




Office of Health Affairs
Andrew Agwunobi, MD, MBA
Chief Executive Officer
Executive Vice President
for Health Affairs

June 27, 2018

TO: Members of the Board of Trustees

FROM: Andrew Agwunobi 
Chief Executive Officer UConn Health

RE: Spending Plan for Fiscal Year 2019 for UConn Health

RECOMMENDATION:

That the Board of Trustees approve the Spending Plan for Fiscal Year 2019 of \$1,047.6 million for UConn Health.

BACKGROUND:

The Operating Budget for Fiscal Year 2019 includes \$1,047.6 million of revenue, including state funding of \$238.8 million, to cover \$1,047.6 million of expenses. UConn Health is presenting a balanced spending plan for FY19, despite continued pressures resulting from a declining State block grant and increased fringe benefit costs.

On May 15, 2018, the Governor signed the FY19 State budget bill, which included a block grant of \$123.3 million (\$238.8 million with fringe reimbursement and adjustments) for UConn Health. We are grateful to the State legislature and Governor for their continued support of UConn Health and recognize the ongoing financial constraints on the State of Connecticut. However, in addition to the reductions already realized in FY19's block grant, UConn Health is at risk for an additional 5% or \$6.2 million (\$11.2 million with fringe) of cuts as part of the Governor's rescission authority should the State budget dip into deficiency during FY19. State support, which consists of both the block grant and fringe reimbursement, is critical to UConn Health.

UConn Health continues to manage its budget closely to account for State Support reductions as well as rising fringe benefits costs. To address the shortfalls, UConn Health has implemented financial improvement projects which include clinical initiatives, judicious hiring decisions and extensive non-labor contract improvements.

In spite of ongoing fiscal struggles, UConn Health will continue to focus on providing excellent patient care, protecting academic excellence, and supporting the research mission.