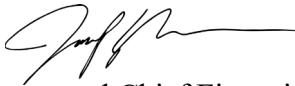


June 26, 2024

TO: Members of the Board of Trustees

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

RE: Fiscal Year 2025 Capital Budget for the University of Connecticut, Storrs and
Regional Campuses

RECOMMENDATION:

That the Board of Trustees approve a capital budget of \$160,000,000, as detailed in Attachment A, for Fiscal Year 2025 which is comprised of \$122,00,000 of UCONN 2000 State GO bond funds, \$20,000,000 of State GO bond funds, and \$18,000,000 of University 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 2025 capital budget of \$160,000,000 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.

The proposed capital budget for FY25 of \$160,000,000 includes \$122,000,000 of UCONN 2000 State GO bond funds, \$20,000,000 of State GO bond funds, and \$18,000,000 of university funds. The two attached documents reflect the capital budget spending plan detail:

- Attachment A - the proposed FY25 capital budget spending plan
- Attachment B - the UCONN 2000 Phase III State Bond Phasing Plan by Statutory Named Line

The FY25 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 committee.

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 36-year program, which is designed to modernize, rehabilitate, and dramatically expand the physical plant of the University. This phase 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.

Over the past year, the capital budget plan was adjusted to incorporate the extension of the UCONN 2000 program and additional funding. The current State bond package added \$625M to Phase III of UCONN 2000 and extended the program until FY31. The funding will be used to update STEM infrastructure to meet workforce needs, help address deferred maintenance needs, renovate portions of Gampel Pavilion for our national championship basketball programs, and upgrade the Field House and other athletic facilities to address Title IX inequities as follows:

UCONN 2000 Capital Extension (\$M)	
Life Sciences Building (aka Science 2)	\$269.5
Torrey Demo	25.0
Gant-Code Repairs & Renovations	100.0
Deferred Maintenance	50.0
Return Hydrogen Hub Funds	12.0
Gampel Renovations	100.0
Field House Renovation (Title IX + DM)	60.0
Coventry Boathouse (Title IX)	0.8
Freitas Renovation (Title IX)	7.0
Tennis Facility (Title IX)	0.7
Total UCONN 2000 Capital Extension	\$625.0

In exchange for this funding, UConn pledged to raise \$100 million by FY32 to support the construction, renovation and operating expenses associated with the new projects being funded. Of the \$100M UConn commits to raise, at least \$60M will be for construction expenses with the remaining directed for operational expenses. \$10M of the \$100M will be in the form of endowed gifts. UConn is required to report every year to the General Assembly on progress toward the \$100M and commits to raising gifts according to a statutory schedule. In any year that UConn does not meet the statutory targets, its Board of Trustees will be statutorily required to lower its request to the Governor for that year’s bond issuance proportionally.

Cumulative Statutory Milestone Fundraising Targets (\$M)							
FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
\$20.0	\$31.5	\$43.0	\$54.5	\$66.0	\$77.5	\$89.0	\$100.0

The table below reflects the new UCONN 2000 State GO bond authorizations by fiscal year (in millions):

UCONN 2000 Bonding Schedule (\$M)		Statute
Phase I	FY96-FY99	\$382.0
Phase II	FY00-FY05	580.0
Phase III	FY05-FY24	3,266.9
	FY25	122.0
	FY26	124.0
	FY27	116.0
	FY28	103.5
	FY29	101.5
	FY30	100.0
	FY31	25.0
	Total	\$4,920.9

FY25 is year 11 of the 17-year NextGenCT program. Numerous projects are currently in construction with \$692,000,000 of required funding to be allotted in FY25 through FY31. In FY25, NextGenCT bond funds will be set-aside for Gant code repairs and renovations, maintenance to a Coventry Boathouse, Freitas Volleyball Center, and Gampel Pavilion as well as housing repairs and improvements, infrastructure and building repairs, Northwest Quad electrical infrastructure upgrades, Field House renovations, IPB office and lab renovations for C2E2, tennis facility improvements, and equipment repairs and upgrades.

We are appreciative of the State’s support of the NextGenCT 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. Also, 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 impossible to manage a thirty-six-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 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. While indenture changes are not required this year to adjust funding amounts, we are proposing revisions to the 32nd General Obligation Supplemental Indenture as well as the 7th Special Obligation Supplemental Indenture to correct technical items (confirming proceeds of refunding bonds may be deposited directly to an escrow fund, modifying

provisions consistent with the UCONN 2000 Act) and general language updates (job titles, statutory references).

State General Obligation Bonds

From time to time, in addition to the UCONN 2000 program, the State will authorize General Obligation bonds for special initiatives. For FY25 the Governor and General Assembly authorized the following:

- Enhancements to Gampel Pavilion, not exceeding \$10,000,000
- Equipment, library collections and telecommunications, not exceeding \$10,000,000

The total FY25 State General Obligation bond amount is \$20,000,000. This authorization is pending allotment by the State Bond Commission.

University/Gift Funds:

UConn utilizes other fund sources for high priority capital and maintenance initiatives. These requests are reviewed and approved in the same way as 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 Special Obligation bonds or to bridge cash flow for Gift funded projects. The FY25 capital budget includes \$18,000,000 of University funds for facilities repairs & improvements and academic programmatic renovations.

University of Connecticut
FY25 Capital Budget Spending Plan
Proposed Projects by Statutory Named Lines & by Program*

UCONN 2000 Bond Funded Projects by Statutory Named Lines	Total	By Program	
		Deferred Maint.	Other Improvements
Academic and Research Facilities	\$15.0		
Gant-Code Repairs & Renovations	15.0	15.0	
Deferred Maintenance	102.0		
Coventry Boathouse	0.6		0.6
Freitas Renovations	2.0		2.0
Gampel Renovations	19.0		19.0
Housing Repairs & Improvements	8.0	8.0	
Infrastructure & Building Repairs	3.5	3.5	
NW Quad: Electrical Infrastructure Upgrades	18.0	18.0	
Field House Renovation	28.2	28.2	
IPB Office & Lab Renovation for C2E2	13.6	5.0	8.6
Tennis Facility Improvements	0.7		0.7
Contingency	8.4	8.4	
Equipment	5.0		
Information Technology	5.0	5.0	
Total UCONN 2000 Bond Funded Projects	\$122.0	\$91.1	\$30.9
Other Funded Projects (University, Gifts, SO/GO Bonds)			
Equipment (State GO Bonds)	10.0	5.0	5.0
Gampel Enhancements (State GO Bonds)	10.0	10.0	
Facilities Repairs & Improvements (University)	11.5	11.5	
Programmatic Renovations (University)	6.5	3.3	3.3
Total Other Funded Projects	\$38.0	\$29.8	\$8.3
Grand Total FY25 Capital Budget	\$160.0	\$120.9	\$39.1

*Projects less than \$500,000 are approved by UConn administrative committee. Projects costing \$500,000 or more are

UCONN 2000 Bonds				
State Bond Phasing Plan by Statutory Named Line for Informational Purposes Only - Revised 6/26/24				
Project	FY05-FY24	FY25	FY26-FY31	Total Phase III
Academic and Research Facilities	\$420,704,438	\$15,000,000	\$338,500,000	\$774,204,438
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	893,993,263	102,000,000	211,950,000	1,207,943,263
Engineering Building	92,579,390			92,579,390
Equipment, Library Collections & Telecommunications	209,941,656	5,000,000	19,550,000	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	38,792,721			38,792,721
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	248,538,476			248,538,476
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	\$2,416,000,000	\$122,000,000	\$570,000,000	\$3,108,000,000
CLAC Renovation Biosafety Level 3 Lab	15,901,466			15,901,466
Deferred Maintenance-UCH	76,959,697			76,959,697
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
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	386,663,210			386,663,210
SUBTOTAL FOR HEALTH CENTER	\$850,900,000	-	-	\$850,900,000
GRAND TOTAL	\$3,266,900,000	\$122,000,000	\$570,000,000	\$3,958,900,000