


June 26, 2019

TO: Members of the Board of Trustees

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

RE: Fiscal Year 2020 Capital Budget for the University of Connecticut, Storrs and  
Regional Campuses

RECOMMENDATION:

That the Board of Trustees approve a capital budget of \$250,000,000, as detailed in Attachment A, for Fiscal Year 2020 which is comprised of \$52,800,000 of University funds and \$197,200,000 of 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 2020 capital budget of \$250,000,000 for the University of Connecticut, Storrs and Regional Campuses.”

BACKGROUND:

In order to manage all capital fund sources in a strategic and transparent manner, UConn is proposing an all funds capital budget for approval. Note that UConn Health includes funds for capital projects in their annual Operating Budget Spending Plan proposal.

The proposed capital budget for FY20 of \$250,000,000 includes \$52,800,000 of University funds and \$197,200,000 of UCONN 2000 State bond funds. The two attached documents reflect the capital budget spending plan detail:

- Attachment A – the proposed FY20 capital budget spending plan
- Attachment B – the UCONN 2000 Phase III State Bond Phasing Plan by Statutory Named Line

The FY20 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.

**Program & Planning Adjustments:**

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. Over the past year, the capital budget plan has been adjusted due to the following:

- Changes to phasing (deferral) of State bond funds
- Revised cash flows or timing changes
- Scope changes and (un)favorable bids
- New projects
- Defunding of projects/project closeouts

The third phase of the UCONN 2000 capital program, which spans FY05 through FY27, includes the Bioscience Connecticut and Next Generation Connecticut (NextGenCT) initiatives. While the capital funding phase of the Bioscience CT initiative is complete, the NextGenCT program is well underway into its sixth year.

In early 2019, the Governor and the General Assembly once again proposed additional deferrals to the NextGenCT State bonding schedule. While this proposal is not ideal and will impact the pace of some of our STEM facilities, the University has adjusted our plan to accommodate the changes. On the positive side, the deferral smooths funding levels over the life of the program, which will be helpful in managing the out-years of NextGenCT. To avoid additional costs associated with further delaying or shutting down projects in construction, it is critical that future levels of capital funding remain intact to support planned projects phased over multiple years.

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

Bonds (\$M)	Current Statute	Previous Deferrals	Proposed Statute	Proposed Changes
FY96-FY99	\$382.0		\$382.0	
FY00-FY05	580.0		580.0	
FY05-FY19	2,384.4	(146.5)	2,384.4	
<b>FY20</b>	<b>291.6</b>	<b>22.6</b>	<b>197.2</b>	<b>(94.4)</b>
FY21	186.2	(5.3)	260.0	73.8
FY22	101.4	(42.6)	190.5	89.1
FY23	98.0	(14.0)	125.1	27.1
FY24	85.0	11.5	84.7	(0.3)
FY25	70.1	70.1	56.0	(14.1)
FY26	63.6	63.6	14.0	(49.6)
FY27	40.6	40.6	9.0	(31.6)
<b>Total</b>	<b>\$4,282.9</b>	<b>\$0.0</b>	<b>\$4,282.9</b>	<b>\$0.0</b>

**Indenture Amendments:**

The law specifically gives the Board of Trustees the authority to make revisions to project budgets and related indentures. It would be virtually impossible to manage a thirty-two-year capital program without the authority to make such adjustments. These revisions are complex because 1)

there are many projects, 2) UConn must operate within statutory annual bond caps, 3) tax-related expenditure requirements must be observed, and 4) the adjustments to numerous lines generally involve projects that span a number of years. While revisions may affect current projects, given the annual bond caps, they also have a rollout effect over the next decade. The Board of Trustees has the authority to amend past indentures in order to reflect changes as project budgets are finalized or other events affect the capital budget for a given prior fiscal year. At this time, the University is separately proposing revisions to multiple Supplemental Indentures.

**University Funds & UConn Revenue Bonds:**

Since there are insufficient State bonds to fund all capital projects, UConn utilizes other fund sources for high priority capital and maintenance initiatives. These requests are reviewed and approved in the same way as State bond funded projects. In addition, the University may choose to utilize cash balances to temporarily fund capital projects in advance of the issuance of new UConn Revenue bonds or to bridge cash flow for State bond funded projects.

**University of Connecticut**  
**FY20 Capital Budget Spending Plan**  
**Proposed Projects by Statutory Named Lines & by Program\***

UCONN 2000 Bond Funded Projects by Statutory Named Lines		Total	By Program			
			Science Program	Academic Priorities	Deferred Maintenance	Other
Gant Building STEM Renovations	40,000,000	<b>\$ 80,000,000</b>	40,000,000			
STEM Research Center Science 1	35,400,000		35,400,000			
Other/Contingency	4,600,000					4,600,000
<b>Academic and Research Facilities</b>						
Infrastructure						
Boiler Plant Equipment Replacement & Utility Tunnel	14,744,000		14,744,000			
Central Utility Plant Equipment & Pumping Improvements	6,000,000		6,000,000			
Central Utility Plant Emergency Power	3,635,000		3,635,000			
Northwest Science Quad Phase 2 Tunnel	20,825,000		20,825,000			
Northwest Science Quad Supplemental Utility Plant	25,200,000		25,200,000			
ESCO (Reimbursement)	8,961,379			8,961,379		
Southwest Campus (Athletic Stadia)	8,085,000			8,085,000		
Code Corrections	1,700,000			1,700,000		
Pedestrian Safety Improvements-South Commons & Gateways	1,100,000			1,100,000		
Classroom & Lab Renovations	3,000,000		1,400,000	1,600,000		
Other/Contingency	6,019,121			342,673	842,673	4,833,776
<b>Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements &amp; Renovation Lump Sum</b>		<b>99,269,500</b>				
<b>Equipment, Library Collections &amp; Telecommunications</b>		<b>8,500,000</b>	4,000,000	4,500,000		
<b>Fine Arts Renovations &amp; Improvements</b>		<b>5,930,500</b>		5,930,500		
<b>Residential Life Facilities</b>		<b>3,500,000</b>			3,500,000	
<b>Total UCONN 2000 Bond Funded Projects</b>		<b>\$ 197,200,000</b>	<b>\$ 151,204,000</b>	<b>\$ 12,373,173</b>	<b>\$ 24,189,051</b>	<b>\$ 9,433,776</b>
<b>University Funded Projects</b>						
Facilities Repairs & Improvements (including Residential Life)	8,000,000			8,000,000		
Programmatic Renovations	12,000,000			12,000,000		
Athletic Stadia	3,800,000					3,800,000
Hockey Arena	23,500,000					23,500,000
Other/Contingency	5,500,000					5,500,000
<b>Total University Funded Projects</b>		<b>\$ 52,800,000</b>	<b>\$ -</b>	<b>\$ 12,000,000</b>	<b>\$ 8,000,000</b>	<b>\$ 32,800,000</b>
<b>Grand Total FY20 Capital Budget</b>		<b>\$ 250,000,000</b>	<b>\$ 151,204,000</b>	<b>\$ 24,373,173</b>	<b>\$ 32,189,051</b>	<b>\$ 42,233,776</b>

\*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 6/26/19						
Project	FY05-FY19	FY20	FY21-FY27	Total Phase III	Change from 6/27/18	Notes
Academic and Research Facilities	\$122,407,429	\$80,000,000	\$328,000,000	\$530,407,429	(\$1,525,621)	reallocation
Arjona and Monteith (new classroom buildings)	128,219,871			128,219,871	(299,076)	project closeout
Avery Point Campus Undergraduate & Library Building	10,461,246			10,461,246		
Avery Point Renovation	8,327,448			8,327,448	(102,129)	project closeout
Beach Hall Renovations	5,146,688			5,146,688	(4,284)	project closeout
Benton State Art Museum Addition	2,903,509			2,903,509		
Biobehavioral Complex Replacement	3,495,807			3,495,807	(93,334)	project closeout
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	508,879,416	99,269,500	324,782,955	932,931,871	29,665,357	reallocation
Engineering Building	93,412,822			93,412,822		
Equipment, Library Collections & Telecommunications	147,591,656	8,500,000	69,284,190	225,375,846	(8,918,000)	reallocation
Family Studies (DRM) Renovation	2,868,306			2,868,306		
Farm Buildings Repairs/Replacement	6,408,304			6,408,304		
Fine Arts Phase II	34,778,424	5,930,500		40,708,924	3,452,127	reallocation
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	140,000,000			140,000,000		
Heating Plant Upgrade	11,877,724			11,877,724	(20,406,173)	reallocation
Intramural, Recreational & Intercollegiate Facilities	31,009,921			31,009,921		
Jorgensen Renovation	3,934,475			3,934,475		
Koons Hall Renovation/Addition	1,461,146			1,461,146	(68,911)	project closeout
Lakeside Renovation	3,800,000			3,800,000		
Law School Renovations/Improvements	16,660,677			16,660,677	(30,666)	project closeout
Manchester Hall Renovation	772,577			772,577		
Mansfield Training School Improvements	3,000,000		2,666,500	5,666,500	(549,538)	reallocation
Natural History Museum Completion	500,000			500,000		
North Hillside Road Completion	8,200,000			8,200,000		
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	137,472,476	3,500,000	14,566,355	155,538,831	(698,180)	reallocation
School of Pharmacy/Biology	6,000,000			6,000,000		
Stamford Campus Improvements/Housing	1,500,870			1,500,870	(32,833)	project closeout
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	(249,258)	project closeout
West Hartford Campus Renovations/Improvements	6,774,305			6,774,305		
Young Building Renovation/Addition	23,651,403			23,651,403	(139,481)	project closeout
<b>SUBTOTAL FOR STORRS &amp; REGIONAL CAMPUS</b>	<b>\$1,558,500,000</b>	<b>\$197,200,000</b>	<b>\$739,300,000</b>	<b>\$2,495,000,000</b>		
CLAC Renovation Biosafety Level 3 Lab	15,901,466			15,901,466		
Deferred Maintenance-UCH	50,951,264			50,951,264		
Dental School Renovation	3,525,000			3,525,000		
Equipment, Library Collections & Telecom-UCH	116,429,390			116,429,390		
Library/Student Computer Center Renovation	1,266,460			1,266,460		
Main Building Renovation	117,484,316			117,484,316	(50,386)	project closeout
Medical School Academic Building Renovation	39,792,488			39,792,488		
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	50,386	reallocation
<b>SUBTOTAL FOR HEALTH CENTER</b>	<b>\$825,900,000</b>	<b>-</b>	<b>-</b>	<b>\$825,900,000</b>		
<b>GRAND TOTAL</b>	<b>\$2,384,400,000</b>	<b>\$197,200,000</b>	<b>\$739,300,000</b>	<b>\$3,320,900,000</b>		