

OFFICE OF FISCAL ANALYSIS

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HB-8001

AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER JOINT VENTURE INITIATIVE.

As Amended by House "A" (LCO 10990)

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Treasurer	GF - Potential Revenue Gain	See Below	See Below
UConn Health Ctr.	Other Fund - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill empowers the University of Connecticut Health Center to establish subsidiaries or joint ventures to acquire and operate hospital systems, and it increases bond authorizations to the UConn 2000 program by \$390 million across FY 26 to FY 30. To the extent bonds are fully allocated when available, total debt repayment is anticipated to be approximately \$502.2 million over the 20-year duration of the bonds.

Moreover, the bill specifies that employees of any hospital systems purchased by the UConn Health Joint Venture Initiative (the Initiative) shall not be state employees. This precludes UConn Health or the state from incurring any personnel costs related to any hospitals owned by the Initiative. The bill additionally establishes that the Initiative is not a public agency and as such, its contracting and purchasing shall not be subject to state agency contracting requirements. In addition to the

bonds funding authorized by the underlying bill, UConn Health intends to use \$30 million of its own operating funds over the next five years to support the Initiative. Any other impact to UConn Health resulting from the Initiative's purchase and operation of any hospital system will depend on future agreements between the Initiative, UConn Health, and impacted hospital systems.

It is not anticipated that this will result in any fiscal impact to the Office of Policy and Management (OPM) associated with the Tiered PILOT grant as this will remain an entity that does not qualify for the grant.

Any fiscal impact to Waterbury is dependent on property taxes that are paid.

House "A" adds a provision that requires the proceeds from a sale or divestiture of a hospital system owned by the UConn Health Joint Venture Initiative to be deposited in the General Fund (GF). This results in a potential revenue gain to the GF to the extent a sale or divestiture occurs and the amount of such proceeds.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the terms of any bonds issued, and agreements between the initiative, UConn Health and impacted possible systems.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.