

UConn

UNIVERSITY OF CONNECTICUT

Budget Update

Board of Trustees

9/29/21



UConn Storrs & Regionals

COVID Financial Impacts

UConn has received \$176M in COVID relief funding to date: \$90.5M to help offset losses, \$50.4M in student aid and \$35.4M in expense reimbursements.

\$ Millions	Actuals			Projection
	Federal Funds General Support	FY20	FY21	FY22
Net Gain/(Loss)		(10.7)	(36.6)	(47.2)
Use of Federal Funds		10.7	36.6	43.2
Net Gain/(Loss) after Federal Funds		\$ -	\$ -	\$ (4.0)
Remaining Federal Funds (at YE)	\$ 90.5	\$ 79.8	\$ 43.2	\$ -

Federal Funds General Institutional Support	
Federal Relief Package 1	\$ 10.7
Federal Relief Package 2	21.4
Federal Relief Package 3	28.4
Federal Discretionary Fund (allocated by State)	30.0
Total Federal Funds (Available for Deficit Relief)	\$ 90.5

Federal Funds Direct Expense Reimbursement	
Allocated by State - Included in FY21 net loss	\$ 35.4

Federal Funds Student Aid	
Direct passthrough to Students	\$ 50.4

Total Federal Funds \$90.5+\$35.4+\$50.4 = \$176.3

FY21 and FY22 Update

FY21: We applied \$36.6M of federal funds to balance the FY21 budget.

FY21 Final	
State Unfunded Legacy Costs	(\$41.8)
Housing/dining revenue loss	(\$110.1)
Other revenue loss	(\$33.8)
Net expense savings	\$78.0
Original Deficit	(\$107.8)
Mitigation	
Furlough - management	\$1.7
Federal Funds - State funds (CRF, Refunds, GEER)	\$35.4
Federal Funds - direct relief funding*	\$36.6
Financial Improvement Plan (FIP)**	\$34.1
	\$107.8
FY21 Ending Balance*	\$0.0

*Due to the timing of the federal drawdowns, and some language tying the timing to the student aid drawdowns, the actual FY21 financials will temporarily draw \$15.3M from existing fund balance, until the next federal drawdown occurs in FY22.

**FIP included permanent and one-time cuts to depts, attrition, operational reductions, and capital expense reallocation.

FY22: We anticipate applying \$43.2M of federal funds to cover FY22. So far through August, we are on track to end FY22 balanced.

FY23 Mid Term Submission

UConn plans to submit a request for \$46.8M in FY23 mid-term policy options (due Oct 4). These funds would cover the 27th payroll and legacy fringe costs. This would close the projected deficit for FY23.

Title	Purpose	Amount (\$M)
27th Pay Period Funds	Requesting \$8.1M to cover the 27th Pay period in that fiscal year. The associated fringe is approximately \$7.4M	\$ 8.1
Legacy Cost Support	The FY2023 approved budget included \$6.1M dollars of additional state support. The total estimated legacy costs for FY2023 is \$44.8M. This request is for the remaining \$38.7M.	\$ 38.7
Total		\$ 46.8



UConn Health

Additional State Support

UConn Health Request	FY20	FY21	FY22
Deficiency	(18.9)	(49.9)	(60.9)
General Assembly Approved			
FY2021 Deficiency		50.0	
Legacy Cost/Operating Support			6.9
Federal COVID relief funds from ARPA State allocation - Revenue Impact			35.0
Federal COVID relief funds from ARPA State allocation - UCH			38.0
ARPA funds to cover FY20	18.9		(18.9)
Total Remaining Request	-	0.1	0.1

Fiscal Year 2021 Year - End

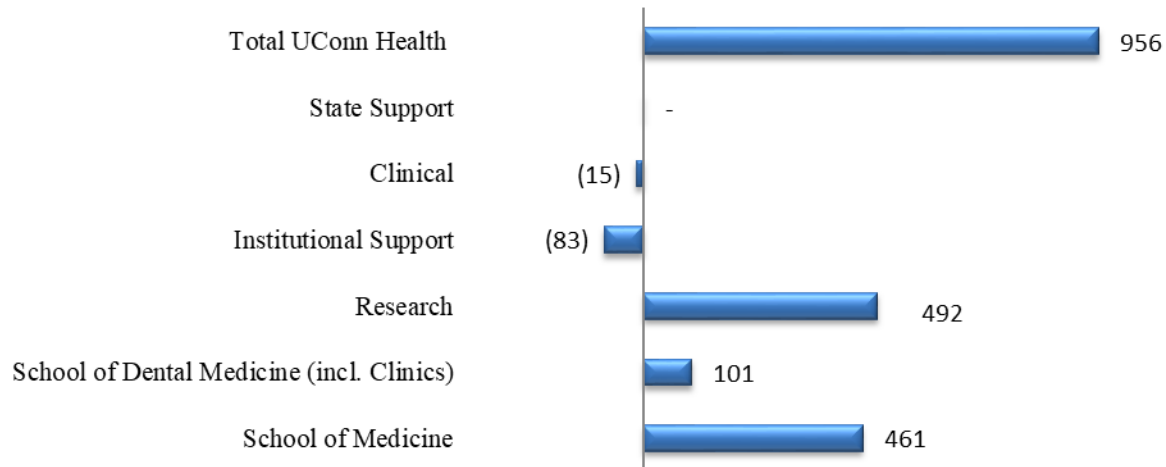
	FY 2021 Final
State Unfunded Legacy Costs	(53,800,000)
Net Loss due to COVID	(61,136,995)
Original Budget Deficit	(114,936,995)
- Mitigation Achieved	
Furlough - management	1,166,667
Federal Funds	10,000,000
Additional State Funding	50,000,000
Financial Improvement Plan (FIP)	53,875,395
	115,042,062
FY 2021 Ending Balance	105,067

Key Financial Results

For the period ending July 31, 2021

<u>Category</u>	<u>Year - to - Date</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total UCH Excess/(Deficiency)	\$5,754	\$4,798	\$956

Budget Variance by Program - Year To Date
(in 000's)



FY23 Mid Term Submission

Technical adjustment submitted to OPM on September 1, 2021:

Title	Option Type	Purpose	Amount
Poison Control Support	Technical	Request funding to address recreational use of Cannabis by adults. Funding would be for two positions to support anticipated call volume increase and additional reporting requirements at the Connecticut Poison Control Center - total request is \$163,448.	\$ 0.2

Policy Options to be submitted to OPM by October 4, 2021:

Title	Option Type	Purpose	Amount
27th Pay Period Funds	Policy	In FY2023, there are 27 pay periods. The approved budget only includes 26 for higher ed units. UCH is requesting a parity adjustment and be treated like all other state agencies with the state covering the 27th payroll. For UCH that amounts to-\$5.1M to cover the 27th Pay period in that fiscal year. The associated fringe is approximately \$4.7M	\$ 5.1
Legacy Cost Support	Policy	Request remaining portion of the State's legacy cost for FY2023 (includes unfunded pension liabilities for all state employees and retiree health cost for state wide non current employees). The FY2023 approved budget included \$30.2M dollars of additional state support. The total estimated legacy costs for FY2023 is \$60.7M. This request is for the remaining \$30.5M.	\$ 30.5
Malpractice Trust Fund Replenishment	Policy	In FY2010 and FY2011, UCH's Malpractice Trust fund (funded with clinical revenues) was swept each year by the state to assist in its efforts to balance the state's budget by \$10M, totaling \$20M. UCH has recently been notified of a possible \$37M Malpractice settlement. - In light of this recent case, UCH is requesting the Malpractice Trust fund be replenished with the \$20M swept in the past years.	\$ 20.0
		Total	\$ 55.6

Capital Funding request to be submitted to OPM by October 4, 2021:

Title	Option Type	Purpose	Amount
Capital Funding	Capital	UCH's Capital budget Request was for \$57.1M in FY2022 and \$23.0M in FY2023. The approved budget included \$25.0M in FY2022 and \$0 in FY2023 a difference of \$55.1M. UCH is requesting this capital funding again to address critical deferred maintenance, IT and equipment needs in the amount of \$55.1M.	\$ 55.1