



Senate

General Assembly

File No. 830

January Session, 2011

Substitute Senate Bill No. 1152

Senate, May 20, 2011

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 10a-109b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (b) The purposes of sections 10a-109gg to 10a-109mm, inclusive, as
5 amended by this act, and the provisions of sections 10a-109c to 10a-
6 109e, inclusive, as amended by this act, 10a-109g, 10a-109n and 32-41s
7 relating to The University of Connecticut Health Center and John
8 Dempsey Hospital are to advance health care, education and economic
9 development in the state by (1) encouraging collaboration, innovation,
10 job creation and new investment by The University of Connecticut,
11 various hospitals and other institutions involved in the health and
12 bioscience industries of the state; (2) enabling (A) the construction of a
13 new bed tower at John Dempsey Hospital, and (B) the renovation of

14 academic, clinical and research space and the construction of a new
15 ambulatory care center at The University of Connecticut Health Center
16 to enhance the academic, clinical and research missions of The
17 University of Connecticut School of Medicine and School of Dental
18 Medicine; (3) facilitating the assumption of operational control of the
19 neonatal intensive care unit located at John Dempsey Hospital by
20 Connecticut Children's Medical Center resulting in a regional
21 children's health care system and an increased adult medical surgical
22 bed capacity for John Dempsey Hospital; (4) supporting the
23 development of (A) a comprehensive cancer center to expand clinical
24 trials and advance patient care at multiple sites in the Hartford region,
25 (B) a state-of-the-art simulation and conference center to be located on
26 the campus of Hartford Hospital that will be used to educate and train
27 health care professionals utilizing new technologies and simulated
28 care settings, (C) a primary care institute located on the campus of
29 Saint Francis Hospital and Medical Center, the Connecticut Institute
30 for Primary Care Innovation, that is intended to increase the number of
31 primary care providers in the state by engaging in research and
32 training to facilitate the effective delivery of primary care, (D) a health
33 disparities institute sponsored by The University of Connecticut that
34 will enhance research and the delivery of care to the minority and
35 medically underserved populations of the state, (E) [an institute for
36 clinical and translational science to be located on the campus of The
37 University of Connecticut Health Center, (F) The Connecticut Institute
38 for Nursing Excellence to be located on the campus of The University
39 of Connecticut School of Nursing that will explore ways to enhance the
40 recruitment, education and retention of nurses and nursing faculty,
41 (G)] a Permanent Regional Phase One Clinical Trials Unit to be located
42 at The Hospital of Central Connecticut, [(H)] (F) a cancer treatment
43 center to be located in its entirety within the city of New Britain, and
44 [(I)] (G) patient room renovations at Bristol Hospital; and (5) fostering
45 growth in the bioscience sector of the state's economy by extending the
46 same benefits afforded to businesses located in an enterprise zone to
47 businesses that are engaged in bioscience and located in the city of
48 Hartford or certain areas in the town of Farmington, the city of New

49 Britain and the city of Bristol.

50 Sec. 2. Subdivision (32) of section 10a-109c of the general statutes is
51 repealed and the following is substituted in lieu thereof (*Effective from*
52 *passage*):

53 (32) "UConn health network initiatives" means the initiatives to
54 develop a simulation and conference center on the Hartford Hospital
55 campus, a primary care institute on the Saint Francis Hospital and
56 Medical Center campus, [an institute for clinical and translational
57 science on The University of Connecticut Health Center campus,] a
58 comprehensive cancer center, The University of Connecticut-
59 sponsored health disparities institute, [The Connecticut Institute for
60 Nursing Excellence,] a Permanent Regional Phase One Clinical Trials
61 Unit at The Hospital of Central Connecticut, a cancer treatment center
62 in the city of New Britain, and patient room renovations at Bristol
63 Hospital, described in section 10a-109b, as amended by this act.

64 Sec. 3. Subdivision (10) of subsection (a) of section 10a-109d of the
65 general statutes is repealed and the following is substituted in lieu
66 thereof (*Effective from passage*):

67 (10) To borrow money and issue securities to finance the acquisition,
68 construction, reconstruction, improvement or equipping of any one
69 project, or more than one, or any combination of projects, or to refund
70 securities issued after June 7, 1995, or to refund any such refunding
71 securities or for any one, or more than one, or all of those purposes, or
72 any combination of those purposes, and to provide for the security and
73 payment of those securities and for the rights of the holders of them,
74 except that the amount of any such borrowing, the special debt service
75 requirements for which are secured by the state debt service
76 commitment, exclusive of the amount of borrowing to refund
77 securities, or to fund issuance costs or necessary reserves, may not
78 exceed the aggregate principal amount of (A) for the fiscal years
79 ending June 30, 1996, to June 30, 2005, inclusive, one billion thirty
80 million dollars, (B) for the fiscal years ending June 30, 2006, to June 30,
81 2018, inclusive, one billion [four hundred fifty-seven] seven hundred

82 nineteen million nine hundred thousand dollars, and (C) such
 83 additional amount or amounts: (i) Required from time to time to fund
 84 any special capital reserve fund or other debt service reserve fund in
 85 accordance with the financing transaction proceedings, and (ii) to pay
 86 or provide for the costs of issuance and capitalized interest, if any; the
 87 aggregate amounts of subparagraphs (A), (B) and (C) of this
 88 subdivision are established as the authorized funding amount, and no
 89 borrowing within the authorized funding amount for a project or
 90 projects may be effected unless the project or projects are included in
 91 accordance with subsection (a) of section 10a-109e, as amended by this
 92 act;

93 Sec. 4. Section 10a-109e of the general statutes is repealed and the
 94 following is substituted in lieu thereof (*Effective from passage*):

95 (a) The university may administer, manage, schedule, finance,
 96 further design and construct UConn 2000, to operate and maintain the
 97 components thereof in a prudent and economical manner and to
 98 reserve for and make renewals and replacements thereof when
 99 appropriate, it being hereby determined and found to be in the best
 100 interest of the state and the university to provide this independent
 101 authority to the university along with providing assured revenues
 102 therefor as the efficient and cost effective course to achieve the
 103 objective of avoiding further decline in the physical infrastructure of
 104 the university and to renew, modernize, enhance and maintain such
 105 infrastructure, the particular project or projects, each being hereby
 106 approved as a project of UConn 2000, and the presently estimated cost
 107 thereof being as follows:

T1	UConn 2000 Project	Phase I	Phase II	Phase III
T2		Fiscal Years	Fiscal Years	Fiscal Years
T3		1996-1999	2000-2005	2005-2018
T4				
T5	Agricultural Biotechnology			
T6	Facility	9,400,000		
T7				
T8	Agricultural Biotechnology			

T9	Facility Completion	10,000,000	
T10			
T11	Alumni Quadrant		
T12	Renovations	14,338,000	
T13			
T14	Arjona and Monteith		
T15	(new classroom buildings)		66,100,000
T16			
T17	Avery Point Campus		
T18	Undergraduate and		
T19	Library Building		35,000,000
T20			
T21	Avery Point Marine		
T22	Science Research Center -		
T23	Phase I	34,000,000	
T24			
T25	Avery Point Marine		
T26	Science Research Center -		
T27	Phase II	16,682,000	
T28			
T29	Avery Point Renovation	5,600,000	
T30			
T31	Babbidge Library	0	
T32			
T33	Balancing Contingency	5,506,834	
T34			
T35	Beach Hall Renovations		10,000,000
T36			
T37	Benton State Art Museum		
T38	Addition	1,400,000	3,000,000
T39			
T40	Biobehavioral Complex		
T41	Replacement		4,000,000
T42			
T43	Bishop Renovation		8,000,000

T44			
T45	Budds Building		
T46	Renovation	2,805,000	
T47			
T48	Business School		
T49	Renovation	4,803,000	
T50			
T51	Chemistry Building	53,700,000	
T52			
T53	Commissary Warehouse		1,000,000
T54			
T55	Deferred Maintenance/ Code/ADA Renovation		
T56			
T57	Lump Sum	39,332,000	215,000,000
T58			
T59	Deferred Maintenance & Renovation Lump Sum		
T60			
T61	Balance	104,668,000	
T62			
T63	East Campus North		
T64	Renovations	11,820,000	
T65			
T66	Engineering Building		
T67	(with Environmental Research Institute)		36,700,000
T68			
T69			
T70	Equine Center	1,000,000	
T71			
T72	Equipment, Library		
T73	Collections &		
T74	Telecommunications	60,500,000	200,000,000
T75			
T76	Equipment, Library		
T77	Collections &		
T78	Telecommunications		

T79	Completion	182,118,146	
T80			
T81	Family Studies (DRM)		
T82	Renovation		6,500,000
T83			
T84	Farm Buildings Repairs/ Replacement		6,000,000
T85			
T86			
T87	Fine Arts Phase II		20,000,000
T88			
T89	Floriculture Greenhouse		3,000,000
T90			
T91	Gant Building Renovations		34,000,000
T92			
T93	Gant Plaza Deck	0	
T94			
T95	Gentry Completion		10,000,000
T96			
T97	Gentry Renovation	9,299,000	
T98			
T99	Grad Dorm Renovations	7,548,000	
T100			
T101	Gulley Hall Renovation	1,416,000	
T102			
T103	Hartford Relocation		
T104	Acquisition/Renovation	56,762,020	
T105			
T106	Hartford Relocation Design	1,500,000	
T107			
T108	Hartford Relocation		
T109	Feasibility Study	500,000	
T110			
T111	Heating Plant Upgrade	10,000,000	
T112			
T113	Hilltop Dormitory New	30,000,000	

T114			
T115	Hilltop Dormitory		
T116	Renovations	3,141,000	
T117			
T118	Ice Rink Enclosure	2,616,000	
T119			
T120	Incubator Facilities		10,000,000
T121			
T122	International House		
T123	Conversion	800,000	
T124			
T125	Intramural, Recreational		
T126	and Intercollegiate Facilities		31,000,000
T127			
T128	Jorgensen Renovation		7,200,000
T129			
T130	Koons Hall Renovation/		
T131	Addition		7,000,000
T132			
T133	Lakeside Renovation		3,800,000
T134			
T135	Law School Renovations/		
T136	Improvements		15,000,000
T137			
T138	Library Storage Facility		5,000,000
T139			
T140	Litchfield Agricultural		
T141	Center - Phase I	1,000,000	
T142			
T143	Litchfield Agricultural		
T144	Center - Phase II	700,000	
T145			
T146	Manchester Hall		
T147	Renovation		6,000,000
T148			

T149	Mansfield Apartments		
T150	Renovation	2,612,000	
T151			
T152	Mansfield Training School		
T153	Improvements	27,614,000	29,000,000
T154			
T155	Natural History Museum		
T156	Completion		4,900,000
T157			
T158	North Campus Renovation	2,654,000	
T159			
T160	North Campus Renovation		
T161	Completion	21,049,000	
T162			
T163	North Hillside Road		
T164	Completion		11,500,000
T165			
T166	North Superblock Site		
T167	and Utilities	8,000,000	
T168			
T169	Northwest Quadrant		
T170	Renovation	2,001,000	
T171			
T172	Northwest Quadrant		
T173	Renovation	15,874,000	
T174			
T175	Observatory		1,000,000
T176			
T177	Old Central Warehouse		18,000,000
T178			
T179	Parking Garage #3		15,000,000
T180			
T181	Parking Garage - North	10,000,000	
T182			
T183	Parking Garage - South	15,000,000	

T184			
T185	Pedestrian Spinepath	2,556,000	
T186			
T187	Pedestrian Walkways	3,233,000	
T188			
T189	Psychology Building		
T190	Renovation/ Addition		20,000,000
T191			
T192	Residential Life Facilities		90,000,000
T193			
T194	Roadways	10,000,000	
T195			
T196	School of Business	20,000,000	
T197			
T198	School of Pharmacy/Biology	3,856,000	
T199			
T200	School of Pharmacy/Biology		
T201	Completion	61,058,000	
T202			
T203	Shippee/Buckley		
T204	Renovations	6,156,000	
T205			
T206	Social Science K Building	20,964,000	
T207			
T208	South Campus Complex	13,127,000	
T209			
T210	Stamford Campus		
T211	Improvements		3,000,000
T212			
T213	Stamford Downtown		
T214	Relocation - Phase I	45,659,000	
T215			
T216	Stamford Downtown		
T217	Relocation - Phase II	17,392,000	
T218			

T219	Storrs Hall Addition		4,300,000
T220			
T221	Student Health Services		12,000,000
T222			
T223	Student Union Addition	23,000,000	
T224			
T225	Support Facility		
T226	(Architectural and		
T227	Engineering Services)		2,000,000
T228			
T229	Technology Quadrant -		
T230	Phase IA	38,000,000	
T231			
T232	Technology Quadrant -		
T233	Phase IB	16,611,000	
T234			
T235	Technology Quadrant -		
T236	Phase II	72,000,000	
T237			
T238	Technology Quadrant -		
T239	Phase III	15,000,000	
T240			
T241	Torrey Life Science		
T242	Renovation	17,000,000	
T243			
T244	Torrey Renovation		
T245	Completion and Biology		
T246	Expansion		42,000,000
T247			
T248	Torrington Campus		
T249	Improvements		1,000,000
T250			
T251	Towers Renovation	17,794,000	
T252			
T253	UConn Products Store		1,000,000

T254			
T255	Undergraduate Education		
T256	Center	650,000	
T257			
T258	Undergraduate Education		
T259	Center		7,450,000
T260			
T261	Underground Steam &		
T262	Water Upgrade	3,500,000	
T263			
T264	Underground Steam &		
T265	Water Upgrade		
T266	Completion		9,000,000
T267			
T268	University Programs		
T269	Building - Phase I	8,750,000	
T270			
T271	University Programs		
T272	Building - Phase II		
T273	Visitors Center		300,000
T274			
T275	Waring Building Conversion	7,888,000	
T276			
T277	Waterbury Downtown		
T278	Campus		3,000,000
T279			
T280	Waterbury Property		
T281	Purchase	325,000	
T282			
T283	West Campus Renovations		14,897,000
T284			
T285	West Hartford Campus		
T286	Renovations/		
T287	Improvements		25,000,000
T288			

T289	White Building Renovation	2,430,000	
T290			
T291	Wilbur Cross Building		
T292	Renovation	3,645,000	
T293			
T294	Young Building Renovation/		
T295	Addition		17,000,000
T296			
T297	HEALTH CENTER		
T298			
T299	CLAC Renovation		
T300	Biosafety Level 3 Lab		14,000,000
T301			
T302	Deferred Maintenance/		
T303	Code/ADA Renovation		
T304	Sum - Health Center		50,000,000
T305			
T306	Dental School Renovation		5,000,000
T307			
T308	Equipment, Library		
T309	Collections and		
T310	Telecommunications -		
T311	Health Center		75,000,000
T312			
T313	Library/Student Computer		
T314	Center Renovation		5,000,000
T315			
T316	Main Building Renovation		[50,000,000]
T317			<u>125,000,000</u>
T318			
T319	Medical School Academic		
T320	Building Renovation		9,000,000
T321			
T322	Parking Garage - Health		
T323	Center		8,400,000

T324				
T325	Research Tower			60,000,000
T326				
T327	Support Building Addition/			
T328	Renovation			4,000,000
T329				
T330	The University of Connecticut			
T331	Health Center			
T332	New Construction and			
T333	Renovation			[207,000,000]
T334				<u>394,900,000</u>
T335				
T336	Planning and Design Costs			25,000,000
T337				
T338	Total - Storrs and Regional			
T339	Campus Project List			1,043,000,000
T340				
T341	Total - Health Center			
T342	Project List			[512,400,000]
T343				<u>775,300,000</u>
T344				
T345	TOTAL	382,000,000	868,000,000	[1,555,400,000]
T346				<u>1,818,300,000</u>

108 (b) The plan of funding UConn 2000 shall be the proceeds of general
109 obligation bonds of the state in an amount authorized before June 7,
110 1995, and the proceeds of securities subject to the authorized funding
111 amount established in subdivision (10) of subsection (a) of section 10a-
112 109d and the proceeds of the Special External Gift Fund becoming
113 available to the university pursuant to section 10a-109i.

114 (c) The amount of the state debt service commitment in each fiscal
115 year shall be pledged by the university for the punctual payment of

116 special debt service requirements as the same arise and shall become
117 due and payable. As part of the contract of the state with the holders of
118 the securities secured by the state debt service commitment and
119 pursuant to section 10a-109u, appropriation of all amounts of the state
120 debt service commitment is hereby made out of the resources of the
121 General Fund and the Treasurer shall pay such amount in each fiscal
122 year, to the paying agent on the securities secured by the state debt
123 service commitment or otherwise as the Treasurer shall provide. The
124 university shall be entitled to rely on the amount of the state debt
125 service commitment and minimum state operating provision as and
126 for assured revenues in any financing transaction proceeding,
127 provided, to the extent any such proceeding includes reliance on such
128 state debt service commitment and such minimum state operating
129 provision, the university commits to a rate covenant and covenants, in
130 substance, with the state and the holders of its securities to the effect
131 that as long as any securities thereunder are outstanding that it has
132 established and will charge, collect and increase, from time to time,
133 and in time tuition fees and charges for its educational services, its
134 auxiliary enterprises, including dormitory housing, food services and
135 sale of textbooks and use of the physical university plant and for all
136 other services and goods provided by the university, the amount of
137 which, together with other assured revenues or other revenues
138 otherwise available to the university including proceeds available from
139 the Special External Gift Fund shall in each of its fiscal years be
140 sufficient to pay when due, the special debt service requirements on
141 outstanding securities and to permit the university to operate and
142 maintain itself as an institution dedicated to excellence in higher
143 education and to operate and maintain the physical university plant in
144 sound operating condition and to otherwise permit the performance of
145 all covenants included in the financing documents.

146 (d) With respect to UConn 2000 and within the authorized funding
147 amount, the university may, from time to time, and shall whenever
148 appropriate or necessary, revise, delete and add a particular project or
149 projects, provided (1) a formal approving vote of its board of trustees
150 shall be needed for a material revision, deletion or addition dictated by

151 a change in university planning as determined by its board of trustees
152 or otherwise necessary because of reasons beyond the control of the
153 university, (2) any material revision shall be subject only to such
154 formal approval of the board of trustees as long as the board finds and
155 determines that such revision is consistent with the intent or purpose
156 of the original project, (3) a material addition or deletion shall be
157 conditioned not only upon such formal approval of the board of
158 trustees but also upon a request by the board of trustees for, and
159 enactment of, a subsequent public or special act approving such
160 addition or deletion, if such addition is to add a project not outlined in
161 subsection (a) of this section or the deletion is the deletion of a project
162 outlined in subsection (a) of this section, and (4) no revision, addition
163 or deletion shall reduce the amount of any state debt service
164 commitment. Further, with respect to UConn 2000 and subject to the
165 limitations in the authorized funding amount, the university may
166 determine the sequencing and timing of such project or projects, revise
167 estimates of cost and reallocate from any amounts estimated in
168 subdivision (a) of this section, for one or more projects to one or more
169 other projects then constituting a component of UConn 2000 as long as,
170 at the time of such reallocation, it has found that any such project to
171 which a reallocation is made has been revised or added in accordance
172 with this section and such project from which a reallocation is made
173 either has been so revised or added and can be completed within the
174 amounts remaining allocated to it, or has been so deleted. University
175 actions under this section shall be included in reports to the General
176 Assembly under section 10a-109y.

177 [(e) Except as provided in subsection (f) of this section, the plan of
178 funding The University of Connecticut Health Center new
179 construction and renovation shall be (1) the contribution of not less
180 than one hundred million dollars of federal, private or other nonstate
181 money, or any combination thereof, (2) proceeds of securities issued by
182 the university in accordance with subdivision (10) of subsection (a) of
183 section 10a-109d in an amount not to exceed two hundred seven
184 million dollars, and (3) reallocation of twenty-five million dollars from
185 The University of Connecticut Health Center main building renovation

186 for planning and design costs associated with The University of
187 Connecticut Health Center new construction and renovation. Such
188 federal, private or other nonstate money, now available or hereafter to
189 be made available pursuant to subdivision (1) of this subsection, shall
190 be deposited in such account or accounts of the university as the
191 secretary and Treasurer, in consultation with the university, deem
192 appropriate so as to assure timely payment of the cost of such project.]

193 [(f)] (e) Until such time as [(1) the full amount of the federal, private
194 or other nonstate money described in subdivision (1) of subsection (e)
195 of this section is made available, and, upon such money being made
196 available, (2)] the State Bond Commission allocates the bonds
197 authorized pursuant to section 10a-109g, as amended by this act, for
198 the UConn health network initiatives, the university shall not expend
199 any funds authorized by subdivision (10) of subsection (a) of section
200 10a-109d, subsection (a) of [section 10a-109e] this section or
201 subdivision (1) of subsection (a) of section 10a-109g, as amended by
202 this act, for The University of Connecticut Health Center new
203 construction and renovation, except for [the] twenty-five million
204 dollars [authorized by subsection (a) of section 10a-109e for The
205 University of Connecticut Health Center] for planning and design
206 costs.

207 (f) The University of Connecticut Health Center shall (1) contribute
208 not less than sixty-nine million dollars of funds from operations,
209 special eligible gifts or other sources toward The University of
210 Connecticut Health Center new construction and renovation, and (2)
211 provide for construction of a new ambulatory care center through debt
212 or equity financing obtained from one or more private developers who
213 contract with the university to construct such new ambulatory care
214 center.

215 Sec. 5. Subdivision (1) of subsection (a) of section 10a-109g of the
216 general statutes is repealed and the following is substituted in lieu
217 thereof (*Effective from passage*):

218 (a) (1) The university is authorized to provide by resolution, at one

219 time or from time to time, for the issuance and sale of securities, in its
 220 own name on behalf of the state, pursuant to section 10a-109f. The
 221 board of trustees of the university is hereby authorized by such
 222 resolution to delegate to its finance committee such matters as it may
 223 determine appropriate other than the authorization and maximum
 224 amount of the securities to be issued, the nature of the obligation of the
 225 securities as established pursuant to subsection (c) of this section and
 226 the projects for which the proceeds are to be used. The finance
 227 committee may act on such matters unless and until the board of
 228 trustees elects to reassume the same. The amount of securities the
 229 special debt service requirements of which are secured by the state
 230 debt service commitment that the board of trustees is authorized to
 231 provide for the issuance and sale in accordance with this subsection
 232 shall be capped in each fiscal year in the following amounts, [subject to
 233 the provisions of section 10a-109*ll* and,] provided, to the extent the
 234 board of trustees does not provide for the issuance of all or a portion of
 235 such amount in a fiscal year, all or such portion, as the case may be,
 236 may be carried forward to any succeeding fiscal year and provided
 237 further, the actual amount for funding, paying or providing for the
 238 items described in subparagraph (C) of subdivision (10) of subsection
 239 (a) of section 10a-109d may be added to the capped amount in each
 240 fiscal year:

T347	Fiscal Year	Amount
T348	1996	\$112,542,000
T349	1997	112,001,000
T350	1998	93,146,000
T351	1999	64,311,000
T352	2000	130,000,000
T353	2001	100,000,000
T354	2002	100,000,000
T355	2003	100,000,000
T356	2004	100,000,000
T357	2005	100,000,000
T358	2006	79,000,000

T359	2007	89,000,000
T360	2008	115,000,000
T361	2009	140,000,000
T362	2010	0
T363	2011	138,800,000
T364	2012	157,200,000
T365	2013	143,000,000
T366	2014	[140,000,000] <u>198,000,000</u>
T367	2015	[128,500,000] <u>208,500,000</u>
T368	2016	[119,500,000] <u>199,500,000</u>
T369	2017	[116,000,000] <u>160,900,000</u>
T370	2018	91,000,000

241 Sec. 6. Section 10a-109gg of the general statutes is repealed and the
 242 following is substituted in lieu thereof (*Effective from passage*):

243 (a) The State Bond Commission shall have power, from time to time,
 244 to authorize the issuance of bonds of the state in one or more series
 245 and in principal amounts in the aggregate, not exceeding [thirty]
 246 twenty-two million dollars.

247 (b) The proceeds of the sale of the bond issuance described in
 248 subsection (a) of this section shall be used by the Office of Policy and
 249 Management, in consultation with the chairperson of the Board of
 250 Trustees of the university, for the purpose of the UConn health
 251 network initiatives in the following manner: (1) Five million dollars of
 252 such proceeds shall be used by Hartford Hospital to develop a
 253 simulation and conference center on the Hartford Hospital campus to
 254 be run exclusively by Hartford Hospital, (2) five million dollars of such
 255 proceeds shall be used to fulfill the initiative for a primary care
 256 institute on the Saint Francis Hospital and Medical Center campus, (3)
 257 [ten] five million dollars of such proceeds shall be used to fulfill the
 258 initiatives for [an institute for clinical and translational science on The
 259 University of Connecticut Health Center campus,] a comprehensive
 260 cancer center and The University of Connecticut-sponsored health
 261 disparities institute; (4) [three million dollars of such proceeds shall be

262 used to fulfill the initiatives to develop The Connecticut Institute for
263 Nursing Excellence at The University of Connecticut at Storrs; (5)] five
264 million dollars of such proceeds shall be used to fulfill the initiatives
265 for the planning, design, land acquisition, development and
266 construction of (A) a cancer treatment center to be constructed by, or in
267 partnership with, The Hospital of Central Connecticut, provided such
268 cancer treatment center is located entirely within the legal boundaries
269 of the city of New Britain, (B) renovations and upgrades to the
270 oncology unit at The Hospital of Central Connecticut, and (C) if
271 certificate of need approval is received pursuant to the provisions of
272 subsection (b) of section 10a-109ii, as amended by this act, a Permanent
273 Regional Phase One Clinical Trials Unit located at The Hospital of
274 Central Connecticut in New Britain; and [(6)] (5) two million dollars of
275 such proceeds shall be used to fulfill the initiatives for patient room
276 renovations at Bristol Hospital. In the event that the cancer treatment
277 center authorized pursuant to subdivision [(5)] (4) of this subsection is
278 built in whole or in part outside the legal boundaries of the city of New
279 Britain, The Hospital of Central Connecticut shall repay the entire
280 amount of the proceeds used to fulfill the initiatives for the planning,
281 design, development and construction of such center.

282 (c) The provisions of section 3-20 or the exercise of any right or
283 power granted pursuant to said section that are not inconsistent with
284 the provisions of sections 10a-109b to 10a-109e, inclusive, as amended
285 by this act, 10a-109g, as amended by this act, 10a-109n, 10a-109gg to
286 10a-109mm, inclusive, as amended by this act, and 32-41s are hereby
287 adopted and shall apply to all bonds authorized by the State Bond
288 Commission pursuant to subsections (a) and (b) of this section.
289 Temporary notes issued in anticipation of the money to be derived
290 from the sale of any such bonds so authorized may be issued in
291 accordance with section 3-20 and from time to time renewed. Such
292 bonds shall mature at such time or times not exceeding twenty years
293 from their respective dates as may be provided in or pursuant to the
294 resolution or resolutions of the State Bond Commission authorizing
295 such bonds.

296 (d) None of the bonds described in subsections (a) and (b) of this
297 section shall be authorized, except upon a finding by the State Bond
298 Commission that there has been filed with it a request for such
299 authorization that (1) has been signed by the secretary or by or on
300 behalf of the university, [(2) states that not less than one hundred
301 million dollars of federal, private or other nonstate money has been
302 contributed pursuant to section 10a-109e for purposes of The
303 University of Connecticut Health Center new construction and
304 renovation,] and [(3)] (2) contains such other terms and conditions as
305 the commission, in its discretion, may require.

306 Sec. 7. Subsection (a) of section 10a-109ii of the general statutes is
307 repealed and the following is substituted in lieu thereof (*Effective from*
308 *passage*):

309 (a) Not later than [December 31, 2010] June 30, 2011, Connecticut
310 Children's Medical Center and John Dempsey Hospital shall (1) jointly
311 notify the Secretary of the Office of Policy and Management regarding
312 their agreement to proceed with the NICU transfer and increase in bed
313 capacity of John Dempsey Hospital, or (2) notify the secretary, either
314 jointly or individually, that Connecticut Children's Medical Center,
315 John Dempsey Hospital, or both, have abandoned their plans to
316 proceed with the NICU transfer and increase in bed capacity of John
317 Dempsey Hospital. For purposes of this section, the NICU transfer and
318 increase in bed capacity of John Dempsey Hospital shall be treated as
319 one project and shall not be separated for purposes of the certificate of
320 need approval process without the filing of a new certificate of need
321 application pursuant to chapter 368z and subsection (b) of this section.

322 Sec. 8. Subsection (d) of section 34 of public act 09-2 of the
323 September special session, as amended by section 345 of public act 10-
324 44 and section 82 of public act 10-179, is amended to read as follows
325 (*Effective from passage*):

326 For the Department of Public Health: Grants-in-aid, not exceeding
327 \$6,000,000, (1) for hospital-based emergency service facilities, (2) to
328 community health centers and primary care organizations for the

329 purchase of equipment, renovations, improvements and expansion of
 330 facilities, including acquisition of land or buildings, (3) to Community
 331 Health Center, Inc. for renovations and improvements at the New
 332 London facility, not exceeding \$1,000,000, and (4) for enhancements to
 333 the accessibility and efficiency of health care services in the city of
 334 Hartford, not exceeding \$3,000,000, provided the State Bond
 335 Commission shall not allocate the funds pursuant to this subdivision
 336 until such time as [the full amount of the federal private or nonstate
 337 money described in subdivision (1) of subsection (e) of section 10a-
 338 109e of the general statutes is made available and] said commission
 339 has allocated the bonds authorized for UConn health network
 340 initiatives pursuant to [section 8 of public act 10-104] section 10a-109gg
 341 of the general statutes, as amended by this act, and provided (A) one
 342 million dollars shall be made available to Charter Oak Health Center,
 343 Inc. for the purchase of medical equipment to provide electronic
 344 medical records and develop access to remote treatment and training
 345 centers, (B) one million dollars shall be made available to Community
 346 Health Services, Inc. for the purchase of medical equipment to provide
 347 electronic medical records and develop access to remote treatment and
 348 training centers, and (C) one million dollars shall be made available to
 349 the Hispanic Health Council for renovation and repairs.

350 Sec. 9. Sections 10a-109kk and 10a-109ll of the general statutes are
 351 repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10a-109b(b)
Sec. 2	<i>from passage</i>	10a-109c(32)
Sec. 3	<i>from passage</i>	10a-109d(a)(10)
Sec. 4	<i>from passage</i>	10a-109e
Sec. 5	<i>from passage</i>	10a-109g(a)(1)
Sec. 6	<i>from passage</i>	10a-109gg
Sec. 7	<i>from passage</i>	10a-109ii(a)
Sec. 8	<i>from passage</i>	PA 09-2 of the September Sp. Sess., Sec. 34(d)

Sec. 9	<i>from passage</i>	Repealer section
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FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Treasurer, Debt Serv.	GF - Cost	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill: (1) authorizes \$262.9 million in new General Obligation (GO) bonds for renovations and new construction at the University of Connecticut Health Center (UCHC) between FY 14 and FY 17 and (2) reduces prior GO authorizations for the UConn Health Network Initiatives by \$8 million, which results in a net total increase of \$254.9 million. The total General Fund debt service cost for principal and interest payments to bond \$254.9 million over 20 years, assuming a 5.0% interest rate, is \$388.7 million (comprised of \$133.8 million in interest and \$254.9 in principal). There is no General Fund impact in FY 12 or FY 13 because no additional bonds are authorized until FY 14.

The table below shows the changes made by PA 10-104 and the bill:

Changes to GO Bond Authorizations				
Purpose	Amount (\$-millions)			
	Prior law	PA 10-104 changes	sSB 1152 changes	After sSB 1152
CLAC Reno Biosafety Level 3 Lab	14.0			14.0
Deferred Maintenance/Code/ADA	50.0			50.0
Dental School Renovation	5.0			5.0
Equipment, Library, Telecom	75.0			75.0
Library/Computer Center Reno	5.0			5.0
Main Building Reno	75.0	(25.0)	75.0	125.0
Med School Academic Bldg Reno	9.0			9.0
Parking Garage	8.4			8.4
Research Tower	60.0			60.0

Changes to GO Bond Authorizations				
Purpose	Amount (\$-millions)			
	Prior law	PA 10-104 changes	sSB 1152 changes	After sSB 1152
Support Building Addition/Reno	4.0			4.0
Health Center New Construction	0.0	207.0	187.9	394.9
Planning and design costs	0.0	25.0		25.0
Total UConn 2000	305.4	207.0	262.9	775.3
UConn Health Initiatives	0.0	30.0	(8.0)	22.0
TOTAL GO Authorizations	305.4	237.0	254.9	797.3

Other Provisions

The bill also:

- Eliminates language related to the proposed Institute for Nursing Excellence and the Connecticut Institute for Clinical and Translational Science. These eliminations correspond with the \$8 million reduction in GO bonds noted above.
- Requires UCHC to provide for the construction of an ambulatory care center through debt or equity financing obtained from one or more private developers.
- Requires UCHC to contribute at least \$69 million towards the project cost from operation, gifts or other sources.
- Removes the requirement that \$100 million in non-state funds be received before the UCHC project can proceed.

The Out Years

State Impact:

The \$254.9 million increase in GO bond authorizations is effective between FY 14 and FY 17. Assuming the bonds are issued in the year in which they become effective, the increase in General Fund debt service costs associated with the bonds is expected to begin in FY 14. The debt service cost will continue for the 20-year term of the bonds.

Municipal Impact: None

OLR Bill Analysis**sSB 1152*****AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER.*****SUMMARY:**

This bill authorizes \$262.9 million in new bonding under the UConn 2000 infrastructure program. It increases the authorizations for two enumerated UConn Health Center (UCHC) Projects-- main building renovation and UCHC new construction and renovation by \$75 million and \$187.9 million, respectively (see BACKGROUND).

With respect to the new construction and renovation project, the bill eliminates a requirement that UConn obtain \$100 million in federal, private, or other nonstate money before (1) the bonds are issued and (2) construction commences. It retains a requirement that the State Bond Commission allocate state general obligation (GO) bonds for UConn health network initiatives before UConn may expend funds for new construction and renovation. The bill also reduces, from \$30 to \$22 million, existing GO bond authorizations for the health network initiatives by eliminating two projects from these initiatives.

The bill requires UCHC to (1) contribute at least \$69 million from operations, special eligible gifts, or other sources toward the new construction and renovation project and (2) provide for the construction of a new ambulatory care center through debt or equity financing obtained from one or more private developers.

It also extends a notification date concerning the transfer of neonatal intensive care units (NICU) beds from John Dempsey Hospital (JDH) to Connecticut Children's Medical Center (CCMC).

EFFECTIVE DATE: Upon passage

PROJECT AUTHORIZATIONS AND FUNDING SOURCES

UConn 2000 Bonds

The bill authorizes \$262.9 million in new bonding under UConn 2000. It does so by increasing the authorization for two enumerated UCHC projects, as shown in Table 1.

Table 1: UConn 2000 Project Cost Increases

<i>Project</i>	<i>Current Authorizations (in millions)</i>	<i>Proposed Authorizations (in millions)</i>	<i>Change (in millions)</i>
UCHC Main Building Renovation	\$50	\$125	\$75
UCHC New Construction and Renovation	207	394.9	187.9
TOTAL INCREASE			262.9

To conform to the changes in project authorizations, the bill also adjusts the annual bond limit caps for the UConn 2000 infrastructure program for FY 14 through FY 18 as shown in Table 2. Under current law and the bill, any difference between the amount actually issued in any year and the cap can be carried forward to any succeeding fiscal year. Financing transaction costs can be added to the caps.

Table 2: Annual Bond Limits for UConn 2000

<i>FY</i>	<i>Current Limit (in millions)</i>	<i>Proposed Limit (in millions)</i>	<i>Change (in millions)</i>
2014	\$140	\$198	\$58
2015	128.5	208.5	80
2016	119.5	199.5	80
2017	116	160.9	44.9
2018	91	91	0
TOTAL			262.9

Bonding Conditions

Under current law, the funding plan for the new construction and renovation at the UCHC includes the \$207 million in UConn 2000 bonds described above and an additional (1) \$25 million in UConn 2000 bonds for planning and design costs and (2) \$100 million in federal, private, or other nonstate money. The law also authorizes \$30

million in state GO bonds to fund the UConn health network initiatives.

Under current law, the issuance of the \$207 million in UConn 2000 bonds and \$30 million in state GO bonds is contingent on UConn securing the \$100 million in nonstate money. The bill eliminates the requirement that UCHC secure this nonstate money before issuing the bonds. Under the bill, UConn may not spend any UConn 2000 bonds for the new construction and renovation project, other than those for planning and design costs, until the State Bond Commission allocates the UConn health network initiatives bonds.

The bill also makes a conforming change to a \$3 million bond authorization to the Department of Public Health (DPH) for enhancements to the accessibility and efficiency of health care services in Hartford. Current law bars the bond commission from allocating the bonds until the (1) \$100 million in nonstate money is available and (2) the commission has allocated the UConn health network initiative bonds. The bill eliminates the requirement that the bond issuance be contingent on the \$100 million in nonstate money.

NEW AMBULATORY CARE CENTER

The bill directs UCHC to provide for the construction of a new ambulatory care center through debt or equity financing obtained from one or more private developers who contract with UConn to build the center.

UCONN HEALTH CENTER NETWORK INITIATIVES

Under the law, the UConn health network initiatives include:

1. a simulation and conference center on the Hartford Hospital campus that uses new technologies and simulated care settings to educate and train healthcare professionals;
2. a Connecticut Institute for Primary Care at the Saint Francis Hospital and Medical Center campus that is intended to increase the number of primary care providers in the state;

3. an institute for clinical and translational science (for the translation of scientific discoveries into practical applications) at UCHC;
4. a comprehensive cancer center to expand clinical trials and advance patient care in the Hartford region;
5. a UConn-sponsored health disparities institute intended to enhance research and the delivery of care to minority and medically underserved people;
6. the Connecticut Institute for Nursing Excellence at the UConn School of Nursing that will explore ways to enhance the recruitment, education, and retention of nurses and nursing faculty;
7. at the Hospital of Central Connecticut, (a) the planning, design, land acquisition, development, and construction of a cancer treatment center constructed by, or in partnership with, the hospital and located entirely within the City of New Britain, (b) renovations and upgrades to the hospital's oncology unit, and (c) a permanent regional phase- one clinical trials unit at the hospital, provided that a certificate of need is approved for this purpose; and
8. patient room renovations at Bristol Hospital.

The bill eliminates two of these initiatives: the Connecticut Institute for Nursing Excellence and the institute for clinical and translational science and \$8 million in related bond funding. It specifies that \$5 million is allocated for the comprehensive cancer center and the UConn-sponsored health disparities institute.

NEONATAL INTENSIVE CARE UNIT BED TRANSFER

Current law establishes provisions for transferring from JDH to CCMC, licensure and control of 40 NICU beds. The bill extends from December 30, 2010 to June 30, 2011 the time by which CCMC and JDH

must notify the Office of Policy and Management secretary (1) jointly, of their intent to proceed with NICU transfer or (2) jointly or individually, that they will not pursue it.

BACKGROUND

Legislative History

The Senate referred the bill to the Finance, Revenue, and Bonding Committee on May 17. On May 19, the committee reported out a substitute bill that replaced the original bill (File 339), which was a study bill.

PA 10-104

PA 10-104 provided funding, under certain conditions, for the (1) construction of a new bed tower and renovation of academic, clinical, and research space at UConn's JDH and (2) development of regional health network initiatives.

The total cost was \$362 million. The act authorized the issuance of \$237 million in new state bonds of which \$207 million would be issued under the UConn 2000 infrastructure improvement program. It also reallocated \$25 million in existing UConn 2000 funds to pay for planning and design costs of the new JDH bed tower and required a contribution of \$100 million in federal, private, or other nonstate money. The act prohibited the \$237 million in new bonds from being issued and construction of the bed tower from commencing until the \$100 million is received. It established June 30, 2015 as the deadline for receiving the \$100 million.

UCHC new construction and renovation" means the planning, design, development, financing, construction, renovation, furnishing, equipping, and completion of clinical, academic, and research space at JDH. It specifically includes the construction of a new bed tower, increasing the number of licensed beds from 224 to a maximum of 234, including newborn bassinets.

The act also established provisions for transferring, from JDH to CCMC, licensure and control of 40 NICU beds. It conferred the

benefits of an enterprise zone on certain businesses in Hartford and parts of Farmington, New Britain, and Bristol, and it required UConn to report biennially on the progress of the health network initiatives and the JDH construction and renovation.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 19 Nay 0 (03/17/2011)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 31 Nay 19 (05/19/2011)