

SUMMARY
OF
AN ACT CONCERNING THE ESTABLISHMENT OF THE UNIVERSITY OF
CONNECTICUT HEALTH NETWORK AND CONNECTICUT BIOSCIENCE
INITIATIVE

[Working Draft]

Section

1
[Legislative
Findings]

Section 1 sets forth the public purposes of the Act, including findings that there is a need to advance health care, education and economic development in the state by funding initiatives that will encourage collaboration, innovation, job creation and new investment by hospitals and other key stakeholders in Connecticut's health and bioscience industries. These initiatives include the construction of a new bed tower at John Dempsey Hospital ("JDH"), the renovation of other academic, clinical and research space at the University of Connecticut Health Center ("UCHC"); Connecticut Children's Medical Center ("CCMC") assuming control and expanding its licensed bed capacity to include the neonatal intensive care unit ("NICU") located at JDH; and providing funding to support the development of a comprehensive cancer center; a state-of-the-art simulation and conference center to be located on the Hartford Hospital campus; a primary care institute located on the campus of St. Francis Hospital and Medical Center; a University of Connecticut-sponsored health disparities institute; and an institute for clinical and translational science.

2
[Definitions]

Section 2 sets forth key defined terms, including but not limited to:

"University of Connecticut Health Center new construction and renovation" means the planning, design, financing, construction, equipping, etc. of clinical, academic and research space within JDH and UCHC, including a new 170-180 bed tower for JDH that will increase its licensed bed capacity from 224 to a number not to exceed 234.

"NICU transfer" means the transfer of 40 NICU beds at JDH to the licensure and control of CCMC without any decrease in JDH's licensed bed capacity and with an increase in CCMC's total licensed bed capacity not to exceed ____.

Section

“Secretary” means the Secretary of the Office of Policy and Management.

“UConn health network initiatives” means the initiatives to develop a simulation and conference center on the Hartford Hospital campus, a primary care institute on the campus of St. Francis Hospital and Medical Center, an institute for clinical and translational science on the UCHC campus, a comprehensive cancer center, and the University of Connecticut-sponsored health disparities institute.

3 [Infrastructure Improvement Program]

Section 3 replaces section 10a-109e(a) of the general statutes and sets forth the particular projects which are approved as projects under UConn 2000 as well as the estimated cost of each. It adds the University of Connecticut Health Center new construction and renovation (estimated cost of \$307,000,000), and the planning and design costs therefor (estimated cost of \$25,000,000), to the list of approved projects, reduces the main building renovation at UCHC by \$25,000,000 and notes that section 4 of the Act specifies sources of funding other than UConn 2000 for the University of Connecticut Health Center new construction and renovation project.

4 [Federal Funding]

Section 4 states that with respect to the University of Connecticut Health Center new construction and renovation project, there shall be federal, private or other funds available in an amount not less than \$100,000,000 on or before June 30, 2018 and that, upon such receipt, there will be contributed the proceeds of state general obligation bonds and temporary notes issued in anticipation of the receipt of the proceeds of the bonds. The federal, state, private or other funds made available for costs in connection with the University of Connecticut Health Center new construction and renovation project will be deposited in accounts of the university as the Secretary of OPM or State Treasurer, in consultation with the university, deem appropriate.

Section

5
[Terms of
Financing
Transactions]

Section 5 replaces section 10a-109g(a)(1) of the general statutes and states that the University is authorized to provide by resolution, at one time or from time to time, for the issuance and sale of securities. This section also provides that the amount of securities the special debt service requirements which are secured by the state debt service commitment that the board of trustees is authorized to provide for the issuance and sale in accordance with this section shall be capped in each fiscal year and includes a table setting forth the amount of such caps in each year. If the board of trustees does not provide for the issuance of the maximum amount in a given year, the balance may be carried forward to any succeeding year.

6
[Issuance of
Bonds]

Section 6 provides that the State Bond Commission has the power to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding a total of \$227,000,000.

7
[Use of
Proceeds]

Section 7 provides that the proceeds of the sale of the bonds described in section 6 and in this section will be used for the purpose of undertaking, constructing, reconstructing, improving or equipping or purchasing land or buildings under UConn 2000 for the University of Connecticut Health Center new construction and renovation project (including payment of architectural, engineering, demolition or related costs) and for the purpose of state grants with respect to the UConn health network initiatives.

8
[State General
Obligation Bond
Procedure Act]

Section 8 states that all provisions of section 3-20 of the general statutes (the State General Obligation Bond Procedure Act) or the exercise of rights granted thereby are adopted and will apply to the bonds authorized by the State Bond Commission pursuant to this Act and that the temporary notes issued in anticipation of the money to be derived from the sale of such bonds may be issued in accordance with section 3-20 and from time to time renewed.

9
[Condition on
Bond
Authorization]

Section 9 provides that none of the bonds described in the Act will be authorized unless there is a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by the Secretary or by or on behalf of the University and stating that \$100,000,000 of federal, private or other monies is available with respect to the University of Connecticut Health Center new construction and renovation project and such other terms and conditions as said commission may require.

Section

10
[Excess
Proceeds]

Section 10 makes clear that any balance of proceeds from the sale of the bonds authorized for any UConn 2000 project described in section 7 the Act in excess of the cost of such project may be used to complete any other UConn 2000 project relating to UCHC if the State Bond Commission so determines.

11
[General
Obligation
Bonds]

Section 11 provides that the bonds issued pursuant to sections 6 and 7 of the Act shall be general obligation bonds of the state and that the full faith and credit of the state are pledged for the payment of the principal and interest on the bonds as they become due. It also provides that appropriation of all amounts necessary for punctual payment of such principal and interest is made and that the State Treasurer will pay such principal and interest as they become due.

12
[Powers of the
University]

Section 12 replaces section 10a-109d(a)(10) of the general statutes and clarifies that the time period to which the caps apply to the amount of borrowing, to refund securities, or to fund issuance costs or necessary reserves extends to the fiscal year ending June 30, 2018.

Section 13
[Construction]

Section 13 replaces section 10a-109n(a) and states that for the period from July 1, 2001 until completion, the University shall have charge and supervision of the design, planning, acquisition, remodeling, alteration, repair, enlargement and/or demolition of any real asset or any other project on its campuses.

14
[NICU Transfer
and CON]

Section 14 expressly authorizes the transfer of the NICU from JDH to CCMC so that JDH can increase its ability to treat adult patients and the NICU can become a part of the regional children's health system operated by CCMC. This section further provides that Certificate of Need approval, to the extent required, will be expedited for the NICU transfer, the University of Connecticut Health Center new construction and renovation project and any of the UConn health network initiatives and that state employees who provide services in the NICU pursuant to any agreement between JDH and/or the UCHC Finance Corporation will continue to negotiate wages, hours and other conditions of employment through their respective bargaining agents.

Section

15
[Bioscience,
Biotechnology,
Pharmaceutical
and Photonics
Businesses]

Section 15 replaces subsections (a) and (b) of section 32-41s of the general statutes.

Subsection 15(a) sets forth the following defined terms:

“Eligible business” means a business which (A) has not more than three hundred employees at any time during the preceding twelve months and (B) is engaged in bioscience, biotechnology, pharmaceutical or photonics research, development or production in the state.

“Eligible commercial property” means (A) real or personal property which an eligible business has (i) owned or leased and (ii) utilized at all times during the preceding twelve months or (B) real property which the Commissioner of Economic and Community Development or Connecticut Innovations, Incorporated has certified as newly constructed or substantially renovated and expanded primarily for occupancy by one or more eligible businesses.

Subsection 15(b) provides that on and after July 1, [1997] 2010, eligible businesses and eligible commercial property located in (1) the city of Hartford and/or the town of Farmington or (2) any municipality which has [(1)](i) a major research university with programs in bioscience, biotechnology, pharmaceuticals or photonics and [(2)](ii) an enterprise zone, shall be entitled to the same benefits, subject to the same conditions, under the general statutes for which businesses located in an enterprise zone qualify.

Section 16
[Effectiveness of
Act]

Section 16 provides that by June 30, 2015, the President of the university and the Governor’s designee shall notify the Secretary whether the \$100,000,000 in federal, private or other monies referred to in section 4 of the Act has been raised. If such notification states that such funds have not been raised, then the Act shall be of no further force and effect and the provisions of UConn 2000 as they existed prior to the amendments effected by the Act shall become of full force and effect, except that the amendments to UConn 2000 in sections 12 and 13 of the Act and section 16 of the Act shall survive, and to the extent that under section 10a-109g(a)(1), the board of trustees has not provided for the issuance of all of the authorized amounts by 2016, the board of trustees may do so in 2017 or 2018.

