



University of Connecticut
Financial Planning and Management

November 14, 2006

Lorraine M. Aronson
Vice President

TO: Members of the Board of Trustees

FROM: Lorraine M. Aronson
Vice President and Chief Financial Officer

Daniel L. Upton
Chief Financial Officer

SUBJECT: **STATE APPROPRIATION REQUEST FOR THE BIENNIUM FISCAL YEARS 2008 AND 2009 FOR THE UNIVERSITY OF CONNECTICUT HEALTH CENTER**

RECOMMENDATION:

That the Board of Trustees approve for the Health Center a State Appropriation Request for the Biennium Fiscal Years 2008 and 2009 as follows: a Current Services Request of \$80 million for Fiscal Year 2008 and \$83.2 million for Fiscal Year 2009, and an Expansion Option Request of \$13.5 million for Fiscal Year 2008 and \$20 million for Fiscal Year 2009.

BACKGROUND:

As you may recall, at the September 18, 2006 Board meeting, you approved a Current Services State Appropriation request for the Health Center which included funds for the Academic Gap (those academic expenses not covered by state funding which have historically been supported through the John Dempsey Hospital budget). At that time, we informed you it might become necessary to recast this funding request as an "expansion option" (i.e. an "above current services" request for a programmatic expansion), depending upon the outcome of our September 28, 2006 meeting with Secretary Genuario, Deputy Secretary Gnazzo and staff of the Office of Policy and Management. In fact, it was agreed at that meeting the Academic Gap would be treated as an expansion option. On November 1, 2006 we were informed by OPM that we will be permitted to pursue this expansion option to the next phase of the process.

We therefore resubmit this matter to you for approval. The original Current Services request of \$93.5 million for FY '08 and \$103.2 million for FY '09 has been reconfigured to reflect a Current Services request of \$80 million for FY '08 and \$83.2 million for FY '09, and an Expansion Option Request of \$13.5 million for FY '08 and \$20 million for FY '09 for the Academic Gap.

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