 and the NextGenCT program at Storrs and the Regional Campuses is moving along aggressively. We are about to begin year 8 of the 13-year NextGenCT program. Numerous projects are currently in construction with required funding to be allotted in FY22 through FY27. Most importantly, construction is currently underway on the STEM Research Center Science 1 building, which is a keystone in the effort to fulfill the mandates of NextGenCT and will provide critical new research facilities for the existing and new STEM faculty. We are appreciative of the State’s support of this capital initiative and the recognition that planned levels of capital funding remain intact to support these projects to avoid additional costs associated with delaying or shutting down projects in construction.

At the request of UConn Health, the Governor and the General Assembly adjusted the UCONN 2000 capital program authorizations for FY22 and FY23 by \$80.1M to cover critical deferred maintenance, equipment and limited renovations and improvements at the Health Center. It is imperative that UConn Health maintain and reinvest in the assets of the State to avoid additional costs over the long term.

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

	Bonding Schedule (\$M)	Prior Statute	Revised Statute
Phase I	FY96-FY99	\$382.0	\$382.0
Phase II	FY00-FY05	580.0	580.0
Phase III	FY05-FY21	2,841.6	2,841.6
	FY22	190.5	247.6
	FY23	125.1	148.1
	FY24	84.7	84.7
	FY25	56.0	56.0
	FY26	14.0	14.0
	FY27	9.0	9.0
	Total	\$4,282.9	\$4,363.0

While it is critical to have a long-term capital plan with a stable funding source, it is important to recognize that the plan is a live document which is continuously under review by senior management. This approach allows the University the flexibility to be responsive to changing project needs as well as external market factors/drivers.

Indenture Amendments:

The law specifically gives the Board of Trustees the authority to revise project budgets and related indentures. It would be virtually impossible to manage a thirty-two-year capital program without the authority to make such adjustments. These revisions are complex because 1) there are many projects, 2) UConn must operate within statutory annual bond caps, 3) tax-related expenditure requirements must be observed, and 4) the adjustments to numerous lines generally involve projects that span a number of years. While revisions may affect current projects, given the annual bond caps, they also have a rollout effect over the next decade. The Board of Trustees has the authority to amend past indentures to reflect changes as project budgets are finalized or other events affect the capital budget for a given prior fiscal year. Currently, the University is not proposing revisions to any Supplemental Indentures.

Other Funds: University, Gifts, State bonds

Since there are insufficient UCONN 2000 State bonds to fund all capital projects, UConn utilizes other fund sources for high priority capital and maintenance initiatives. These requests are reviewed and approved in the same way as State bond funded projects. In addition, the University may choose to utilize cash balances to temporarily fund capital projects in advance of the issuance of new UConn Revenue bonds, gifts or to bridge cash flow for State bond funded projects. The FY22 capital budget includes \$55,960,000 of funds for facilities repairs & improvements, programmatic renovations, faculty innovators program and the new hockey arena.

The faculty innovators program is an initiative recently approved by the Governor and General Assembly. The program costs are phased over six years and split between new State bonds and University funds. The University will focus on hiring 10 faculty with demonstrated excellence in their research field and an interest in collaborating on research that meets societal needs or commercializing discoveries, innovations, or technologies. The funding will also support related construction, renovation and equipment required to encourage and facilitate creation of new business ventures in the State that fuel economic growth and provide resources to expand the University's entrepreneurial ecosystem.

University of Connecticut					
FY22 Capital Budget Spending Plan					
Proposed Projects by Statutory Named Lines & by Program*					
UCONN 2000 Bond Funded Projects by Statutory Named Lines		Total	By Program		
			Academic/ Research	Deferred Maintenance	Other
STEM Research Center Science 1	73,000,000	\$ 73,000,000	73,000,000		
Academic and Research Facilities					
Infrastructure - NW Science Quad Electrical Upgrades	24,750,000		24,750,000		
Code Corrections - Stamford	14,000,000			14,000,000	
Academic Renovations - Engineering	1,000,000		1,000,000		
Academic Renovations - Research Labs & Classrooms	16,000,000		16,000,000		
Other Repairs, Replacements & Improvements	26,650,000			26,650,000	
Contingency	4,100,000				4,100,000
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities		86,500,000			
Academic & Research	5,250,000		5,250,000		
Information Technology	5,750,000			5,750,000	
Other	5,000,000			2,500,000	2,500,000
Equipment, Library Collections & Telecommunications		16,000,000			
Residential Life Facilities		15,000,000			15,000,000
UCH Campus Renovations	7,000,000				7,000,000
UCH Deferred Maintenance	27,100,000			27,100,000	
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities - Health Center		34,100,000			
UCH Clinical Equipment	3,000,000				3,000,000
UCH Information Technology	10,000,000			10,000,000	
UCH Revenue Growth Investment	10,000,000				10,000,000
Equipment, Library Collections & Telecommunications - Health Center		23,000,000			
Total UCONN 2000 Bond Funded Projects		\$ 247,600,000	\$120,000,000	\$ 86,000,000	\$ 41,600,000
Other Funded Projects (University, Gifts, State GO Bonds)					
Facilities Repairs & Improvements (including Residential Life)	17,000,000			17,000,000	
Programmatic Renovations	5,000,000		5,000,000		
Faculty Innovators	6,460,000		6,460,000		
Hockey Arena	25,000,000				25,000,000
Other/Contingency	2,500,000				2,500,000
Total Other Funded Projects		\$ 55,960,000	\$ 11,460,000	\$ 17,000,000	\$ 27,500,000
Grand Total FY22 Capital Budget		\$ 303,560,000	\$131,460,000	\$103,000,000	\$ 69,100,000

*Projects less than \$500,000 are approved by UConn administrative committee. Projects costing \$500,000 or more are submitted for Board action on a project by project basis.

UCONN 2000 Bonds				
State Bond Phasing Plan by Statutory Named Line for Informational Purposes Only - Revised 6/30/21				
Project	FY05-FY21	FY22	FY23-FY27	Total Phase III
Academic and Research Facilities	\$328,007,429	\$73,000,000	\$78,172,395	\$479,179,824
Arjona and Monteith (new classroom buildings)	128,219,871			128,219,871
Avery Point Campus Undergraduate & Library Building	10,461,246			10,461,246
Avery Point Renovation	8,327,448			8,327,448
Beach Hall Renovations	5,146,688			5,146,688
Benton State Art Museum Addition	2,903,509			2,903,509
Biobehavioral Complex Replacement	3,495,807			3,495,807
Bishop Renovation	2,480,141			2,480,141
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities	727,890,069	86,500,000	157,427,605	971,817,674
Engineering Building	92,579,390			92,579,390
Equipment, Library Collections & Telecommunications	169,091,656	16,000,000	49,400,000	234,491,656
Family Studies (DRM) Renovation	2,868,306			2,868,306
Farm Buildings Repairs/Replacement	6,408,304			6,408,304
Fine Arts Phase II	40,708,924			40,708,924
Floriculture Greenhouse	6,691,799			6,691,799
Gant Building Renovations	12,455,770			12,455,770
Gentry Renovation & Completion	9,628,209			9,628,209
Hartford Relocation Acquisition/Renovation	139,027,625			139,027,625
Heating Plant Upgrade	11,877,724			11,877,724
Intramural, Recreational & Intercollegiate Facilities	31,009,921			31,009,921
Jorgensen Renovation	3,899,129			3,899,129
Koons Hall Renovation/Addition	1,461,146			1,461,146
Lakeside Renovation	3,800,000			3,800,000
Law School Renovations/Improvements	16,660,677			16,660,677
Manchester Hall Renovation	772,577			772,577
Mansfield Training School Improvements	3,000,000			3,000,000
Natural History Museum Completion	500,000			500,000
North Hillside Road Completion	6,700,000			6,700,000
Old Central Warehouse Renovation	126,000			126,000
Parking Garage #3	75,214			75,214
Psychology Building Renovation/Addition	24,337,399			24,337,399
Residential Life Facilities	145,972,476	15,000,000	3,800,000	164,772,476
School of Pharmacy/Biology	6,000,000			6,000,000
Stamford Campus Improvements/Housing	1,500,870			1,500,870
Storrs Hall Addition	14,664,091			14,664,091
Student Union Addition	13,000,000			13,000,000
Support Facility (Architectural & Engineering Services)	16,583			16,583
Torrey Life Science Renovation & Completion	1,530,373			1,530,373
Torrington Campus Improvements	369,156			369,156
Waterbury Downtown Campus	1,608,764			1,608,764
West Hartford Campus Renovations/Improvements	6,774,305			6,774,305
Young Building Renovation/Addition	23,651,403			23,651,403
SUBTOTAL FOR STORRS & REGIONAL CAMPUS	\$2,015,700,000	\$190,500,000	\$288,800,000	\$2,495,000,000
CLAC Renovation Biosafety Level 3 Lab	15,901,466			15,901,466
Deferred Maintenance-UCH	51,165,520	34,100,000	15,000,000	100,265,520
Dental School Renovation	3,525,000			3,525,000
Equipment, Library Collections & Telecom-UCH	116,429,390	23,000,000	8,000,000	147,429,390
Library/Student Computer Center Renovation	1,266,460			1,266,460
Main Building Renovation	117,484,316			117,484,316
Medical School Academic Building Renovation	39,578,232			39,578,232
Planning & Design Costs	25,000,000			25,000,000
Research Tower	67,992,229			67,992,229
Support Building Addition/Renovation	100,000			100,000
UCH New Construction and Renovation	387,457,387			387,457,387
SUBTOTAL FOR HEALTH CENTER	\$825,900,000	57,100,000	23,000,000	\$906,000,000
GRAND TOTAL	\$2,841,600,000	\$247,600,000	\$311,800,000	\$3,401,000,000