

UConn HEALTH

September 25, 2024

TO: Members of the Board of Trustees



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

Jeffrey P. Geoghegan, CPA
Executive Vice President for Finance and Chief Financial Officer



RE: Biennium State Appropriation Request for Fiscal Years 2026 and 2027 for the University of Connecticut Health Center

RECOMMENDATION:

That the University Board of Trustees approve the Biennium State Appropriation Request for UConn Health for Fiscal Years 2026 and 2027 as follows: \$187.9 million for Fiscal Year 2026 and \$174.1 million for Fiscal Year 2027.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the State Appropriation Request for UConn Health for Fiscal Year 2026 of \$187.9 million and for Fiscal Year 2027 of \$174.1 million.”

BACKGROUND:

UConn Health’s FY 2026 Biennium State Appropriation request is \$187.9 million. This represents a net decrease of approximately \$10.2 million over UConn Health’s FY 2025 state appropriations. The FY 2026 request includes an additional \$768,033 to cover the annualization of FY 2025 collective bargaining increases for salaries covered by the state block grant and a \$5.1 million increase to correct or reconcile the adjustments made last year when the state modified how the costs of fringe benefits are paid. The FY 2026 request also includes a decrease/elimination of the one-time funds provided to UConn Health in FY 2025 amounting to \$80.2 million. UConn Health will be asking for additional funds of \$178,385 to cover the cost of the Poison Control positions funded by the Cannabis funds, \$4.5 million for the JDH Fringe Differential and \$59.4 million of permanent funds to cover the collective bargaining increases for non-block grant employees which occurred in previous years. As there are no approved collective bargaining increases for FY 2026, UConn Health is not requesting increased funds for

collective bargaining increases at this time. UConn Health will request any FY26 increases needed resulting from collective bargaining negotiations if and when such increases are approved.

The FY 2027 State Appropriation request is \$174.1 million. This represents a net decrease of approximately \$24.0 million over FY 2025 state appropriations. If FY2026 requested funds are not provided permanently, or removed, UConn Health will be asking for \$45.6 million to cover the collective bargaining increases for non-block grant employees which occurred in previous years. UConn Health will also be asking for \$178,385 to cover the cost of the Poison Control positions funded by the Cannabis funds and \$4.5 million for the JDH Fringe Differential. As there are no approved collective bargaining increases for FY 2027, UConn is not requesting increased funds for collective bargaining increases at this time but will do so after bargaining increases are approved.

UConn Health				
Schedule of State Support				
State Appropriation Biennium Request FY2026 and FY2027				
	Block Grant - Baseline	Additional Support	Total State Support	Capital
FY 2025 State Support				
Operating Expenses	\$112,725,246		\$112,725,246	
AHEC	429,735		429,735	
Endometriosis	735,000		735,000	
RSA - Block grant CBI	4,084,569		4,084,569	
Poison Control Positions - Cannabis funds		178,385	178,385	
CBI Non-block grant/operations temporary support		75,500,000	75,500,000	
JDH Fringe Differential		4,500,000	4,500,000	
FY 2025 Total State Support	\$117,974,550	\$80,178,385	\$198,152,935	
FY25 CBI Block Grant RSA - Annualization	\$768,033		\$768,033	
Fringe Benefit Methodology Change Adjustment	5,098,425		5,098,425	
FY25 One time support goes away		(80,178,385)	(80,178,385)	
Poison Control Positions - Cannabis funds		178,385	178,385	
JDH Fringe Differential		4,500,000	4,500,000	
FY26 Request - Prior year non-block CBI		59,417,416	59,417,416	
FY 2026 Total Requested State Support	\$123,841,008	\$64,095,801	\$187,936,809	\$13,000,000
If FY26 support is removed		(\$64,095,801)	(\$64,095,801)	
Poison Control Positions - Cannabis funds		178,385	178,385	
JDH Fringe Differential		4,500,000	4,500,000	
FY27 Request - Prior year non-block CBI		45,606,188	45,606,188	
FY 2027 Total Requested State Support	\$123,841,008	\$50,284,573	\$174,125,581	\$33,000,000