PA 11-075

SB1152

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JOINT
STANDING
COMMITTEE
HEARINGS

HIGHER EDUCATION
AND
EMPLOYMENT ADVANCEMENT
PART 5
1204 - 1511

2011

University of Connecticut
Office of the President

Philip E. Austin
Interim President and University Professor

To: Higher Education Committee
Public Health Committee
Finance Revenue and Bonding Committee
Appropriations Committee

From: Philip E. Austin, Interim President, University of Connecticut

Cato Laurencin, M.D., Ph.D., Vice President and Dean, University Of Connecticut School of Medicine

Date: January 19, 2011

SB1152

CC: Joann Lombardo, University of Connecticut Health Center

Re: Progress on the John Dempsey Hospital Construction and Renovation Project and the Establishment of the University of Connecticut Health Network

We are writing pursuant to the reporting requirement of Section 15 of Public Act 10-104, AN ACT ESTABLISHING THE UNIVERSITY OF CONNECTICUT HEALTH NETWORK AND CONNECTICUT BIOSCIENCE INITIATIVE. This section requires the University of Connecticut to report to the joint standing committees of the General Assembly having cognizance of matters relating to higher education, public health, finance, revenue and bonding, and appropriations on the progress of the UConn health network initiatives and the University of Connecticut Health Center (UCHC) new construction and renovation. As you know, PA 10-104 outlined a plan for the future of the UCHC and its John Dempsey Hospital (JDH), the state's only public academic medical center and only public hospital. It also established the UConn Health Network, a set of regional/community healthcare initiatives and collaborations and created bioscience zones in certain cities and towns in the state. The authorization of $240 million in state bond funds for the projects enumerated in the act is contingent upon receipt, no later than June 30, 2015, of $100 million in non-state funds.

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CONSTRUCTION OF NEW BED TOWER AND RENOVATIONS AT JDH

The UCHC construction and renovation project as outlined in the legislation refers to the planning, design, development, financing, construction, renovation, furnishing, equipping, and completion of clinical, academic, and research space in JDH. The project includes the construction of a new bed tower, increasing by 10 the number of JDH's licensed beds for a total capacity of 234 licensed beds, and partial renovation of the existing JDH facility. PA 10-104 anticipates the regionalization of Neonatal services, enabling JDH to increase its medical surgical bed capacity. (See details below.)

The UCHC construction and renovation project was added to the list of enumerated UConn 2000 infrastructure improvement projects, and $207 million in new bonding was authorized. As noted, the issuance of these bonds is contingent on the receipt of $100 million in non-state money. The act also reallocated $25 million of existing UConn 2000 authorizations to pay for the planning and design costs associated with the JDH construction and renovation project. This reallocation and associated planning and design expenditures are not contingent on the receipt of the $100 million in non-state money.

Status of Construction of New Bed Tower and Renovations at JDH:

- Planning and Design: Programming and Master Planning for the project began in October 2010 and is projected to be completed in February 2011. Schematic Design will begin in the spring of 2011, and full design is anticipated to be complete in 2012.
- $100 million in Non-State Funds: On October 4, 2010, the UCHC submitted an application for a competitive grant to the United States Department of Health and Human Services Department's Health Resources and Services Administration (HRSA) to secure $100 million in federal funds to satisfy the non-state funds requirement of the legislation. On Wednesday, December 29, 2010, the UCHC was informed that another institution would receive the grant. The grant would have immediately provided the $100 million in non-state funds required to leverage the State's financing for the renewal of JDH and the UConn Health Network initiatives. The University is evaluating other options for securing this funding and expects to meet with Governor Malloy's administration and the leadership of the cognizant committees of the General Assembly early in 2011.

REGIONALIZATION OF NEONATAL INTENSIVE CARE SERVICES

The plan embodied in the legislation called for the UCHC and Connecticut Children's Medical Center (Connecticut Children's) to apply jointly to the state's Office of Health Care Access (OHCA) for a Certificate of Need (CON) that would allow for the license transfer of UCHC's forty Neonatal Intensive Care (NICU) and Special Care Nursery beds to Connecticut Children's and the addition of ten medical-surgical beds to UCHC's current licensed bed count.

Status of Regionalization of Neonatal Intensive Care Services:

- On November 5, 2010, the UCHC and Connecticut Children's filed a joint CON application to OHCA, and on December 15, 2010, OHCA approved the CON application as outlined above.
- Pursuant to Section 10(a) of PA10-104 UCHC and Connecticut Children's jointly notified the Secretary of the Office of Policy and Management on January 4, 2011 of progress to date. In light of the HRSA decision, UCHC and Connecticut Children's requested additional time before finalizing the plan to transfer the NICU beds and requested an opportunity to discuss the timeline with the new Administration.

UCONN HEALTH NETWORK INITIATIVES

PA 10-104 authorizes the issuance of up to $30 million in state general obligation bonds and Public Act 10-179 authorizes the issuance of up to $3 million in state general obligation bonds to fund UConn Health Network initiatives. The initiatives include: a Simulation Center at Hartford Hospital, a Regional Primary Care Institute at St. Francis Hospital, the Institute for Clinical and Translational Sciences, a Regional Comprehensive Cancer Network, a Health Disparities Institute in Hartford, a Cancer Treatment Center at Hospital of Central Connecticut, the Connecticut Institute for Nursing Excellence at the UConn School of Nursing, Patient Room Renovations at Bristol Hospital, purchase of equipment for electronic medical records and access to remote treatment and training centers at Charter Oak Health Center, Inc. and Community Health Services, Inc. (both in Hartford), and renovations and repairs at the Hispanic Health Council, Hartford.

Status of the UConn Health Network Initiatives:

- The issuance of the bonds for these projects is contingent on the receipt of the $100 million in non-state funds. Until the matching funds are secured, the bond funds for these projects cannot be allocated.

BIOSCIENCE INITIATIVE

While not a part of the UConn Health Network, PA 10-104 also creates the establishment of bioscience zones in the City of Hartford, parts of Bristol, Farmington and New Britain. The governing bodies of the cities and towns are required to submit certain documentation (resolution approving the zone and a mylar map) to the Department of Economic and Community Development (DECD) in order for the zones to take effect.

Status of Bioscience Initiative Implementation:

- Hartford is preparing their resolution approving the zone and their mylar map, Bristol has submitted their resolution approving the zone and their mylar map is in process, Farmington has approved their resolution approving the zone and their mylar map is in process and New Britain has submitted their resolution approving the zone and their mylar map. For more information contact Joe Oros, Legislative Liaison, DECD at 860-270-8186.

NEXT STEPS

As previously stated, the University is now seeking to identify alternative sources for the funding needed to proceed with our plans for JDH's renewal and the establishment of the UConn Health Network. We are encouraged by Governor Dannel Malloy's recent statement immediately following the announcement of HRSA's decision last month, indicating that a renovated and expanded UCHC is critical to the economic revival of central Connecticut and would clearly benefit the State from both a public health and an education standpoint. We are grateful for the Governor's decision to explore options to fund this critical project and for tasking his staff to propose innovative and alternative ways in which to move this project forward.

The University remains committed to the plan embodied in PA 10-104 and looks forward to working with the Governor, the General Assembly, and our many community and business supporters as we seek ways to proceed with the renewal of the John Dempsey Hospital and implementation of the UConn Health Network.

Higher Education and Employment Advancement Committee
Public Hearing Testimony
By
Interim President Philip E. Austin
University of Connecticut
And
Cato T. Laurencin, M.D., Ph.D., Vice President and Dean
University of Connecticut School of Medicine
March 15, 2011

Thank you for affording us the opportunity to submit written testimony on SB 1152 AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER. We also want to thank you for creating a bill that could be amended later in the legislative process to reflect any statutory changes needed to help the Health Center fulfill its mission of patient care, research, and medical education. This assumes, of course, that with your advice and input, along with the administration's, a consensus can be reached on how best to advance the Health Center so that we can maximize our contributions to the delivery of quality healthcare in Connecticut and advance the State's economic interests.

As you are aware, we reported to the committee in January, pursuant to Section 15 of Public Act 10-104, on the progress on the John Dempsey Hospital Construction and Renovation Project and the Establishment of the UConn Health Network. Attached is a copy of the January 19th letter, which still provides the most recent summary of the actions we have taken since the enactment of the Public Act. We are also providing for the Committee's review the Health Center's recent testimony and supporting materials that were shared last week with the Higher Education Subcommittee of the Appropriations Committee.

It is critically important for the construction of the new hospital tower at John Dempsey Hospital to proceed in order to bring stability to our operations. Having a financially viable, on-site hospital staffed by first-rate clinician scientists and educators is an essential component to operating a successful academic health center. We need the hospital to attract top faculty clinician scientists, to conduct bench to bedside research and patient care and serve as a teaching site for our students and residents. Faculty need to be close to where they see patients, conduct their research and teach students. The hospital is a classroom and as such needs to be geographically proximate to the academic facilities.

Collectively, UCHC's activities contribute significantly to the State's economy. In addition to our clinical enterprise, our more than $100 million in research grants serves as a catalyst for biomedical and biotech jobs. It is estimated that UCHC generates nearly $1 billion in Gross State Product. And we're playing an increasing role in generating start-up businesses through our incubator space and state-of-the-art labs. As you move from determining how to eliminate the State's deficit to considering how best to accelerate Connecticut's economy and grow jobs, we urge you to consider how tho help UCHC be an even larger contributor to that effort. We know that bioscience/healthcare is one of the nation's and our State's few growth industries. We also know that Connecticut will need to respond to the increasing demand for quality healthcare as healthcare reform is implemented. The UCHC is positioned to be a critical asset in your strategic efforts to address these economic and healthcare challenges.

We appreciate the value you place in your only public academic medical center and what it can uniquely offer in terms of adding to the quality of life of Connecticut residents now and for the foreseeable future.

Higher Education Appropriations Subcommittee Testimony
Cato T. Laurencin, M.D., Ph.D.
Vice President for Health Affairs and Dean of the School of Medicine
University of Connecticut Health Center
March 11, 2011

SB1152

Senator Maynard, Representative Willis, Senator Markley, Representative Wood, and members of the Higher Education Appropriations Subcommittee. I appreciate the opportunity to speak this morning about the University of Connecticut Health Center.

As you well know, the Health Center is the State of Connecticut's only public academic medical center. It is our State's primary source of new physicians and dentists, a key provider of vital health services to some of our most vulnerable citizens, and an engine of economic growth. Our mission as an "integrated academic medical center"—improving the health of Connecticut's people through the innovative integration of education, research, and clinical care—is one that I know all of you support.

This year we celebrate the 50th Anniversary of the UConn Health Center. The Health Center was first chartered in 1961. We have been successful because of the farsighted wisdom and investments of the State over the years. I want to take this opportunity to thank the legislature for all it has done in the past to make the UConn Health Center great. I will speak to you today about continuation of these investments in these very challenging times.

By way of background for those of you new to this Committee, the UConn Health Center is comprised of the Schools of Medicine (SOM) and Dental Medicine (SDM) as well as the Graduate School in Biomedical Sciences with more than 850 students across all schools. The UConn Health Center operates John Dempsey Hospital (JDH), the only public tertiary care hospital in the State; the UConn Medical Group, the region's largest multi-specialty practice group; and the UConn Health Center Dental Clinics. Collectively, our clinical faculty and staff provide care for over 950,000 patient visits each year. In addition, approximately 46,000 dental patient visits occur annually through a well-established partnership with a statewide network of affiliated community clinics, including federally qualified health centers.

The UConn Health Center's graduates represent a major source of physicians and dentists who practice in the state. In addition, the UConn Health Center sponsors nearly 700 residents (medical and dental) annually, who work primarily in the greater Hartford region. Not only do Hartford area hospitals rely on our residents to deliver quality patient care at their institutions, but each year these hospitals also obtain important graduate direct and indirect medical education funds from the federal government, which in FY09, totaled $74.1 million.

Of great importance to the State and its economic development, UConn Health Center faculty clinicians and researchers earn more than $100 million in biomedical research support annually, most of it brought in from outside the state. We have renowned individuals with expertise in such areas as musculoskeletal science, genetics, cardiology and stem cell research. When combined with our clinical services, the UConn Health Center's activities generate nearly $1 billion in Gross State Product each year.

An important part of our public mission is to provide clinical services to the under- and uninsured. The UConn Health Center is the largest single provider of dental care to this population. In FY 10, 68.2% of our dental visits were Medicaid patients. That service resulted in a $2.9 million financial loss to the

Health Center, but it is a key responsibility and one that we wish to continue. We are also the mainstay of dental services to adult citizens with developmental disabilities.

And while Connecticut's private physician practices typically accept a minimal amount of Medicaid patients, Medicaid patients comprised 14.9% of our University Medical Group patient visits in FY 2010. In addition, clinical care provided to Correctional Managed Health Care patients accounted for 2.5 percent of the University Medical Group patient visits and is also reimbursed at Medicaid rates. If services to these patients were reimbursed at Medicare levels, that would have resulted in $3 million of additional revenue. In addition, our hospital ranks among the top four hospitals in the state in Medicaid inpatient days as a percentage of total inpatient days.

In fulfilling our public service mission, UConn Health Center clinicians and faculty collaborate with numerous state agencies, including the Departments of Public Health, Correction, Mental Health and Addiction Services, Veterans Affairs (in Rocky Hill and West Haven), and Developmental Services. Our medical students examine and provide care to patients at the South Park Inn Medical Clinic in Hartford, Covenant House in Willimantic and our students and faculty provide care to Connecticut's seasonal migrant farm workers. In other words, the Health Center touches multiple branches of State government and citizens all across Connecticut.

Because of the expenses and lost revenues associated with our public service mission, and because John Dempsey Hospital and the University Medical Group have operated in a rapidly changing market environment for more than a decade, well in advance of the State's present fiscal crisis, we—and you—realized that it was imperative to optimize revenues and limit expenses, while maintaining the quality of education programs and clinical care. I would remind the Committee that the Health Center receives just 22.9% of its budget from the State. The remaining 77.1% is generated from clinical revenues, research grants, tuition & fees, and philanthropy. So with guidance provided by PricewaterhouseCoopers (PwC), the Health Center has implemented operating expense reductions and revenue enhancements. The most recent initiatives in FY09 and FY10 resulted in cost reductions and revenue enhancements of approximately $12 million. The majority of the enhancements were attributed to renegotiating more favorable third party payor reimbursements. Despite these ongoing efforts, they do not remedy the root causes of the Health Center's basic fiscal problem or obviate the need for continuing State support. We understood, and PwC confirmed, that what was needed were solutions to JDH's long-term, structural deficiencies. Moreover, in the wake of nearly a decade of flat funding from the State, the consequences of our financial constraints became evident not only in operating deficits, but also in DPH's decision to place JDH on probation in 2008 and in the assessment last year by our Medical School's accrediting agency, the LCME which issued a warning to us.

Over the past four years we have explained in great detail the structural causes of the financial challenges facing the Health Center and why it was experiencing annual deficits. For those of you who are new to the legislature, The UConn Health Center's financial challenges are directly and primarily attributable to John Dempsey Hospital's structural deficiencies, which are compounded by our public service and teaching missions.

These deficiencies include John Dempsey Hospitals:

- ☐ Outdated physical plant
- ☐ Relatively small bed capacity (the 2nd smallest academic health center hospital in the country)

- Too few medical/surgical beds, located largely in double bedded rooms (only 119 of our 224 beds are medical surgical beds)

- A disproportionately high percentage of low reimbursement and public mission beds and Medicaid clients (105 beds are attributed to these services and John Dempsey Hospital's is among the top 4 hospitals in the state in Medicaid inpatient days as a percentage of total inpatient days at 25%)

- A fringe benefit rate significantly higher than that of any other hospital in Connecticut, due to John Dempsey Hospital's status as a State institution.

For several years, while we were unsuccessful in building a consensus among key partners around a long term solution to John Dempsey Hospital's structural financial deficiencies, the Health Center requested additional State support to cover its annual deficits. We remain grateful for the financial assistance which you provided in certain key areas. I particularly note two specific actions recently taken by the General Assembly:

- For the first time, in FY2009, John Dempsey Hospital's fringe benefit cost differential was partially acknowledged and fully acknowledged and addressed in FY2010 and FY2011. The fringe benefit differential is the difference between the state fringe benefit rate for John Dempsey Hospital's employees and the average rate for private Connecticut Hospitals. In the current fiscal year, $13.5 million in the Comptroller's fringe benefit account covers the differential for JDH employees.

- And in recognition of the extended period during which the UConn Health Center's block grant remained flat funded, the General Assembly approved increases in our block grant. With this support and management action taken to improve revenues and control expenses, UConn Health Center ended the FY10 fiscal year with a modest operating margin and is on track to break even this year.

But it was this past year that State government, the Hartford-area hospitals, and we at the UConn Health Center took even more fundamental steps forward in enacting a plan to begin to address John Dempsey Hospital's structural issues. Public Act 10-104 was supported by all of the region's major healthcare providers. It authorized the construction of a new John Dempsey Hospital patient bed tower and adjusted John Dempsey Hospital's bed mix significantly by increasing the number of John Dempsey Hospital's medical/surgical beds by 50 (from 119 to 169, a 42% increase), and the transfer of the license for its neonatal intensive care unit (40 beds) to Connecticut Children's Hospital. The act also approved funding for the establishment of the UConn Health Network, a series of regional collaborative healthcare initiatives. This compromise plan reflected the best efforts of many within the health community, State government, and the University of Connecticut.

When implemented, the plan promises to bring much needed financial stability to UConn Health Center's operations and will, as all the major stakeholders agree, lead to expanded research discoveries and revenue, significant job growth, enhanced tax revenues, and a growing gross State domestic product.

Since the enactment of P.A. 10-104, we have experienced both progress and a temporary set-back. Just a few months ago, the state Office of Health Care Access approved the joint Certificate of Need for the

new patient tower and the license transfer of the 40 NICU beds to Connecticut Children's Medical Center. In addition, we retained an architectural firm, and the planning and design process for the new tower is well under way.

We were disappointed to learn that we would not be the recipient of a $100 million federal grant to support the renewal of the existing John Dempsey Hospital's facility. Pursuant to the provisions of the public act, receipt of funds in that amount from non-state sources is a prerequisite to commencing construction of the new tower. We have been conferring with OPM Secretary Barnes about possible options to move the hospital project forward and will share the outcome once a direction is determined.

Continued operating support through our block grant and assistance with John Dempsey Hospital's fringe benefit differential is essential for the Health Center's financial viability during this period and for the future.

We are very grateful that the Governor's budget includes a provision to permit the Comptroller to continue to fund the $13.5 million for the fringe benefit differential in FY12 and FY13. The proposed reductions to our block grant, however, are significant. The proposed appropriation for FY12 is $114 million -- a 14% reduction from our request of $133 million (which reflects the cost of the 27th payroll period), and is $5 million less than our FY 11 appropriation (if you include the associated fringe, the reduction is $8 million). In addition, the proposed budget reduces non emergency dental services for adults on Medicaid (e.g. exams, cleanings and radiographs) from a twice-a-year to a once-a-year schedule and eliminates some restorative and prosthodontic procedures through a new pre-authorization program. The estimated impact of the proposed changes in coverage is a $643,000 annual loss to the Dental Clinics at the UConn Health Center. For FY13, the proposed block grant amount is further reduced to $110 million.

The effect of the proposed FY12 block grant creates an approximate deficit in UConn Health Center's operating budget of $19.5 million prior to the implementation of any expense reductions. As President Austin and I shared with you at the full committee meeting last week, this poses a real challenge and will have an effect on operations at the UConn Health Center as will the proposed reductions in non-emergency dental services for adults under Medicaid.

We recognize the significant fiscal challenges confronting our state and will be prepared to consider a series of difficult options in an effort to maintain a balanced budget. Should the proposed Health Center's appropriation remain unchanged, it would represent a significant step back from the progress made during the recent legislative sessions. For all the reasons I noted earlier, we are extremely limited in the areas where we can achieve significant savings or reductions. Please be assured that we will continue to explore all avenues available to us to increase revenues. The options likely to be considered include:

Raising Revenue: Consideration will be given to continuing to negotiate improvements in commercial insurer reimbursements, increasing contributions from area hospitals for administration of residency programs, and increasing student tuition and fees (although not a source of significant revenue; only 2.5% of total revenues come from tuition and fees due to the limited size of our total student body).

Management Efficiencies: Following the completion of the PwC exercise, seeking cost reductions has become part of the culture at UCHC. We continually look for ways to gain efficiencies while making prudent strategic investments and managing financial risk, but we have long since achieved the "easy"

wins. We do not anticipate discovering large savings after so many years of close scrutiny. For example, lifting the hospital off probationary status a year ahead of schedule and seeking Magnet status for our nursing program have required and will continue to require smart investments.

Recruitment and Retention: Over the next three years, recruiting 40 new clinicians in key practices areas such as primary care, orthopaedic surgery etc.) is integral to our John Dempsey Hospital renewal plans. In addition, we begin negotiations later this week with the newly formed AAUP bargaining unit on a first contract for our faculty, who as a defined group, are the only state employees who as a group have not received a general wage increase since FY08. While I am sure this is an unintended consequence, reduced State support for the UConn Health Center will impede our efforts to recruit and retain our faculty – the source of intellectual capital that drives our academic, research and clinical engines.

Elimination of Programs and Services: Through a program by program analysis, we will continue to determine each program's relevance to the UConn Health Center's core mission. Careful consideration will have to be given to any reductions that would adversely affect the quality of our educational, research and clinical programs. Also, this effort could lead to a reduction of services to Medicaid-eligible patients or the elimination of clinical and other programs that are not financially self-supporting.

I feel obligated to inform the committee again, that the unfortunate sweep of $20 million from the UConn Health Center's medical malpractice trust fund in the last biennium, renders the UConn Health Center and ultimately the state with a potential unfunded financial liability. We hope to work with the Administration and the General Assembly to address this matter during the session.

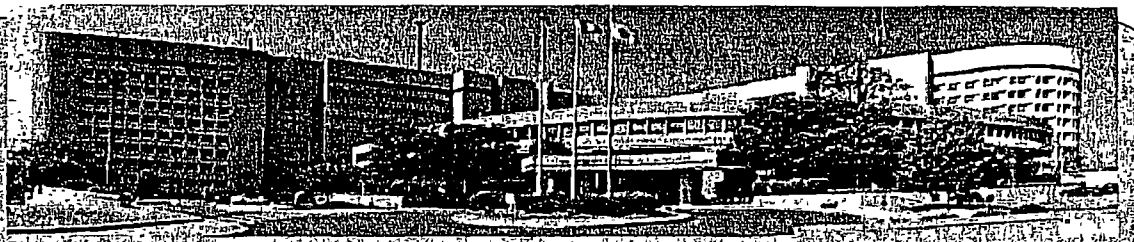
The UConn Health Center remains one of our State's greatest assets. We are working to improve the quality of healthcare for all Connecticut's citizens while serving as an engine for economic development. The plan reflected in PA 10-104 allows this work to move to new levels. Specifically it will allow the state to derive significant economic benefits including 5000 new jobs by 2020 and more than 6800 by 2030, and $1.1 billion in new tax revenue for the State by 2040.

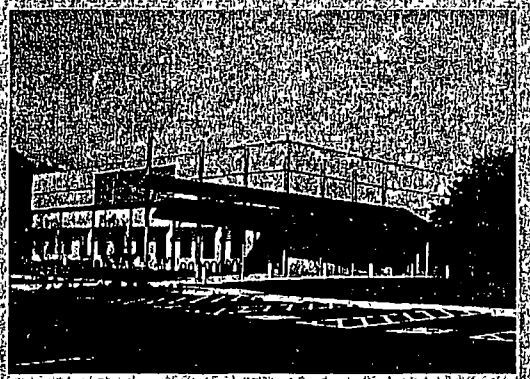
We all appreciate the extremely challenging fiscal environment our Governor and the members of the General Assembly are confronting. As our state's public policy leaders, you bear the burden of overcoming the immediate magnitude of the current deficit and, simultaneously, have the opportunity to determine how best to ensure a vital economic future for our State. In making these difficult and important decisions, I would respectfully ask that you appreciate the value of your only public academic medical center and what it can uniquely offer in terms of adding to the quality of life of Connecticut residents now and for the foreseeable future.

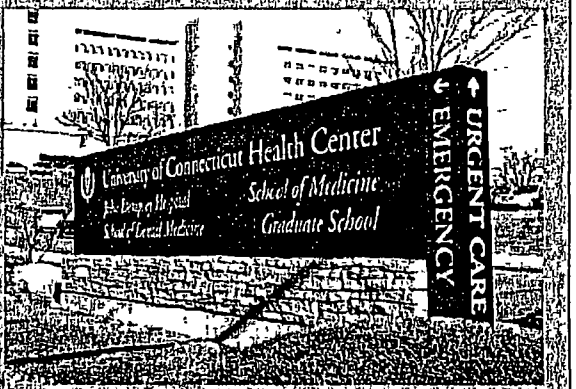
Thank you for your continued support.

University of Connecticut Health Center

KNOW BETTER CARE







February 28, 2011

UCHC **represents ½ of the University of Connecticut, ½ of its budget, ½ of its employees and ½ of its research portfolio.**

UCHC'S Mission: Education, Research and Patient Care

Connecticut's only public academic medical center :

- 3 Schools:
  - Medical School (352 students)
  - Dental School (178 students)
  - Graduate School of Bio-Medical sciences (339 students)
- **Residency Training:** 694 residents (medical and dental) who train and provide patient care in local hospitals and community settings in more than 20 communities across the State
- **Biomedical Science and Research: $100M** in federal and other research grants for discovery and innovation to improve patient health and outcomes e.g. Stem Cell research, cancer vaccines, hormone therapies for Osteoporosis, biomaterials and biomedical devices.
- **Patient Care:** All UCHC clinical care venues serve as sites for teaching and learning and are essential for attracting talented faculty who teach, do research and provide patient care
  - **John Dempsey Hospital (JDH):** a 224 bed acute care university teaching hospital
  - **UConn Medical Group (UMG):** the region's largest multi-specialty faculty clinical group practice
  - **University Dentists and UConn Dental Clinics:** Connecticut's single largest provider of dental care for the under and uninsured

001488

UCHC: A Worthy Investment

Critical source of the State's health care professionals

- 35% of School of Medicine graduates practice in the State
- 47% of School of Dental Medicine graduates practice in the State
- Connecticut residents comprise 82% of the School of Medicine students and 51% of the School of Dental Medicine students for the entering class of 2010
- Minority enrollment in both schools is above the National average

Economic driver for the region and state

- Catalyst for biomedical and biotech jobs, e.g., Stem cell
- Generates nearly $1 billion in Gross State Product
- Incubator space, state-of-the-art labs and offices for small startup businesses
- Robust clinical enterprise

Major Employer:

- 5121 employees (78% unionized staff, 11% unionized faculty, 1% non-union faculty, 3% managerial and 7% residents/graduate assistants/student payroll)

001489

UCHC: Partner & Resource to Other Hospitals

48 UConn Internship/Residency Programs contribute to the quality of service in the participating hospitals & also drive additional Medicare reimbursement.

Hospitals FY 09	GME* & IME** Reimbursement
CT Children's	$3.2M
Hartford Hospital	$36.8M
Hospital of Central Connecticut	$7.2M
John Dempsey Hospital	$20.8M
St. Francis Hospital	$26.9M
TOTAL	**$94.9M**

*GME = Graduate Medical Education

**IME = Indirect Medical Education

001490

UCHC: Partner & Resource to Other Hospitals, Community and State

- Trained physicians and staff of Waterbury and St. Mary's for regional cardiac surgery and interventional cardiology program
- Trained staff and assisted Eastern Connecticut Health Network in establishing a Level II nursery at Manchester Hospital
- Provide the largest amount of dental emergency room services in the state
- Provide Pediatric dentistry program at Connecticut Children's Medical Center
- Provide Statewide Neonatal Transport Program and Regional Neonatal Intensive Care Unit. In FY10, UConn's Neonatal Transport Program transported 271 neonates to JDH and 12 other hospitals from 75 Connecticut towns
- Provide workforce at St Francis/UConn Burgdorff Clinic (Hartford's north end) and Asylum Hill Family Medicine Practice
- Training site for UConn nursing, allied health schools, pharmacy, dental hygiene and assisting programs

001491

UCHC: A Resource to the Community and the State

Service to Medicaid Patients in FY10:

- JDH ranks among the top 4 hospitals in the state in Medicaid inpatient days as a percentage of total inpatient days.
- UConn dental clinics are the single largest provider of dental services to Medicaid recipients and the under- and uninsured (138,658 total visits all sites)
  - 68.2% of patient visits to the UCHC dental clinics are Medicaid clients (Farmington, Burgdorf and Connecticut Children's Medical Center) (93,110 total visits)
  - Services are provided in 20 community sites across the state (Hartford, New Britain, East Hartford, Manchester, Waterbury, Norwich, New Haven, Derby, Willimantic, Putnam, Bridgeport and Torrington) (45,545 Total visits)
- 14.9% of UMG visits were Medicaid patients

Clinical Service Collaboration:

- Department of Correction: Provide medical and dental care to 19,000 inmates in DOC custody
- Departments of Public Health, Mental Health & Addiction Services, Veteran Affairs, and Developmental Services
- Telehealth demonstration projects with community health centers

Statewide Resource:

- Operate the Connecticut Poison Control Center (per State Statute)

001492

UCHC: A Resource to the Community and the State

Community Service: UConn physicians and dentists, medical and dental students and our residents provide thousands of hours of free services to Connecticut's most medically vulnerable citizens.

- Migrant Farm Worker Clinic
- South Park Inn Medical Clinic (Hartford)
- South Marshall Street Homeless Clinic (Hartford)
- Connecticut Poison Control Center
- YMCA Adolescent Girls Medical Clinic (Hartford)
- Camp Courant Dental Screening Program
- Covenant House (Willimantic)

Filling the Pipeline: Initiatives to grow the number of under-represented minorities enrolled in healthcare education and increase the number of healthcare professionals practicing in urban settings and other areas across the state.

- AETNA Health Professions Partnership Initiative
- Area Health Education Collaborative (AHEC), located in Farmington with four regional centers located in Bridgeport, Hartford, Norwich and Waterbury
- Urban Service Track

001493

UCHC: Partner & Resource to Other Hospitals & Community

The Connecticut Institute for Clinical and Translational Science (CICATS):

- CICATS' mission is to:
  - Educate and nurture new scientists.
  - Increase the number of clinical and translational research projects conducted in the State (T1 translation of bench research to the bedside in clinical trials and T2 from the bedside to the clinic and community) and other healthcare organizations throughout the Greater Hartford metropolitan area.
  - Collaborative to improve healthcare conditions that are among the leading causes of morbidity, mortality, disability and health disparities in the region and the nation.

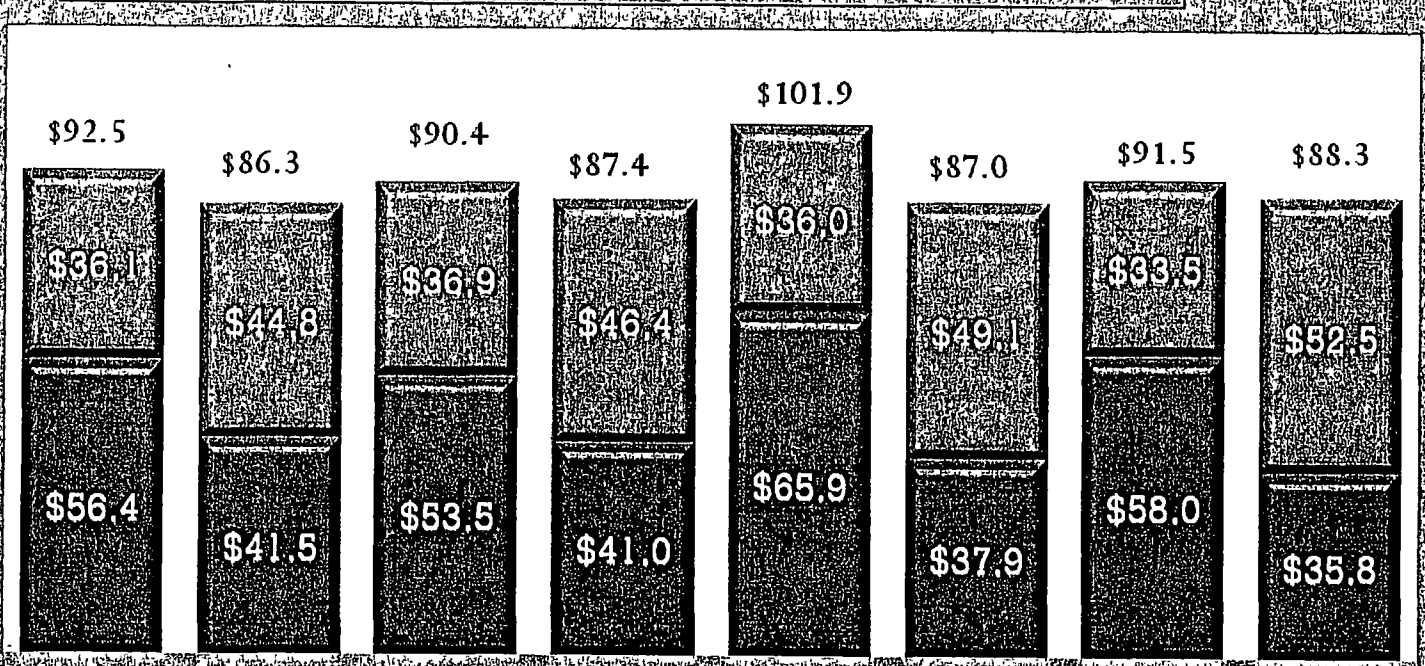
Partners include: Connecticut Children's Medical Center, Hartford Hospital, St. Francis Hospital and Medical Center, Hospital for Special Care, Hospital of Central Connecticut, Institute for Community Research, Hispanic Health Council and Community Health Association of Connecticut.

001494

Research Awards and Revenue Recognition($M)

UCHC

Note: This graph includes the full grant amount (even if multi-year) in the year of the award



ARRA Awards
FY2009 $1.8M
FY2010 $13.0m

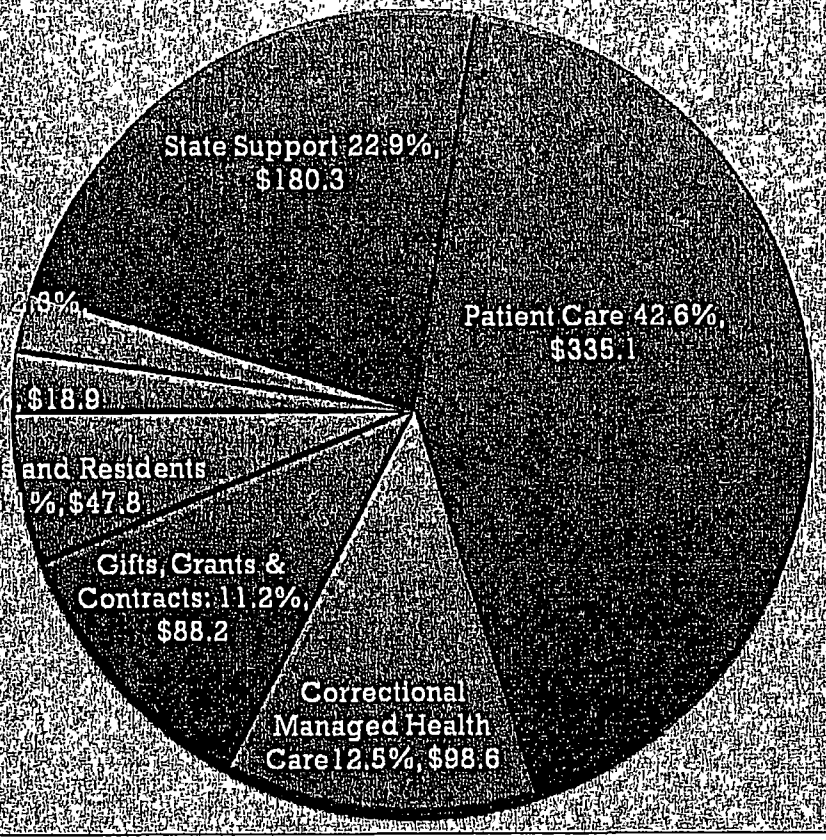
■ NIH Grants ■ All Other Grants

001495

FY11 Revenue Budget-$787.3M

UCHC

- 22.9% of the Health Center budget is state supported.
- 77.1% comes from other revenues (clinical, research, tuition, philanthropy)

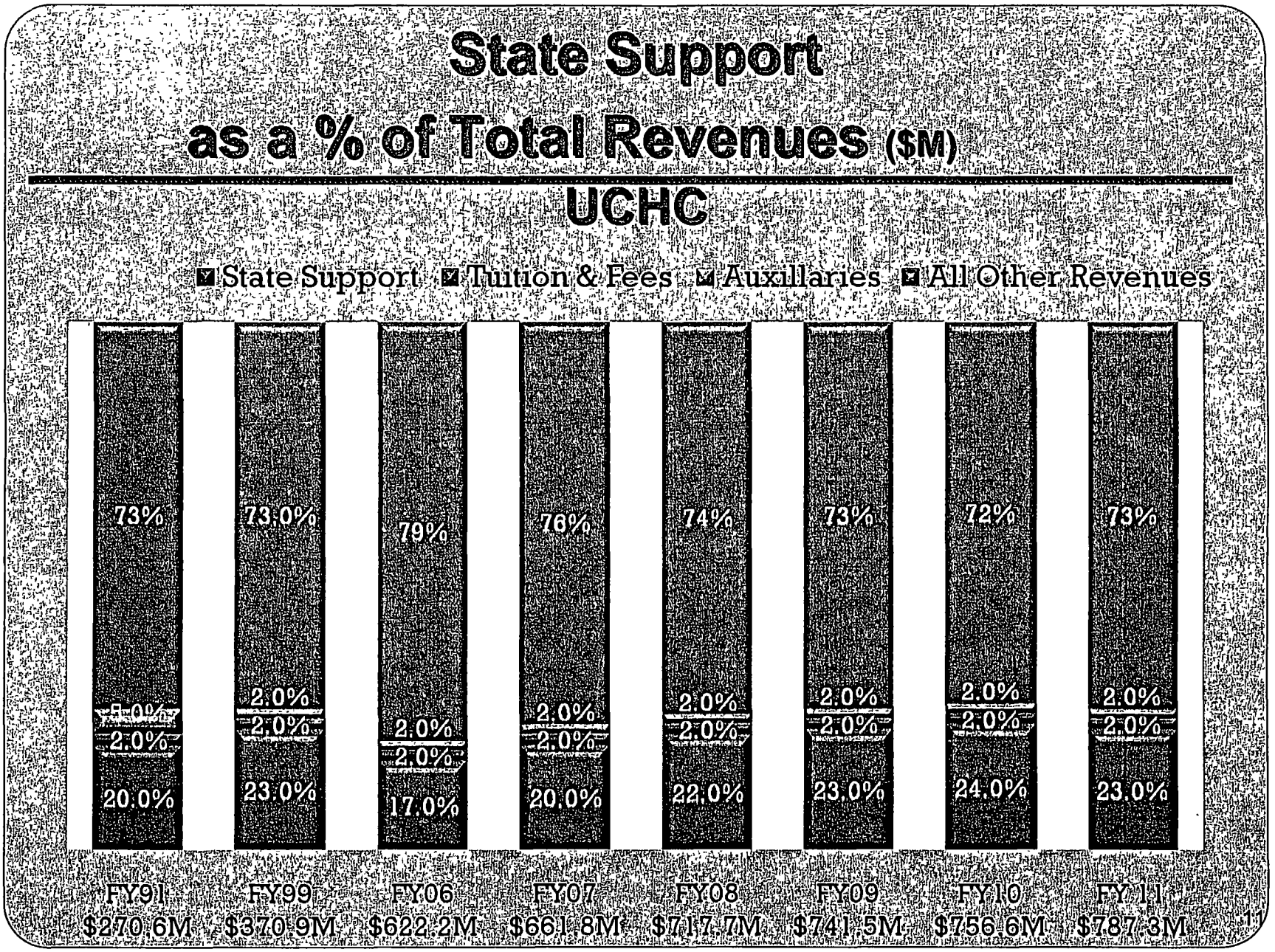


- State Support 22.9%
- Patient Care 42.6%
- Correctional Managed Health Care 12.5%
- Gifts, Grants & Contracts: 11.2%
- Interns and Residents 6.1%
- All Other 2.4%
- Tuition & Fees 2.3%

001496

State Support as a % of Total Revenues ($M)

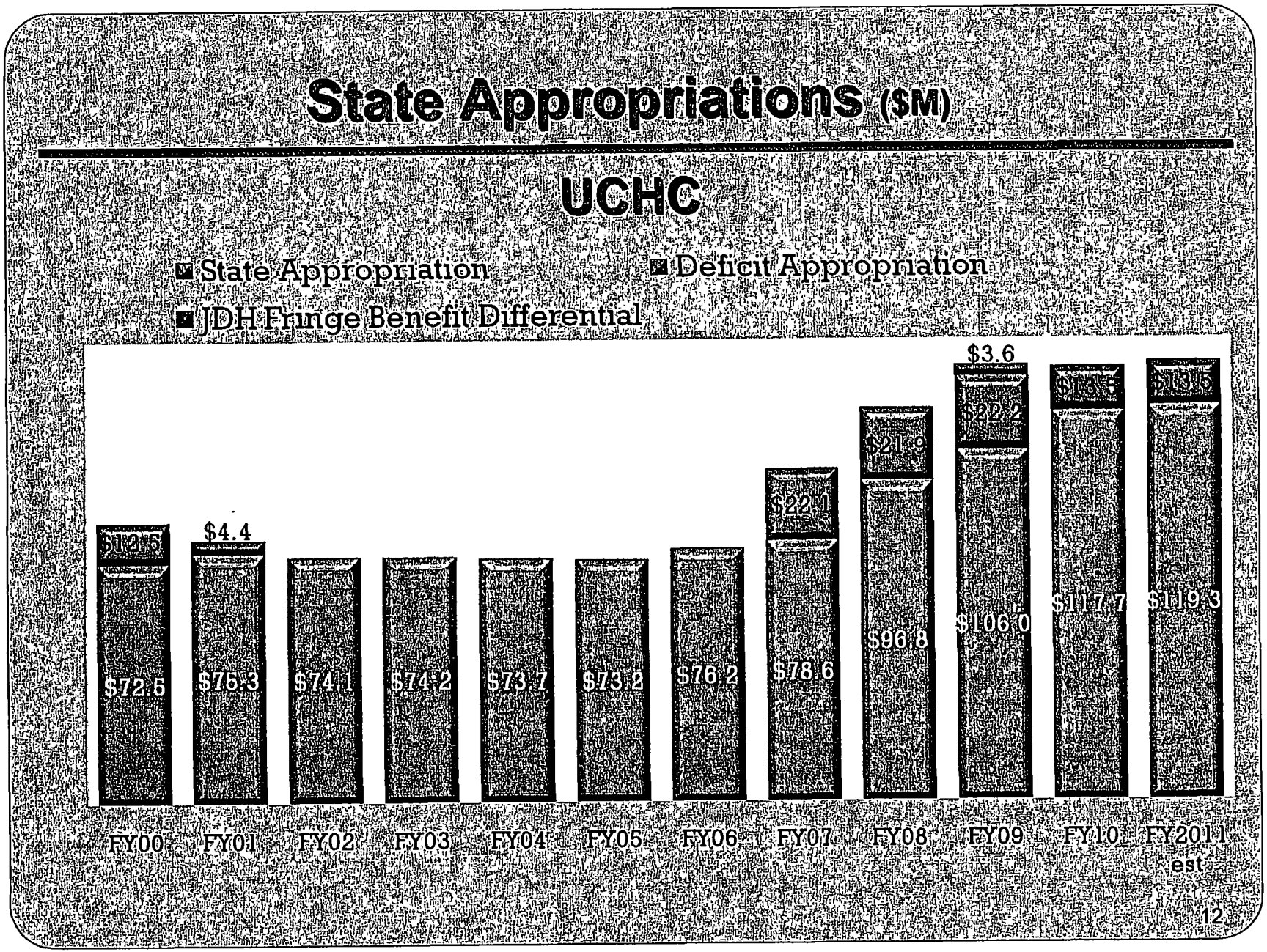
UCHC



001497

State Appropriations ($M)

UCHC

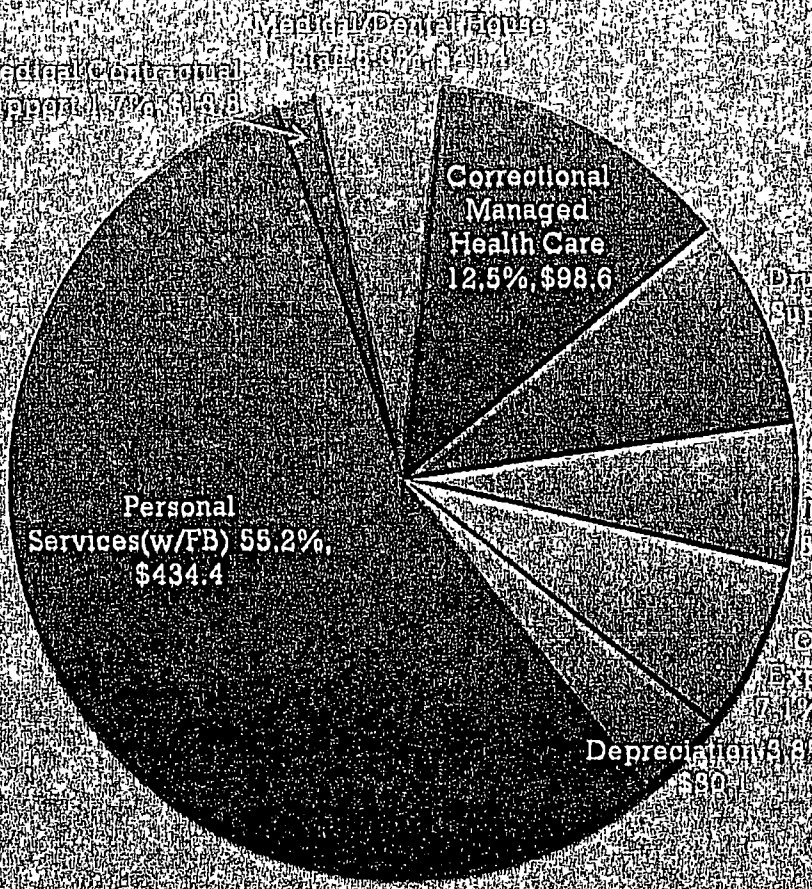


001498

FY11 Expenditure Budget by Major Category-$787.3M

UCHC

- Personal Services (w/FB) 55.2%
- Medical Contractual Support 1.7%
- Medical/Dental House Staff 5.3%
- Correctional Managed Health Care 12.5%
- Drugs/Medical Supplies 8.6%
- Outside & Other Purchases 5.8%
- Other Expenses 7.1%
- Depreciation 3.8%

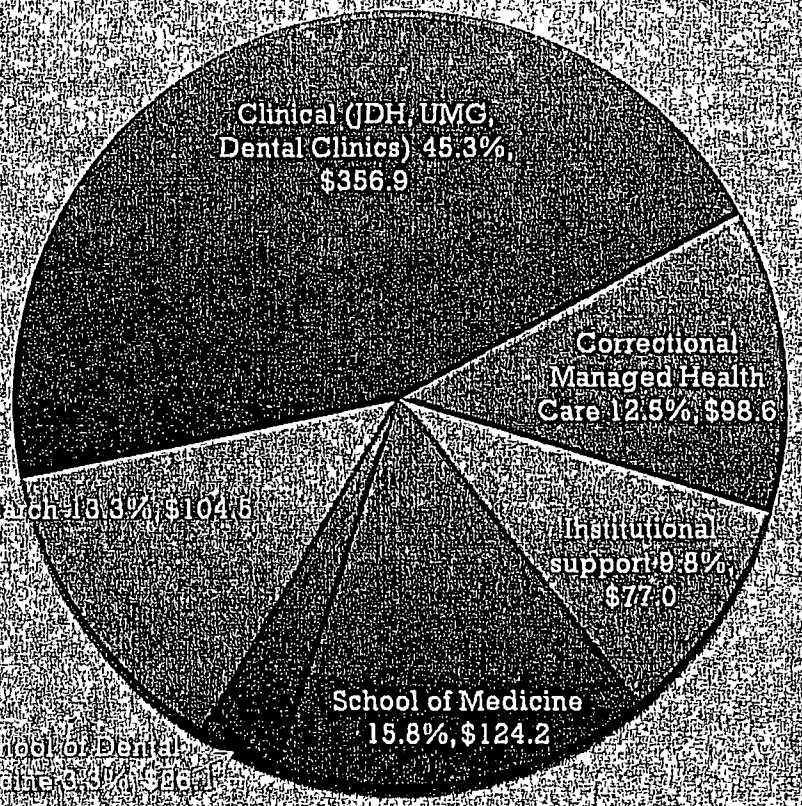


001499

FY11 Expenditure Budget by Programs - $787.3M

UCHC

- School of Medicine 15.8%
- School of Dental Medicine 3.3%
- Research 13.3%
- Clinical (JDH, UMC, Dental Clinics) 45.3%
- Correctional Managed Health Care 12.5%
- Institutional support 9.8%



001500

About John Dempsey Hospital (JDH)

- Opened in 1975, JDH is the only public acute care hospital in Connecticut and the 2nd smallest academic health center hospital in the U.S., originally planned as 400 beds. JDH was built at 200 beds. The 2nd tower was never built.

- Key service statistics (FY10)
  - 9,513 inpatient admissions
  - 878,519 outpatient services ($284,766 JDH and $593,753 UMG)
  - 93,110 dental clinic visits

- 224 staffed and licensed beds, of which 105 are very specialized (Neonatal, Correctional, Psychiatry, Maternity), leaving only 119 medical/surgical (flexible) beds.

- Medicaid recipients account for 25% of 51,425 JDH inpatient days. JDH is a disproportionate share hospital for Medicaid and Medicare (one of only five).

- Faces the same set of challenges as the state's other 29 acute care hospitals: Medicaid/Medicare cutbacks, uncompensated care, low reimbursement rates, nursing and other health care profession shortages and the realities of an intensely competitive marketplace.

001501

UCHC's Financial Viability

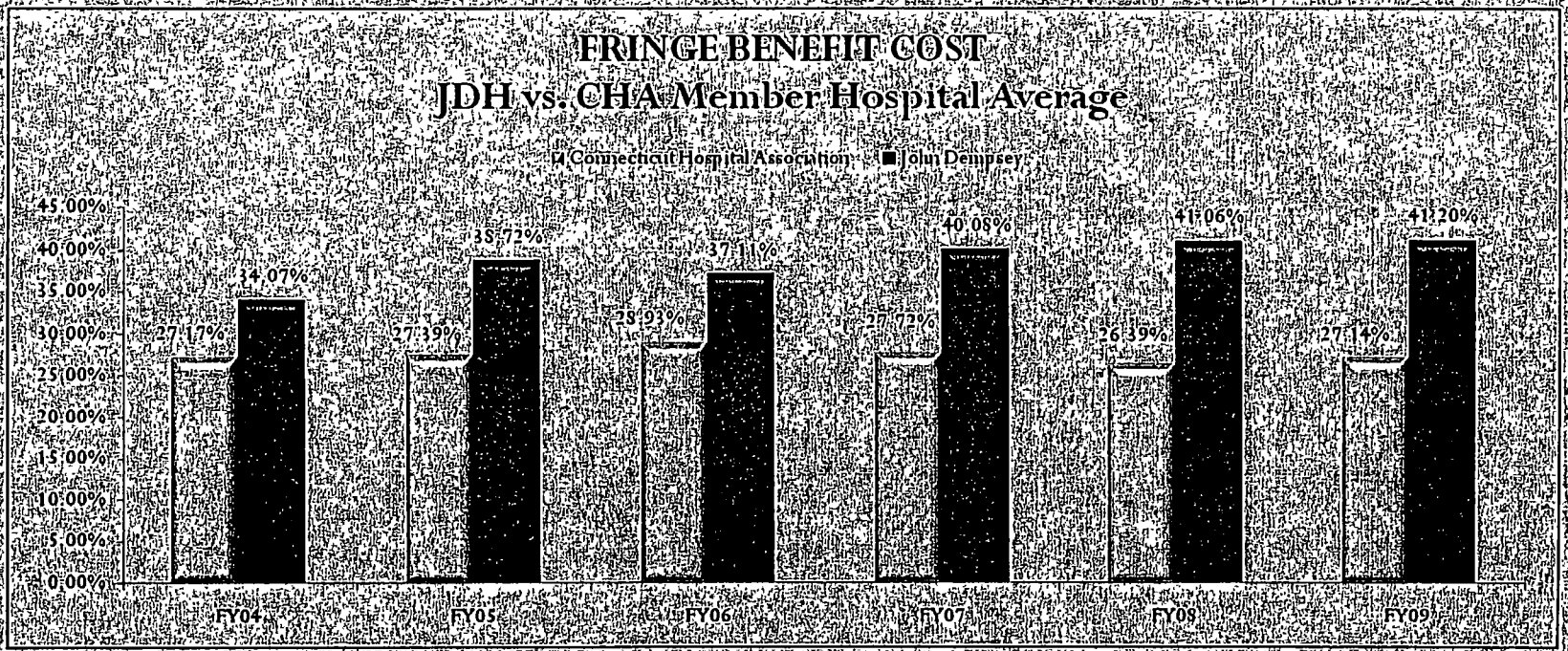
- Structural financial deficits facing UCHC have been described to the General Assembly over the past four years.
- The FY 2010-2011 biennial budget temporarily address these structural deficits through an increase in our block grant and fully funding the JDH fringe benefit differential. We are grateful for the General Assembly's recognition and support.
- Since 2000, the Health Center has achieved over $100M in cost reduction and revenue enhancements.
- The most recent Health Center initiatives implemented in FY 2009 and 2010 resulted in cost reduction and revenue enhancements of approximately $12M.
- Despite the above, we must not lose sight of the long-term structural problem as verified in the March 2008 CASE & PricewaterhouseCooper reports. A long-term solution is needed.

001502

JDH: Fringe Benefit Cost

JDH v. CHA Member Hospital Average

- As a state entity, JDH has fringe rates significantly higher than other hospitals.
- JDH has historically absorbed the cost of fringe benefits for its employees.
- In FY09, $3.6M in the state comptroller's fringe account was allocated to help offset some of that cost. In FY10 and FY11 that number was raised to $13.5M.
- The dollar value of that differential was $13.2M in FY09, $14.5M in FY10 and is estimated at $14.8M in FY11.



001503

JDH Physical Plant Status

- 35-year-old facility with no major upgrades, renovations or improvements since it opened
- Undersized and becoming increasingly outdated; majority double-bedded rooms
  - Today's standard of care calls for single-bedded rooms
  - Patient care areas need updating for next generation standards of care, technologies, privacy concerns, and patient/ provider expectations
  - Present design precludes efficient staffing ratios or cost-effective renovation

001504

The Downside

Since 2007, the UCHC has shared with the General Assembly that:

- Without a new physical plant, our hospital cannot be financially viable, clinically competitive or academically sound.

- Without an integrated academic hospital, the medical school will have increasing difficulty attracting talented faculty, and it will be impossible to maintain current levels of excellence in the education and training of practitioners, increase enrollment and maintain admission standards.

- Healthcare delivery in the region will be adversely affected in two very significant ways: fewer doctors and dentists entering the Connecticut workforce, and fewer doctors from elsewhere being attracted to employment in area hospitals. (Most talented physicians seek an academic association and employment in hospitals with a full complement of well-trained interns and residents.)

- Deteriorating finances will also reduce services to underserved populations, because those services are now subsidized by the UCHC.

- Ultimately, both quality of, and access to, healthcare will suffer.

- Financial and recruitment constraints will cause a downward spiral in the research domain, with a concomitant loss of jobs and related economic activity.

001505

An Act Concerning the University of Connecticut Health Network & Connecticut Bioscience Initiative - Public Act 10-104

In May 2010, the General Assembly passed Public Act 10-104

The Plan: John Dempsey Hospital

- A new bed tower (169 single bedrooms, 10 new surgical operating suites)
- Renovation of other JDH departments existing building (e.g. Dental Clinics, Emergency Department, Cardiology, etc.)
- Total licensed beds increased by 10 from the current 224
- Increased medical surgical capacity of 50 beds
- Connecticut Children's medical center (CCMC) assumes license and operation of NICU, physical space remains at JDH, obtained CON approval 12/10
- Projects small positive operating margin for reinvestment in the academic mission
- Accommodates modest increase in School of Medicine class size and School of Dental Medicine primary care residencies; sets foundation for larger future education program growth
- Maintains a viable JDH needed to attract faculty to support the academic mission

* Project cannot move to construction until the $100M in non-state funds is secured, $25m in planning and design of new hospital tower and JDH renovations can proceed. If non-state funds are not secured by 2015, authorization is cancelled.

Funding Sources	
UConn 21st Century	$25M
Non State Funds	$100M*
State Bonding	$207 M*
Total Cost	$332 M

001506

UConn Health Network Initiative Projects PA-10-104

- Transfers JDH Neonatal Intensive Care Unit operations to Connecticut Children's Medical Center. (Unit remains at JDH)
- Simulation Center (at Hartford Hospital)
- Regional Primary Care Institute (at St. Francis)
- Institute for Clinical and Translational Sciences
- Regional Comprehensive Cancer Network
- Health Disparities Institute (downtown Hartford)
- A Cancer Treatment Center at the Hospital of Central Connecticut, renovations and upgrades to the oncology unit at HOCC, which may include a permanent regional phase I clinical trials unit
- Connecticut Institute for Nursing Excellence at the UConn School of Nursing
- Patient Room Renovations at Bristol Hospital
- Purchase of medical equipment to provide electronic medical records and develop access to remote treatment and training centers at Charter Oak Health Center, Inc. and Community Health Services, Inc., both in Hartford
- Renovation and repairs, Hispanic Health Council, Hartford
- Biosciences Enterprise Zones in Hartford, and parts of Farmington, New Britain and Bristol

Stakeholders: University of Connecticut, State of Connecticut, Connecticut Children's Medical Center, Hartford Hospital, St. Francis Hospital, Hospital of Central Connecticut, Bristol Hospital, Charter Oak Health Center, Inc. and Community Health Services, Inc., Hartford, Hispanic Health Council, Hartford, Federal Government, Biomedical Industry, Venture Capital Firms, and others.

001507

UConn Health Network Initiative Projects PA 10-104

Project	State Bond Authorization (in millions)
Simulation and conference center	$5
Primary care institute	$5
Institute for clinical and translational science	$10
Comprehensive cancer center	
Health disparities institute	
Hospital of Central Connecticut	$5
Institute for nursing excellence	$3
Bristol Hospital	$2
Charter Oak Health Center, Inc. Hartford	$1
Community Health Services, Inc., Hartford	$1
Hispanic Health Council, Hartford	$1
TOTAL	$33*

*Projects cannot move forward until the $100M in non-state funds is raised

If non-state funds are not raised by 2015, authorization is cancelled

001508

Job Growth & Promoting Economic Development PA10-104

- More than 5,000 new jobs will be created through the plan by 2020, and more than 6800 by 2030 (Connecticut Center for Economic Analysis 2010).

- Will generate an estimated:

  - $1.5 billion annually in new personal income in 2040 (nominal dollars)
  - $1 billion annually in new output (2000 constant dollars) Gross Domestic State Product
  - $1.1 billion in new tax revenue for the state

- The plan will help attract and retain high quality physicians and other health professionals to the region and state, strengthen an emerging bioscience economy, enhance the Schools of Medicine and Dental Medicine, and enhance residency programs which support other hospitals across the region.

- 2,100 construction jobs will be attributed to the JDH Renewal and construction project.

001509

The Upside PA 10-104

UCHC will be able to:

- Construct a new 169 bed tower to meet today's standard of care, including single bedded rooms, that also can accommodate today's technology
- Renovate parts of JDH facility
- Increase medical/surgical beds by 50 (transferring 40 current NICU beds and 10 new), which is a 42% increase
- Hire 50 new clinician-scientists (heavy emphasis in primary care), which is a 30% increase
- With new facility, additional med/surg beds and additional physicians, UCHC will be able to:
  - maintain and increase access to quality health care
  - generate a profit that will be used to invest in education and research
  - successfully recruit and retain outstanding clinician-scientists
  - modestly grow size of medical school and dental residencies
  - expand research

001510

Securing the Future of UCHC and Transforming Health Education, Research and Clinical Care in the Greater Hartford Region

DATE	ACTION
2007/ Feb-June	University proposes a new hospital; General Assembly requires a needs-based analysis of the plan; retains the Connecticut Academy of Science & Engineering (CASE)
2008/ Mar-Dec	CASE issues its report to the General Assembly; General Assembly requires that UCHC implement CASE plan; University issues Solicitation of Interest (SOI); University receives Expressions of Interest (EOI)/affiliation proposals; University announces a principal partnership with Hartford Hospital and creation of the Connecticut Health Collaborative; University announces a principal partnership with Hartford Hospital and creation of the Connecticut Health Collaborative; University announces plans to obtain support for a new hospital
2009/ Jan-Nov	CASE issues its monitoring report to the General Assembly; University presents replacement hospital and proposed partnership with Hartford Healthcare to the General Assembly; University announces plans to pursue alternative options for clinical facilities at UCHC; Board of Trustees leadership embarks on a listening tour
2010/ Mar-Dec	Governor Rell proposes and General Assembly enacts UConn Health Network and Connecticut Bioscience Initiative; JDH/CT Children's CON application approved; HRSA $100M grant application not awarded.
2011/ Jan-	Ongoing communication between University and new administration on the future of the John Dempsey Hospital

001511

H – 1118

CONNECTICUT
GENERAL ASSEMBLY
HOUSE

PROCEEDINGS
2011

VOL.54
PART 27
8965 – 9294

gentlelady's --

DEPUTY SPEAKER GODFREY:

The gentlelady moved the transmittal of all items acted upon today needing further action by the Senate.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

If there's no objection, thank you, Representative Cafero. Then so ordered. Okay.

(On motion of Representative Olson of the 46th District, all matters requiring further action by the Senate were transmitted to the Senate pursuant to Joint Rule 17.)

DEPUTY SPEAKER GODFREY:

Will the Clerk please call Calendar 581.

THE CLERK:

On page 30, Calendar 581, Substitute for Senate Bill Number 1152, An Act Concerning the University of Connecticut Health Center, favorable report of Committee on Finance, Revenue and Bonding.

The Distinguished Chairwoman of the Higher Education Committee, Representative Willis.

REP. WILLIS (64th):

Thank you, Mr. Speaker.

Mr. Speaker, I move for the acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate

A moment ago, Representative Cafero was right. It is getting a tad noisy in here. Please take your conversations outside, clear the aisles, please.

The question is on acceptance and passage. Explain the bill, me, ma'am.

REP. WILLIS (64th):

Thank you. Thank you for clearing the House.

I can do that to almost any room I walk into.

Thank you, Representative.

REP. WILLIS (64th):

Thank you.

Mr. Speaker, last year, Governor Rell, the Connecticut Board of Trustees and this legislature took a long overdue step in determining the future of the University of Connecticut's Health Center.

Addressing the needs of the UConn Health Center were long overdue.

We made a commitment on the needed renovations to advance education and research opportunities. We made

plans to expand the medical center and the hospital and to create a strong regional health collaborative

The plan was about improving access to healthcare. It was about advancing the University's center's education research and patient care missions.

The UConn Health Center is an academic medical center. Successful centers combine education, research and patient care.

The legislation we passed last year was also about economic development opportunities and job creation, and we did this by creating enterprise zones in the Greater Hartford region and around the state.pgh pgh So this year, but this year, we are going beyond.

This is about taking the University of Connecticut's health center to a new level.

It's about maximizing its potential to create jobs and spur economic development

Governor Daniel Malloy has pronounced a bold new jobs initiative, Bioscience Connecticut, at the University of Connecticut Health Center.

This will put people back to work now and sustain economic growth for our state. If Connecticut does not take some aggressive action now,

initiating -- initiatives to change structural

characteristics of our economy, tomorrow will look a lot like today, little or no job growth, continuing to see the outward migration of our young people, and we'll continue to experience slow growth of our tax revenues.

The motivation and the inspiration for Bioscience Connecticut is for the state to begin to try to frame its own future, to make critical strategic investments that will shape its future, drive creation of new firms, new industries, and new jobs.

Bioscience Connecticut is built from a clear understanding that Connecticut's competitive advantage will be realized in biomedical and bioscience areas. By capitalizing our existing assets that we have and attracting new ones to our area, Connecticut can jump-start its economy.

The highlights of this proposal will include the creation of jobs, providing 3,000 construction jobs annually from 2012 to 2018.

New permanent jobs through 2037.

It's expected that this could yield over 16,000 jobs in areas of medical devices, pharmaceuticals, information technology, nanomedicine. The list goes on and on.pgh pgh So generation of 4.6 billion increase in personal income is expected by 2037. We should be able to double

federal and industry research grants to drive discovery, innovation and commercialization.

Increased access to quality healthcare, plus a loan forgiveness incentive to graduates who go into either primary healthcare or dental.

We also hope by this plan that we will be able to graduate and retain more physicians, over a hundred, and dentists, 50, to meet the forecasted workforce shortage and meet increased demand for healthcare services resulting from healthcare reform.

This bill authorizes $254.9 million in new bonding in the UConn 2000 infrastructure program.

The bill requires UConn -- excuse me, the University of Connecticut Health Center to contribute at least 60 million from operations, special eligible gifts or other sources towards the new construction and renovation project.

It will provide for construction of a new ambulatory care center through debt or equity financing obtained from one or more private developers.

The proposal will be paid for by a combination of new bonding, private financing and the UConn Health Center resources. This will expand bioscience research capacity and productivity. It will increase the number of

clinician scientists and basic scientists, and it will expand incubator facilities to foster new business startups.

In addition, the proposal will increase the UConn Health Center's medical and dental school. We'll be able to by -- increase enrollments by 30 percent and establishing, as I mentioned before, a loan forgiveness program.

Lastly, construction will begin on the new patient tower and the new ambulatory care facility and renovations to the existing research facilities which will create jobs now and increase the number of primary care and special care clinicians.

Maximizing the UConn Health Center's potential, we are going to be doing this through the concept of Bioscience Connecticut.

This will expand and improve our capacity and productivity. It will enable us to grow our state.

As has been the case in similar incentives across this country, the ultimate impact on the private sector employment, personal income and state revenues will more than repay our initial investment.

No one understands this better than UConn's new incoming president, Dr. Susan Herbst.

She brings extensive experience in initiating Bioscience Connecticut.pgh

So, her experience at SUNY Albany and their nanotech initiative, which leveraged their state's investment to create unique research facilities for economic development.

Their cutting-edge development of the facility at SUNY is credited for creating thousands of R&D jobs and facilitating locations of significant business partners to the campus and spurring the creation of dozens of spinoffs.

Dr. Herbst is coming to us from Georgia. Georgia has taken a different approach. The state there invested in eminent faculty, in areas targeted to spur economic growth.

Georgia Tech, which is noted for its engineering and the medical college in Georgia which specializes in life sciences, are two examples.

They accelerated the rate of the growth of life science companies with business development assistance and top-notch research universities throughout Georgia.

Dr. Herbst believes this initiative, Bioscience Connecticut, will do all that and more.

We need to take advantage of her expertise, too, and

welcome her with the same investment, need to give her the tools that she is so well-suited to do. She made the point before the informational hearing that we had that now is the time to act. We are in a competitive environment, not just the United States, but across the globe.

I also want to take this time to thank the outgoing president -- well, actually, he's got probably almost two weeks left. President Philip Austin is leaving, retiring for the second time, and he has done so much to help move this project forward.

And we -- we will wish him well in his future endeavors, which I'm sure he is retiring permanently.

And I also want to thank Dr. Cato Laurencin for his non-failing support of this initiative and as the vice president of health center and the Dean of the medical school.

He's always had a belief that UConn can be a top-tier academic medical center and to serve as an economic driver that fuels job growth and spurs innovation in industry sectors and is key to our long-term prosperity.

I urge passage.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, madam.

Will you remark further on the bill? Will you remark further on the bill?

Representative Mikutel of the 45th district.

REP. MIKUTEL (45th):

Yes, thank you, Mr. Speaker.

Mr. Speaker, I have a few questions for the proponent of the bill.

DEPUTY SPEAKER RYAN:

Please proceed, sir.

REP. MIKUTEL (45th):

Yes.

Representative Willis, if one didn't vote for Governor Rell's proposal last year for the UConn Health Center, why should one vote for Governor Malloy's proposal this time?

What is the difference between the 400-something million that Governor Rell proposed and the 900 million that Governor Malloy is proposing?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. Well, first, I would like to say to the legislature that obviously they've seen the light.

Let me go through some of the differences and comparisons between this proposal and what we did or have done already.

In the Public Act 10-104, which was what we passed last year, we anticipated with that job creation incentives that we were doing that that would have created somewhere around 2400 permanent jobs by 2037.

This -- this initiative will bring 3,000 construction-related jobs annually over the next six years, and again, looking at 16,000 jobs long-term.

The renovation of the existing research facility, the funding was only done partially in what we passed last year. This will renovate the existing research facilities.

The last initiative that we did last year did not include incubator space for business. This does. Both initiatives did have the bed tower. Also, the hospital facility was only a partial renovation. This is a complete renovation.

Expansion of the -- well, the addition of the ambulatory care facility is in here. We have increased the class size in this proposal. And the faculty clinician recruitment is increased with this as well.

Those are just some of the high points that I would

say that are different between the bill we passed last year and what is the proposal before us this year.

DEPUTY SPEAKER RYAN:

Thank you, Representative Willis.

Representative Mikutel --

REP. MIKUTEL (45th):

Through you, Mr. Speaker, another question to the proponent.

What kind of economic analysis has been done to verify the creation of over 16,000 jobs over the next 20 years in the bioscience field?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. An economic impact of Bioscience Connecticut was done by the Connecticut Center for Economic Analysis, and basically what they did is they put in the different factors, the increase in -- let me get the exact information for you.

What this -- what they did was they looked at how much we're investing, the startup costs, and what the advantages of that would -- if you plug that in.

So startup costs for attracting faculty and would be offset by tax revenues.

The second thing they looked at is the intellectual properties revenues that could be realized. Also, they -- the effect of increasing beds.

New revenues for patients. Expanding the medical school would also have an economic impact to the dental school. The same thing, direct new employment on campus would increase.

So -- and then spinoffs from the incubator space. The -- they indicated that there would be eight for every 100 commercially successful patents, and that would lead to 15 new startups by 2037 and a transfer of intellectual properties. For every 16 out of 100 they expected of those will be successful.

So that's the kind of information -- there's a lot more here. They put it into an economic REMI model, and that plots out what you can expect in terms of jobs and economic impact.

I also want to add, and I think it's important -- for me, you know, I look at some of the economics, and I'm not an economist, but I look at what we've already done at UConn in February. Many of you were there.

The stem cell and genome building opened, their grand opening, that was a $51 million investment through UConn 2000.

Since that time, all the incubator space there has been filled. And the spinoffs from them, a third of the money realized will go to the University, a third to the researcher who develops, and a third to the company.

Then there's also potential for leases and patents and intellectual properties, and that moves into commercialization, and then further spinoff companies. So that's the kind of information that is put into a REMI model, and then they can come at with something that shows you what that impact will be financially on your economy.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Mikutel.

REP. MIKUTEL (45th):

Yes, through you, Mr. Speaker.

Is there a charge that this project has been properly vetted, that it's being railroaded through the legislature?

How do you respond to that?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

First of all, the UConn Health Center has brought to

us many proposals over the last several years. I'm going to say three that we've looked at.

This Legislature has held more hearings, more informational hearings, more committee meetings.

We commissioned a study to be done. We had the Connecticut Academy of Science and Engineering do a report on our behalf. The company was study -- a company, Tripp Umbach, which specializes in academic medical centers looked at Connecticut, looked at our healthcare center and made recommendations to us.

So I don't feel that this is entirely new. In fact, most of the things before us today have really been on -- been in front of us before.

This is just grander and bigger and bolder, and it's -- it's going to maximize and take advantage of what we already planned to do.

DEPUTY SPEAKER RYAN:

Representative Mikutel.

REP. MIKUTEL (45th):

Through you, Mr. Speaker. It's my understanding that this is a public-private partnership in the respect that there's supposed to be an investment of $203 million in private money. Is that correct?

And if so, where do we expect that private money to come

from?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Well, the -- there's two aspects. The ambulatory care is going to be developed privately, and that's 200 million, I believe. And 69 million -- let me get the numbers for you, Representative -- will come from the University and from fees that they will be collecting through this endeavor.

DEPUTY SPEAKER RYAN:

Representative Mikutel.

REP. MIKUTEL (45th):

Yes, through you, Mr. Speaker. I'd like to focus a little bit on the Bioscience Connecticut aspect of this project.

Is there a business plan behind the bioscience research aspect of this project?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Representative Mikutel. I have not seen a business plan.

DEPUTY SPEAKER RYAN:

Representative Mikutel.

REP. MIKUTEL (45th):

Through you, Mr. Speaker. .Well, I -- in the whole bioscience as an emerging industry, it's science-based, knowledge-based, some say that we -- the UConn Health Center is too late to the party, so to speak, that they will not be able to compete with the already established medical research centers that already have the leading scientists and research people, such as Harvard, Route 128 Massachusetts, the -- the triangle research center in North Carolina, Yale, our own Yale.

How do you respond to that, that we're too late in trying to develop this world-class medical center here at UConn?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Well, I think going back -- through you, Mr. Speaker. I apologize.

I think going back to the example of the stem cell building and the incubator space there, that it already has shown to be completely within less than a year -- completely successful.

So I -- I don't think that you can say that people

aren't going to come or they're going to be attracting -- we've already started to do that. The bioscience initiative will certainly encourage more researchers to come. Certainly I think Dr. Herbst's entry onto the scene in Connecticut will interest people in the know who are looking to move and to see what states are investing, and Connecticut will show itself to be a leader.

DEPUTY SPEAKER RYAN:

Representative Mikutel.

REP. MIKUTEL (45th):

Yes. Thank you, Mr. Speaker.

You know, there's -- an interesting part of this proposal, a tantalizing part of this proposal, the whole bioscience aspect of it, offers hope. And I want to -- I want to believe in the vision of Governor Malloy, because I really believe that a lot of people have lost hope in Connecticut. They don't see a future.

I -- my daughters left Connecticut years ago because -- and UConn graduates, by the way -- there were not enough job opportunities for them. Professional young people are leaving the State of Connecticut and have left the State of Connecticut, and they have no real reason to come back.

And I want to -- I'm trying to convince myself that this proposal offers a future for our young people. I want to bring our children back to Connecticut, as much as anybody, but we have to give them a reason to come back.

This is being offered as one of those reasons to bring them back. Connecticut used to be a leader in industry. When I was a younger man, I worked at Electric Boat. When I was there, we had 25,000 employees. A few years ago we had 6,000, 6500.

We used to be the insurance capital of the world. I don't think we hold that title anymore. They have left. And, I think, in Ohio or Iowa is now has more of the insurance companies than we do. So where is the future for Connecticut? I think that's a question that we need to ponder as we debate this bill. Where is the future for our young people? Where are the jobs going to come from that can support a middle class lifestyle? We don't need more service jobs in the state of Connecticut. We need jobs for educated people who have invested time and lots of money to go to college and then coming out and there's no jobs.

Now, I'm sure we could say, how did we get into the position of being last in job creation for the last ten years. I'm sure other legislators have reasons for that.

And I'm, quite frankly, sick and tired of being last in job development and having our people feel as if there's no hope for them in this state.

I'm going to listen to this debate. I want to be able to vote for this proposal. I don't know if I'm there yet. But we need a vision and it has to be real. I've been down to Adriaen's landing road before. Other legislators have. I've been down the New England Patriot road before and we were all -- many of us were convinced that that was the right road. And many of us voted for those proposals. Basically, white elephants. No real substance behind -- behind the proposal. But there's something here about the bioscience field that is real, because people want to live healthier lives, they want to live longer lives. Bioscience offers the real hope of improving the human condition, so I don't think it's a pipe dream like we've been -- like we've had here before

So I'm going to listen to this debate, and I hope that I hear what I need to hear to be able to vote for this proposal.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative LeGeyt of the 17th District.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

I am pleased that I have the chance to rise and talk about this bill tonight, because I think it's a very exciting -- it has a very exciting potential. It's an exciting piece of legislation. But at the same time, I have some concerns about it, and so I'm going to make some introductory comments and then ask some questions, and then perhaps some concluding comments.

This -- I align my remarks with some of what Representative Mikutel has just said regarding the opportunity, the excitement that this project portends for Connecticut in a variety of ways. Bioscience is -- we're on the front edge of the cusp of bioscience. And clearly, bioscience could be the next moneymaker, breadwinner, industry of art for our state. And I realize that infusion of capital needs to happen, and we need a foundation and we need a structure base, and we need -- we need space that can attract people to come here, both to work and also to attract other people to come here and serve the jobs that will be created.

But there are concerns, and I have three of them. The first one is that I feel that this project is going at full speed through our legislative process and in the -- in

that -- in that capacity, steps are being skipped, and opportunities for questions are being foregone. And we are struggling to wrap our heads around a very exciting and potentially rewarding opportunity for Connecticut, but without the opportunity to really come to terms with what the proposal is and what the numbers reflect.

I'm also concerned because this project expresses a certain degree of disconnect between the UCONN Health Center campus and the Greater Hartford Community, specifically Hartford itself and the hospitals and healthcare institutions and organizations that work there.

I'm also concerned because, quite frankly, as I sit here and try to work through the numbers, I can't make them add up. There's a gap here of millions of dollars. And I'm hoping that through my questions, I'll be able to close that gap and get some comfort that -- that there aren't any aspects of this bill that correspond to whimsy or questionable funding or unsound foundation of -- of spending, much like the proverbial suggestion box that's being touted for justifying some of the numbers in the state budget.

A few questions, if -- if I might. And I would ask my questions of the distinguished Chair of the Higher

Education Committee.

The -- the $263 million that's being proposed in new bonding, and I'm looking at the OLR Bill Analysis right now, would be split between $75 million to renovate the main building at the UConn Health Center, and then $188 million for University of Connecticut Health Care Center new construction and renovation . I was wondering if the Chairman of the Higher Education Committee can tell us how that $187 million is going to be broken out and classified? What are the subcategories that that represents?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Thank you. Through you, Mr. Speaker.

First, I do want to correct, the OLR report does state 262 million, the actual new bonding, though, is 254.9 million. And the reason for that, I think what they did is they included $8 million that was in the two initiatives. So that money is not part of that new bonding any longer, so we're talking 254.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

And so I rescind my question back through you. Of the $188 million that's allocated for the health center new construction and renovation, what are the subcategories that that number represents? What are the steps or phases of that new construction and renovation that would total $188 million?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

If you would hold for a minute while I move my pages here. I just had it. There we are. The funding sources, the new bonding is 254. The private financing of the ambulatory care is $2 million -- $203 million, excuse me. $69 million will be coming from the University itself, the UConn Health Center, which will be broken down 34 donations and $39 million in fees and revenue.

And then the previously-approved bonding, UConn 2,000, we will be using 3 -- 305. And then the network monies, the UConn Health Network is 33. So that comes to a total of 864.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

I would -- I'm anxious to coordinate those figures in a later question. But I'd like to go back to my question about the 188 million that's allocated for the new construction in renovation at the health center itself. I'm wondering if there's any information about how that $188 million is broken down. What are the -- what are the phases that that 188 million represents and how much is allocated to each phase.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. The 188 is broken into renovation of the existing hospital and completion of the new hospital tower.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

I -- this analysis tells me that 75 million is earmarked for the main building renovation. I assume

that's what the good chairman meant when she said renovation of the existing building. And then this 188 million apparently is for new construction and renovation. And did -- does the -- the good chairperson have numbers to go with those two categories, new construction and renovation?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Yes, I do, thank you. Through you, Mr. Speaker.

Renovation of the existing research facilities, which is going to include the incubator space, will be 155 million. The construction of the new patient tower and garage is 207 million, plus 25 million in planning dollars. 163 is the renovation of the existing tower facilities. And that the -- as I said, the 203 is the construct of the new ambulatory care center which is the private financing. And then the implementation of the UConn Health Network Initiatives is 25 million.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT:

Thank you, Mr. Speaker.

A lot of numbers being offered tonight, and depending

on which numbers seem to be appropriate for any given time, we get varying subtotals. And I'm wondering if some of the reason that the confusion exists, if there is confusion in other people's minds,

Including my own, is that this proposal and this project is being fast tracked and hurried through our legislative process and we can't get a grip on what the actual dollars are going to be. Although I grant that these are projections and subject to change, but we should be able to get a more definitive list and total of what is expected to be bonded and eventually spent.

I have another question. There is $100 million that's being talked about, it was in the prior bill, PA 10-104, and it was the money that eventually went to Ohio, I think, instead of coming here. In the -- in the prior bill, PA 10-104, that $100 million was restricted and not able to be sought from the federal government until certain aspects of the project were at least under way or moved along to a certain extent. And now we have a different scenario with this, with SB 1152. And so I'm wondering about that $100 million which appears to still be in the mix.

Is it now not even required? Or is -- is it simply not required before bonds are issued and construction

begins, as was the case in PA 10-104? Are there restrictions on that $100 million, or is it not even part of the formula?

Through you, Mr. Speaker.

REP. WILLIS (64th):

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you.

The $100 million is not part of this mix. We did not receive it from the federal government grant, so it's not -- it's not included in any of these numbers before us. Thank you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you for that. I appreciate that answer.

There is a figure of $69 million, though, that is part of this mix, and I'd like to find out just what the nature of that $69 million is, where it's coming from, whether it's public or private funds, and what are the sources that are expected to be tapped to get to that number.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

30 million is projected to come from donations and contributions, private philanthropy. And 39 million will come from fees from revenues such as parking.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you for that answer. That one was more clear and understandable. I appreciate that.

In the OLR Analysis on page 2, there is a table that indicates the annual bond limits for the years of this project going outward, 2014 through 2018. I'm wondering if the chairperson of the Higher Ed Committee has that available to her.

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Thank you, Mr. Speaker. Through you.

Yes, I have that in front of me.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Great. My quick analysis says that the -- the proposed limits are going to be increased over the span of those five years, and coincidentally that the increases add up to $263 million, which is the increase that's also earmarked for the health center main building renovation and the new construction and renovation. So I'm not surprised that that's -- that that's as it is.

My question has to do with the adjustments in each year. I won't detail them in numbers because the chairperson has them in front of her, but I'm wondering if she has any information that would indicate why those limits have been increased and what particular phase of this project is expected to be carried out that would necessitate those bonding limits for those years.

Is there a breakdown that we might be -- that might be shared with us?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm not sure -- first of all, I do want to clarify,

again, on the confusion on the 262 that's in the OFA Report, which is misleading. I think it's important to let me get to the section of the bill that removes $8 million. And so that's why the OFA, it -- I think it's confusing to you because we're operating with different numbers in front of us.

That being said, the annual bond limits for the 2000 -- UConn 2000 are -- are just -- it's not -- it's what's going to be borrowed for those years, it's not caps on state bonding, if I'm understanding the gentleman's question.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

Yes, I do understand that.

REP. WILLIS (64th):

Okay.

REP. LEGEYT (17th):

And I understand that these -- these yearly proposed limits are not for the state bonding cap at all but for the project that we're talking about here. But I'm just wondering, it says in 2014 the current limit of $140 million is going to be increased by $58 million to $198 million.

I'm just wondering what that increase expects to cover, and what phase of this project or what aspect of this project is going to occur starting in 2014 so that that extra $58 million is necessary.

Through you, Mr. Speaker.

(Deputy Speaker Ryan in the Chair.)

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. All of a sudden the speaker changed.

I have down -- you know, that's the phasing of the project as it gets rolled out and different spaces get renovated. Through 2014, you know, the additional, as you said, is 58, you know, and in 2015 it moves to 80 million and so on and so forth, until it ends in 2017.

DEPUTY SPEAKER RYAN:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

Appreciate that answer. I understand that those are -- that is -- that is how it's spread out, and even

through 2018, but there are no increases for 2018, so the current limit of $91 million is expected to be enough for whatever phase is going to be undertaken with the money that's bonded in 2018.

But my question is, does the -- does the good chairman have any information or detail as to what aspects of the construction are going to be undertaken in those years that would necessitate those increased limits of 58 million in 2014, 80 million in 2015?

REP. WILLIS (64th):

I have it.

REP. LEGEYT (17th):

Another 80 million in 2016, 45 million in 2017?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

The construction of the new ambulatory care center will begin design phase now, and construction will start in 2012. And then it says here that in 2012/13, they will begin the construction of the new hospital tower, and that will be a 36-month project. And then beginning in 2014, renovating existing clinical spaces will take place, and

that construction is expected to take 42 months. And then renovating the existing, the research will start design phase soon in 2000 -- latter part of 2011. Construction will start immediately in 2012. That will take 27 months. And then when they go into, I believe it's the second and subsequent phases, that will start in 2014 and last another 27 months. Is that helpful?

REP. LEGEYT (17th):

Yes.

REP. WILLIS (64th):

Thank you.

DEPUTY SPEAKER RYAN:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

Yes, that's very helpful. That's -- it may have taken me a couple iterations of my question, but that's the kind of information I was looking for. I don't expect that the staging and phasing of this project is going to match these bonding limit increases, but I was interested in how the phasing is going to go, and where we might begin to attach some of these bonding increases to some of the phases and the individual projects that are going to become part of this bioscience enterprise zone renovated UConn

Health Center project.

My understanding is that the funding -- and this is where I'm really fuzzy on the numbers, and so I'm looking for some help here. Is it true that we have $237 million that's already been authorized through by Public Act 10-104?

Through you, Mr. Speaker.

(Deputy Speaker Aresimowicz in the Chair.)

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. Oh, we've switched Speakers again.

It's hard to keep track of the speakers.

DEPUTY SPEAKER ARESIMOWICZ:

That's not your biggest problem right now, ma'am.

REP. WILLIS (64th):

I'm not going to say anything, Mr. Speaker.

I'm sorry, through -- that was sort of a distraction. I'm sorry, Representative LeGeyt, if you could repeat your -- if the gentleman can repeat his question.

DEPUTY SPEAKER ARESIMOWICZ:

Representative, we seemed to have thrown her off. Would you mind repeating your question?

REP. LEGEYT (17th):

Thank you, Mr. Speaker. I'll -- I'll allow that distraction to you instead of me.

We have $237 million that's already been bonded and authorized by Public Act 10-104; is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I believe that is correct.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

And we have $263 million that -- that is being authorized under -- I'm sorry, $254 million with that $8 million adjustment; $254 million that's being authorized and will be bonded through this -- as a result of this bill; is that correct?

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

That is indeed correct.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Now, I add those up and we have $400 million between bonding that's already in place and bonding that is scheduled to be put into effect as a result of this bill, $400 million. If I take the numbers in that table, Table 2 on page 2 of the OLR Analysis and I add up the proposed limits in millions, and I assume that those limits are there because there's an expectation that the full extent of those numbers will be -- will be used, I'm -- I'm getting $850 million.

So my question is simply, what accounts for the difference?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm actually looking at two different charts. I'm looking at the OLR Report and I'm also looking at a comparison chart that was given to members of our

committee. And I think it's, for me it's a little easier to assess what's happening in terms of the money, I do think that part of the initial problem is. What was the difference through you, Mr. Speaker, that you're saying the discrepancy in the two numbers you had?

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt?

REP. LEGEYT (17th):

The difference would be $450 million.

Through you.

REP. WILLIS (64th):

Okay. Well, let me --

Through you, Mr. Speaker.

The UConn 2000, we previously approved $305 million. And then the UConn Health Network was -- was initially $33 million. In this plan, it is now $25 million because I -- as I mentioned before, we reduced some of the monies' projects in that. The federal grant is no longer in the picture, so that is a zero. The UConn Health Center's contribution and philanthropy is at 69 million, and the privately-funded ambulatory care facility is the 203. And when I add in the new state bonding that we're talking about in this particular legislation, which is 254.9. I am arriving at an $853.9 million endeavor which would

include -- well, basically 338 million is from the first initiative.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you very much. That -- I'm -- I'm pleased to see that we're closing the gap here, and I'm glad to take credit or blame for establishing that $450 million gap in the first place, if that's the case.

You had $203 million for a privately-funded something, and I didn't catch what that was.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

It's 203 million, and that's -- excuse me -- that's the ambulatory care facility.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

How is it expected that those -- that $200 and some million of private funds is going to be generated?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Through developers who would lease the property from the university and build.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

And so developers are going to lease the property, build the ambulatory care facility, they're going to own it, and they're going to lease it back from -- lease it back to the state? And so that $203 million is their -- their dollars that they're putting in; is that true?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Yes, it's private financing that is put here to indicate the total cost of the project.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

If that's the case, then the fact that the bond limits on Table 2 add up to $850 million and that your figures that you just shared add up to $850 million, is that just coincident? Because if private developers are going to shoulder 200 million of that, then that doesn't need to be bonded through the state. Am I correct about that, Mr. Speaker?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

That is indeed correct.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

So how do we account for the -- that $200 million delta that's in there? It's in your figures as private funds and it's also in these proposed bond limits for the state. Either there's some disconnect and that $203 million is actually -- has some state bonding connection, or there's

$200 million in the proposed bonding limits on Table 2 that's unaccounted for.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

A question to my colleague. Could you on Table 2 -- because I'm using a different chart so I'm flipping back and forth, so I apologize. Could you reference where on Table 2 you're referring to, which line? Is it a particular line you're finding?

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

I'm simply -- I just simply did the math and added up the various totals for the proposed limits of each year, 2014 through 2018, and I came up with roughly $850 million. So that seems to me --

REP. WILLIS (64th):

Oh, what is it? Oh, okay.

REP. LEGEYT (17th):

-- that seems to me to be the sum total of the bonding

that's necessary for this project.

REP. WILLIS (64th):

Oh, okay.

REP. LEGEYT (17th):

And what you're giving me for numbers, and I'm glad to receive them, seems to have a $200 million private fund entry, which would, even though the two totals match, would tell me that that means that $200 million of the proposed bonding is for something else.

REP. WILLIS (64th):

Yeah.

REP. LEGEYT (17th):

Or not necessary. So I'm trying to get that figured out, if you would.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think I've identified the problem. The -- the bond limits are not for this project, it's for the entire UConn 2000 project. And I apologize, I was looking at a different chart. But that's what you're looking at. So that's the annual bond limits for UConn 2000, not

specifically for this project.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. WILLIS (64th):

That's everything that's bonded.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you.

So we really are operating with a system -- with a circumstance of coincidence right here. It just so happens that $850 million is the sum for both even though they're not related? Is that -- is that the case?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

That's indeed the case.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Okay, thank you, appreciate that.

The UConn Health Network initiatives has a number of

aspects to it. As they're laid out here in the OLR Analysis, there are eight of them, and two have been eliminated, and those two that are eliminated are the two that equate to the $8 million that I think you're talking about that reduces the bonding from 262 to 254. I have a couple of questions about them.

The Institute for Clinical and Translational Science, and also the Connecticut Institute for Nursing Excellence at the UConn School of Nursing have both -- are the two that have been eliminated. And could you tell me why?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

The nursing initiative was removed in -- in this initiative; it was never part of the UConn, the University of Connecticut or the Health Center's proposal. It was proposed by Governor Rell, and it -- at the end of her administration, and it was set up to explore -- to explore and enhance the recruitment, education and retention of nurses and nursing faculty. So it really was determined not to be necessary in this project.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

Does that mean that the -- the -- by pulling the Connecticut Institute for Nursing Excellence out that a hole exists in coverage or a hole exists in health care access? Or is there something else that takes its place that allows this to be eliminated and there be no hole in the overall health care network?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think the initiative was not well defined, not clearly defined.

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Okay. How about the Institute for Clinical and Translational Science at University of Connecticut Health Center? That's the other aspect of the UConn Health Care

Center Network, the initiatives that is being eliminated. Can you shed some light on what that was going to do? Why it was eliminated? And what will cover and take its place?

Through you, Mr. Speaker.

REP. WILLIS (64th):

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

That is going to be moved into being part of the renovation of the existing building at the university, so it really is still there but not -- it will be incorporated.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

I appreciate that answer.

There's a comprehensive cancer center being proposed in the Hartford region to expand clinical trials and advance patient care. There's also a -- a construction of a cancer treatment center at the Hospital of Central Connecticut. And I'm wondering, that is, within the -- entirely within the city of New Britain, and so I understand that they probably take up different spaces.

But how are those two cancer facilities going to be

different? And what is -- what is the reason that they're -- they are going to be separately spaced? And why is it important to have them at that -- in those places, which, arguably, is not -- I mean you -- you could probably -- you could probably take the new bus way between one or the other once it's in place. And, is there -- is there a reason why they're separate and why there's two of them? And to what degree are they duplications of services?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

These initiatives, community initiatives were taken, were part of the Act we passed last year, Public Act 10-104, and it was part of the regional collaboration, healthcare collaboration and network that was created amongst the area hospitals. And I think you need to look at it in its totality.

For instance, part of it was the Primary Care Institute with St. Francis. That is a program between -- a collaboration between the university and St. Francis to train primary care doctors. The Simulation Center at

Hartford Hospital, again, is a collaboration between Hartford Hospital and the University Health Care Center.

The Cancer Center in New Britain is also part of a collaborative effort there. And there were a couple of -- I guess those were -- those were the key ones.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

Appreciate that answer. The Institute for Primary Care at St. Francis that you just referred to, is -- you know, I think of primary care as emergency room, you know, first -- first blush at a patient coming through the door, triage, all of those things. And so I know that St. Francis is already under -- has a new ER facility already under construction.

I think you said that this was going to be a institute that would train and thereby increase the number of primary care physicians in the state. Is there -- is there some overlap there? Is that institute going to use exclusively St. Francis facilities? Is there going to be some construction that occurs; and if so, to what degree is it different from the ER complex that they're building there

presently?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Primary care is -- is very different than an emergency room doctor. Primary care is your physician, your internist, your general practitioner. And that's where the shortage area is, not just in Connecticut but nationally. We have a serious shortage of primary care doctors, that's why the loan -- you know, the loan programs and this new initiative, we're really trying to look at ways to encourage and assist doctors into going into primary care. Because, you know, as we know, the cost of going to medical school is -- is very high, and going -- primary care doctors do not make as much money as specialty doctors. So for those students that are going to be graduating from the university, you know, we really need to think of ways to encourage them to get into the fields where -- where there's a definite need, and that is an area of definite need.

And I know that many members of this body, this legislative body, including the Public Health Committee,

has been looking at ways of how we can -- we can increase the number of primary care doctors in Connecticut. It is very important, and it would be a great service to Connecticut.

So this is -- this is really a project that -- that has started already with St. Francis, but it's going to be expanded and done more with. So I think some of these programs are very excited. That's one that I'm very particularly excited about, and I'm -- I'm so pleased that we're going to be able to do more.

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

And to that end, the primary care institute, will it be using existing facilities of St. Francis, or is there some building project, some phase of this project of construction that's going to occur on that campus?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt. Excuse me, Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, there's no construction as part of the university project here, there's just an investment in -- in upgrade of -- of facilities in order to expand.

DEPUTY SPEAKER ARESIMOWICZ:

Now Representative LeGeyt.

REP. LEGEYT (17th):

Thank you, Mr. Speaker.

My last question has to do with the transfer of 40 NICU beds from John Dempsey Hospital to the Children's -- Connecticut Children's Medical Center.

I'm wondering if the transfer of those NICU beds is something that's actually going to happen between those two campuses, or is it just a transfer on paper with regard to who oversees and who has authority and who has the decision-making power over the use of those beds. Could you -- could you share some details about that?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

That was certainly part of the -- the initiative and the Public Act that we passed last year. It was the -- the

Children's Hospital will be taking over those 40 beds and managing at the UConn Health Center. What that will allow the health center to do is to expand the number of med surge beds that they can have at the University of Connecticut Health Center, John Dempsey, which is -- is critically important in terms of generating more revenue.

DEPUTY SPEAKER ARESIMOWICZ:

Representative LeGeyt.

REP. LEGEYT (17th):

Thank you so much, Mr. Speaker.

And if I may, a couple of concluding remarks. I started out my remarks saying that I had three concerns. One, that this project was being rushed through the legislative process; two, that I was concerned about the connectivity between the health center, specifically, and the Greater Hartford Hospital Community; and three, that I had some confusion about the numbers.

I -- I appreciate the answers of the chairperson of Higher Education, and through those, I am much more comfortable with the numbers now.

And with regard to some of the initiatives of the -- of the Health Care Network, that's being proposed, and the sharing of facilities, and the sharing of program, and the beginning of new program in existing hospital space away

from the John Dempsey Hospital, I'm encouraged that the connectivity between John Dempsey Hospital and the UConn Health Center and the Greater Hartford Hospital Community has some -- has some distance to it.

And -- and the remaining concern that I have that this project and this legislation is being rushed through the legislature, while I think that that is not respective of our duties as the legislature in a separate branch of government, I can only take my time to ask these questions and come up to speed with this project so that I can be more informed when I vote. And I appreciate all the answers that I've been given. And I thank you, Mr. Speaker, for the courtesies of the evening and the time that I've taken.

(Deputy Speaker Ryan in the Chair.)

DEPUTY SPEAKER RYAN:

Thank you, sir.

Representative Perillo of the 113th.

REP. PERILLO (113th):

Good evening, Mr. Speaker. Thank you very much.

Much was mentioned in the last exchange. But I'd like to cover a little bit more in terms of the feasibility

of pulling off exactly what we're trying to pull off here.

The chair of the Higher Ed Committee referenced a bit of a study that was performed to determine whether or not there would be any sort of economic value to the type of research corridor we're proposing. You touched on that very, very briefly.

And I'm wondering, through you, Mr. Speaker, if the chair could elaborate that -- elaborate on that a little bit more so that I and the chamber can get a better sense of exactly what type of research has been done, and what type of analysis has been done, and what type of assessment has been done to determine whether or not this money is being well spent please.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

The Connecticut Center of Economic Analysis did an economic impact on the bioscience Connecticut proposal for the UConn Health Center, and it's a rather extensive report that used, as I said, previously, a traditional REMI economic model where the information was -- on the project was put in, and then it established, based on the investment, the number of clinicians and researchers and

additional doctors, how this might -- what the fiscal impact would be.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And that research agency that did that work, is that a private entity? Is it a not-for-profit? Is it some sort of governmental agency? Who runs that agency?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

The Connecticut Center of Economic Analysis is based at the University of Connecticut at Storrs, conducts a research on a variety of -- and for a variety of organizations and -- not just in Connecticut.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

So just to confirm, I am to understand that the University of Connecticut did a study and determined that

state money being infused into the University of Connecticut would be good for the Connecticut economy; is that correct?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, that's not correct. And that's not what I said. The Connecticut Center of Economic Analysis is based at the University of Connecticut. They put out a magazine called The Connecticut Economy. They do all kinds of -- of studies, not just in Connecticut, but are retained and have contracts with a variety of organizations. So I'm not sure how they -- how that fiscally works out, but I know that they certainly generate revenue that comes from outside, does not come from the university.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker. I understand, and I appreciate that answer.

The chair of the Higher Ed Committee referenced the expected impact, specifically as to the number of jobs that would be created. And I believe that was 16,400,

thereabouts.

Over how long a period of time was -- were those jobs to be created? Obviously they cannot be created overnight. There is a lot of work that needs to be done. By what year would those be created?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis?

REP. WILLIS (64th):

Through you, Mr. Speaker.

In the report, in a chart where it shows job growth, impact on the number of jobs, there is obviously a bump in 2012, and I would assume that's coming from the construction jobs. And that takes -- takes us through to, oh, I would say 2016, where it -- it is level. And then once the commercial expansion and the commercial patents take off, it looks like the chart shows a great increase starting in 2020.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

So, to clarify, by the year 2020, these 16,400 jobs should be created? Should we expect that?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, that's -- what I was indicating, that in 2020, it -- it would go from approximately 3,000 new jobs plus, and then would rise sharply up to almost 6 -- over 16,000 by 2036.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And I -- I apologize that I don't have the benefit of the chart in front of me. But as I understand it, the economic analysis predicts, and as I believe press conferences and the governor has touted, that this project will create 16,400 jobs over the course of the next 26 or so years. That's quite a prediction, 26 years from now. Quite frankly, I'm not sure bioscience is going to be bioscience 26 years from now, but -- but we're putting a lot of investment into quite a lengthy prediction. But it's something that, you know, commonsense would call into question. But I can understand why we might want to hope

for the best.

Specifically, have any -- in the course of determining that there will be some sort of creation of -- flight of businesses into the area and creation of jobs, have we targeted any specific -- specific areas of expertise that the medical school has that we can use to leverage in order to attract these businesses? Is there anything specific that we're going to use as a real hook or real anchor?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think in -- in my introduction, I listed some of them. Pharmaceuticals would be one. Obviously we already talked about what's happening with stem cell research. And I apologize -- okay.

Excuse me, Mr. Speaker, while I have to --

DEPUTY SPEAKER RYAN:

That's fine.

REP. WILLIS (64th):

I apologize, I can't find the section of my notes that speaks to the representative's questions on the different

categories. Hopefully I'll come across them when I flip the pages.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

The reason why I asked the question -- in fact, before I ask that question, let me ask another. If we haven't identified any sort of specific areas of expertise -- which we may have done, we just don't happen to know what they are right now -- have we identified any specific companies or specific areas of research that we expect to attract?

And the reason why I ask that question, quite frankly, is, you know, a builder wouldn't build a mall if the builder didn't have tenants ready to move into the mall. We're not using our own money to do this, we're using the taxpayers' money to do this, a bond of, you know, nearly a billion dollars. Do we have anybody to move into the mall or are we just building it without a tenant, please?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

As I mentioned previously about the new stem cell

building that -- that opened up in February and now it's fully occupied by eight companies, so that's -- that's just over a very short period of time in the stem cells. And I did find some notes that -- that they are looking at companies that specialize in stem cells and bone repair.

DEPUTY SPEAKER RYAN:

Representative --

REP. WILLIS (64th):

And then as I mentioned before, the pharmaceutical piece.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you very much, Mr. Speaker.

Moving on a little bit. You know, we've talked about research and we hinted at education to some degree. It was mentioned that we expect to see some degree of increase in the number of students, both at the medical school and the dental school.

So my question, through you, Mr. Speaker, is, what analysis do we have to indicate that that will indeed happen should we bond for the $900 or so million in order to do this?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think with the increased facilities and space, they will be able to accommodate more students and more -- both in the medical school and the school of dentistry.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

How much additional space should we expect to see available to students in terms of their -- their -- specifically their clinical time, and perhaps even their in-class time?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm not sure I understand the gentleman's question. Is he talking about how much square footage is required or -- I'm not clear -- classroom space? I mean there will be addition of a whole floor of classroom space at one of the renovated buildings.

DEPUTY SPEAKER RYAN:

Representative Perillo, could you make your question clearer?

REP. PERILLO (113th):

Absolutely, Mr. Speaker.

Thank you for answering the question regarding physical size. That is obviously interesting and important to know.

What specific educational facilities -- you know, we're creating a new tower, I understand that. I think it adds -- if it adds now what it added the last time we looked at this, it's about a net of 10 beds, but which one could argue is of value; I do not. But what specific facilities made available to medical students do we expect to see?

Now I'm not just talking about additional beds, but do we have anything very, very specific, any additional programs that we're going to create for the medical school community?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm not -- I think the -- the way to answer that is, there is going to be more opportunity for students through clinical and research work that's going to be able to be now taken. There's going to be so much more opportunities for students. I mean, I think that's the best way to frame the answer.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

I'm wondering if the chair of the Higher Education Committee could be more specific. And I ask, through you, what would those opportunities be?

DEPUTY SPEAKER RYAN:

Represent Willis, could you be more specific?

REP. WILLIS (64th):

Through you, Mr. Speaker.

If there are additional scientists, researchers, clinical practitioners, students are going to have more opportunities to work with those professors and doctors who are doing that work.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And again, just to clarify. I understand that if there were indeed additional instructors, if there were indeed additional clinicians, if there were indeed additional researchers, that may create some additional work. But in order to draw those clinicians and researchers, you need a specialty area from -- you know, to which you need to draw them. So I'm wondering, what's -- what additional areas of educational opportunity will there be?

I understand we might have new instructors and new researchers from which students can learn, but I don't know in what areas we're going to do that. And I guess the core of my question is, what is the plan for the school? You know, what are we going to expand? What opportunities are we going to create, other than we're going to hire more instructors and attract new researchers, and therefore that would be a better experience for the students?

I'd like to get a little more specific. The reason why I ask that, again, is because we're looking at nearly a billion dollars in bonding that the taxpayers of the state of Connecticut are indeed going to have to pay back. So I'd like to get a better sense as to whether or not we have a specific plan in mind.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

First, we've already bonded a good portion. Is this -- the only new bonding in here is $254 million.

In terms of what is being offered to the facility that specifically speaks to what the good gentleman is asking, there is -- and I'm not -- you know, there is cardiology units, there is clinical pharmacy, there's a comprehensive cancer center. We're going to be expanding clinical trials. I'm not sure how much more information the gentleman would like.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

I suppose that helps to some degree. But let's move on, if we could. I would like to talk a little bit about the actual expansion of the hospital. And, you know, truth -- truth in advertising, this is something that I've been skeptical of in the past as to whether or not there would be a benefit. So I'm wondering if the chair of the Higher Ed Committee could tell me about any sort of studies

or analysis that has been performed to indicate that indeed a new tower is required and the addition of hospital beds are required. And if so, what is generating that requirement? Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

In, I believe it was 2007, this legislature passed legislation to initiate a study of the UConn Health Center and its future and needs, and how we might address them, and what was -- what were the best courses of action for us to -- to take as a state. At that time when the study came back, it showed that Connecticut really had two options with the health care center. We could either expand it greatly in terms of the number of beds to make it financially sustainable, or we could enter into collaborations with area hospitals; which the first plan that we passed last year does accommodate.

It also included at that point, it said that the facility was at that time 35 years out of date, so now we're talking, with this many years passing, we're talking nearly 45 years since the UConn Health Center had undergone any significant renovation and was clearly in need. It

also identified the need to upgrade, you know, our research facilities that were inaccurate -- inadequate and outdated. I hope that answers some of the gentleman's question.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And I do appreciate the answer from the chair of the Higher Education Committee. The reason why I asked the question about whether or not there is indeed a need for expansion of the UConn Medical Center is specifically that every study that I've seen, be it about the state of Connecticut, or quite frankly any state in the nation, indicates that more and more patients every year are being seen on an outpatient basis, and for those patients who are indeed admitted to the hospital, their lengths of stay are going down at a -- at a rate that increases every year.

Which leads to the logical conclusion, which has been published over and over and over again, that perhaps here in the state of Connecticut we have an excess of beds and we have too many inpatient medical resources. And most arguments I've heard would support that. Yet here we are

spending money increasing the availability of beds in the state of Connecticut. And I'm just wondering whether that logic of increasing inpatient beds at a substantially high cost, by the way, whether that flies in the face of all the research and all the studies that I've seen that indicates we don't need new beds and we don't need new inpatient resources. So I'm just wondering if there is information that has been made available to the Higher Education Committee, the chairs, ranking members, whoever, that would disagree or dispute what I have always seen regarding the shrinking need for inpatient resources. So, indeed, is there some other sort of research that would prove me wrong?

Through you, sir.

DEPUTY SPEAKER RYAN:

Represent Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

There is no increased beds in this proposal. It is the same number of beds that the University of Connecticut is already licensed for and have been approved by the Office of Health Care Access.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you. Through you, Mr. Speaker.

How much money, to the chair, are we spending on this tower? This -- I -- I was understood -- under the impression it was a new tower. So I am to understand that it is not a new tower? And how much money are we spending on that in order to get no additional beds?

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

The new hospital tower, including the new parking garages, are $318 million; renovating the existing clinical(s) facility is a $163 million.

DEPUTY SPEAKER RYAN:

Represent Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

So we are creating a new tower, just to clarify, and we are not creating any additional beds? So I assume we have -- and forgive my ignorance, I actually do not know how many beds we have at -- at the hospital. But we're building a new tower with beds. How -- how is that working? Are we taking double rooms and turning them into

singles?

REP. WILLIS (64th):

Yes.

REP. PERILLO (113th):

If the chair could explain.

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Yes, we moving doubles into singles. That is an issue right now with the health center.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And that does answer my question. Thank you very much. I know that historically this legislature has bailed out -- I don't know if bailed out is a fair word to use -- but has funded shortfalls in the budget at the -- at the UConn Medical center at the hospital there specifically, and I'm wondering if there is has been any sort of study as to continuing profitability at the facility.

For those who don't know, I'm sure most do, the cost of providing care at the UConn Medical Center is much higher than the cost of providing care at most of the hospitals that do surround it. And, like I said, we've had to pay for that through the years. So is there any research to indicate -- is there any financial analysis to indicate that the hospital will actually indeed be profitable going forward? And by profit, I mean not that it's making a ton of money, I simply mean that it's not losing a ton of money.

Through you, sir.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

The UConn Health Center presently is operating in the black, and it is anticipated that this would help its -- sustain its long-term financial stability.

DEPUTY SPEAKER RYAN:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker.

And I thank the chair for her answers to the questions.

Just to summarize some of my questions and some of my thoughts. A few years ago when we talked about making funds available simply for -- it was either last year or the year before -- funds simply available for the tower, there was skepticism as to whether or not that would generate any benefit to the state, to the region, to the catchment area of patients that would be served. That was a large amount of money then. We are now talking about a much larger amount of money. And call it what you want, relying on an economic study performed by an agency that operates out of UConn -- and I get it, that's fine -- but they're doing a study on themselves in many ways; some may not agree, I respect that disagreement, but that is actually, in my opinion, what it is. And the projection as to whether or not it will be beneficial, at least from a job creation perspective, that we're touting, and we've seen in press releases, we've seen in news articles, is 25 or so years. We don't know what the future of medicine is going -- is going to be in 25 years quite frankly at this pace. We don't know what the future of medicine is going to be in five years or two or next year.

But we're making these projections, and we've done so in a way that really hasn't been vetted in a manner in which I believe it should have been vetted. And I think

there may be other folks in the chamber who would agree, specifically as to the research and development and the plans for that. We are spending an awful lot of the taxpayers' money. And primarily rolling the dice with the help of some research performed by a UConn-based organization, and hoping that it will be of economic benefit.

I'm not sure there's room here in the state of Connecticut for two medical research quarters. We have one, and it is quite successful, and it is based in and around the New Haven area, because the city of New Haven has the Yale Medical School and the hospital that goes along with it. That has been successful. This is not California, this is not Ohio, this is not Georgia, this is not a large state. We already have one that works. Nothing has been indicated to me or illustrated to me that indeed UConn Medical Center can do it better than what has already been done. And we continue to roll the dice given hat fact.

Furthermore, I -- as I said, I'm not sure we can accommodate this research quarter, quite frankly. And I've sides this in the past, I'm not sure we need this new tower. I'm not sure we need this hospital at all, to be totally frank. We are spending an awful lot of money here.

We've spent an awful lot of money in the past to subsidize a hospital at taxpayer expense that cost an awful lot of money to run. I'm simply not convinced that putting more money into that effort is going to provide any tangible economic benefit beyond what we hope will happen. We are flying blind. And we can try and make ourselves think as much as we want to make ourselves think that we've got a study, and we've looked at this and we've looked at that and we've talked about it. $900 million in new bonding, and we're just hoping for the best.

Maybe there will be some other discussion tonight that will convince me otherwise. After the previous discussions, I have yet to be, you know, -- yet -- yet to have been shown that. But quite frankly, Mr. Speaker, I -- I cannot support this. I think that, at best, this is wishful thinking. At worst, this is careless thinking. And so I will be a no vote today. And I thank you for your time. And I thank the chair for her answers to my questions.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Next coming is the other representative from Montville, Representative Reynolds of the 42nd.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker. I rise in support of the legislation before us tonight. I want to begin by thanking Governor Malloy and the chairperson of the Higher Education Committee.

I was among those legislatures, who did not support this project in its initial form. And the primary reason for that was the utter lack of connection to a larger vision or context, economic development vision or context. I see a very different vision with this project here, and so I wanted to take a few minutes to articulate what I perceive to be the long-term vision within which the Bioscience Connecticut is simply one major strand. And step away, for the moment, from some of the intricate details of the capital project itself.

If Connecticut is to overcome its fiscal and economic crisis, the state must develop an ambitious and visionary economic development strategy. And if Connecticut is to grow and succeed economically, we must emerge as a world leader in the new economy. That is one that is global and entrepreneurial and innovation-focused, knowledge based and technology-focused.

If Connecticut is to emerge as that leader in that new economy, then we need a different model of economic development than the one we've had for the last 15 to 20

years, one that says we're no longer going to rely solely on being a lender and reacting to the activities of major corporations, but rather, we're going to invest significantly in major state assets, human capital in the form of education and training, and also our physical infrastructure as well. And most importantly, building an infrastructure in a state economy that's innovation focused. And I think the Bioscience Connecticut initiative is the next major step to make that happen.

You know, when Pfizer announced that it was moving 450 jobs from southeastern Connecticut to Cambridge, Massachusetts, Pfizer made no reference whatsoever to the cost of living or to taxes or to the regulatory environment. After all, Cambridge is right up there with Connecticut relative to cost and taxes and regulations. Rather, Pfizer stated and cited quite specifically that they needed to get closer to what they called key hubs for science and technology, get closer to leading biomedical research institutions, get closer to a deep, energized talent base.

Connecticut, more than any other state, has the historic and natural strength and the untapped capacity to be the home of the Pfizers and the future Pfizers of the world. So, this is our economic heritage, one of

innovation. It has been, in our past, the source of our economic prosperity. And I think becoming the innovation capital of the world is our economic future as well. And so Bioscience Connecticut is the next major strand in making that happen.

We've endured too many decades without a vision for Connecticut's economic development future. It is my hope that that legacy ends today, and that we launch a new era centered around making Connecticut the innovation capital of the world.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you very much, Representative.

Representative Becker of the 19th District.

REPRESENTATIVE BECKER (19th)

Good evening, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Good evening.

REPRESENTATIVE BECKER (19th):

I'd just like a make a quick comment, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Please proceed.

REPRESENTATIVE BECKER (19th):

I'd like to thank the governor for his vision to build

on the expertise in place at the UConn Health Center and to turn the center into a powerful economic engine for the region. As we have heard, the governor's plan is expected to generate in addition to the 3,000 construction jobs, over 16,000 permanent jobs in Farmington and the surrounding area, from bioscience research and state-of-the-art labs, to biotech startups nurtured in incubator facilities. Done right, UConn can become a world leader in bioscience, attracting and retaining the best and brightest in the field.

While the projected price of the governor's plan is $857 million versus the $438 million price tag that was in last year's plan, the difference in the public cost is only 255 million. The difference in the number of expected jobs, however, is nearly seven fold. The old plan projected the creation of about 2,400 jobs. The new plan, 16,400.

As my colleague, the good representative from the 45th District said earlier, we want there to be good job opportunities for our children so that they will remain in the state. We also want to expand our job base so that there are more taxpayers to share the load and lessen the burden on the rest of us, you and me and everyone else who pays taxes in this state. A vibrant health center that

generates spinoff business opportunities is one way to create those jobs.

Mr. Speaker, this is a great idea, and one that we should support. Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Mushinsky of the 85th.

REP. MUSHINSKY (85th):

Thank you, Mr. Speaker.

The -- it's true the Connecticut taxpayer has propped up the Dempsey Hospital for many years. And the hospital has faced an uncertain future and regularly required infusions of bonding. And last year we looked at and approved an investment of 338 million last year but did not get 100 million federal grant that we hoped for. And then in May 19th, a new and more expensive proposal was dropped in the Finance Committee's lap. I'm a member of the committee. There was no information, no Office of Fiscal Analysis data. And yet we were being asked to commit one-fifth of our total bonding authority. So on May 19th, I did oppose that request because I had no information on which to vote.

Since then, legislatures have been able to obtain detailed information on the project, and I have to admit

the project does appear to fit into the type of investment recommended by the Program Review and Investigations Committee in our December 2009 report on Connecticut's economic competitiveness. And in the report, which I looked at again, we had looked at ways to turn the curve on job losses. We specifically recommended returning to the cluster model of economic development rather than giving out grants and loans to a single business. And bioscience is one of the specific clusters. We specifically recommended they needed lab and incubator space in order to support the bioscience cluster. And our competitor states, Pennsylvania, Massachusetts, Virginia and North Carolina all use this cluster strategy.

The report also said that we need to invest in the knowledge economy and support research and development, and that we need to prioritize among the economic development recommendations, set a timeline for them and identify funding, because many earlier projects were dropped part way along the way for lack of funding. So this bonding expenditure for John Dempsey Hospital actually does follow the Program Review and Investigation reports recommendations for the target areas of state investment. And it does include, unlike last year, this one does include the business incubator space and the

renovation of the research facility which was lacking in last year's proposal.

It is true that this proposal to radically change the size of the state's investment in the John Dempsey Hospital will tie up a significant segment of the state's bonding authority. So I hope this is the right choice. It's also true, and this is a negative, that the facility will be located in Farmington, which is isolated from the other partners in the bioscience economic cluster. So it's out there in left field a bit.

However, on the plus size, it will employ construction workers to -- short term to build it, and research scientists long term. And I seem to remember in 2008 dollars they make about 75,000 per person, which is a very good wage and the kind of wage we want to encourage. So this proposal also shows some welcome interest by UConn in meeting the state's need for additional primary care doctors and dentists. That's an identified need in the state. And this proposal supposedly will increase the production of primary care doctors and dentists by 30 percent. And I hope we will see more effort by UConn to solve other identified problems in the state's workforce. This is a welcome development.

So with the additional information that I have

obtained since May 19th, I am changing my vote. I will support the project today. And I thank Representative Willis for her efforts to get this information.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Adinolfi of the 103rd.

REP. ADINOLFI (103rd):

Thank you, Mr. Speaker. Mr. Speaker, I don't have any questions for the proponent of the bill, so it's going to be easy for me. I'd like to look at this UConn expansion from a different aspect, merely a different angle.

I've been a patient at UConn since 1998, and I would say a regular patient. But even prior to that, my dealings with UConn go before that through my family. I'm very proud that my family was associated with UConn in this respect, and I don't -- I hope I don't upset anybody when I tell you this story.

My mother-in-law had passed away at home, and she had donated her remains to UConn. Now, I'm going to lead into the research that goes on there. And I believe they took -- they came to the house, they picked her up, they took her out of there very dignified, no details there. And we went up to the hospital and they made us feel very, very extremely comfortable the way they explained to us

how they handle the remains of an individual and so on and so forth. Well, without going any further in that, we felt comfortable, we felt proud for what my mother-in-law had done.

About 15 months later, we get a call, I had to go down and pick up my mother-in-law's ashes. And when I went down to the mortuary to pick up the ashes, the person in charge there sat us down, my wife and I, and told us a story of an incident that had occurred there where they had done some research. There was a young boy who needed a brain surgery, and it was something they had never done before. And what they did, I won't to go into the detail, but they experimented using the family member, and the boy survived. It's that kind of work that they do, that an expansion program like this could reach out to more people in this state and help more people in this state, and our residents will be much, much better off.

In early 1998, I had surgery on my shoulder, and it was done by local doctors, not at UConn. About a month later they had me back in the hospital for emergency surgery in the middle of night, something went wrong, I had developed an infection in the bones. They opened me up, they cleaned me out, and the doctors, the orthopedic surgeons were very well known in the area, said to me,

Mr. Adinolfi, we want to you go to UConn. We want you to see Dr. Carl Nissen there. If anybody can help you, UConn can, and Dr. Nissen can.

And I went to UConn. And for one whole year, I had full use of my arm. It was an incident that happened later, which I -- I can get into, but the -- the care that they gave me, the physical therapy and the attention, the personal touch, you don't feel like you're on an assembly line when you go to UConn for treatment. You go to a lot of other doctors and so on, and as good as they are, they want you in, they want you out, they want the next patient coming down the line. And that doesn't happen there. And I think that's important for the people of the state of Connecticut to respect, want, and supply the -- supply the funds that we need to continue this type of service to the people in this state.

In year 2000, I had another problem. Things went backwards. And I have a choice of going for surgery again, real extensive surgery, or continue with the physical therapy. At this stage in my life, I don't feel I want to go back for surgery again, and I continue to go for physical therapy, which they do an excellent job of personal touch.

But what I'm trying to say here is what they've done

for me, I'm sure they do for everyone else. And it's a lot different than a lot of the other places you go to. It's that personal touch, their care for the patients, and their respect for the patients. And I just see the need to expand that program so it's available to more people. I'm keeping out of the (inaudible) end of it, I'm looking at the needs of the people in the state of Connecticut and what UConn has provided for me and my family, and what they can provide for everyone else in this state. So I strongly support that we support this legislation and put this bill through.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Nicastro of the 79th.

REP. NICASTRO (79th):

Good morning, Mr. Speaker, and happy last day of session. Mr. Speaker, it doesn't seem like it was such a long time ago, but last May 1st -- last May 1st, 2010 at 8:53 p.m., this House took a vote on this bill. That vote came out with 109 in favor of this project and 34 voting against. And we took an awful long time debating this and talking why it was important.

We keep hearing the word jobs, jobs. That was one

of the main purposes of this bill, to create jobs. But not only to create them at UConn but to create them at a lot of our community hospitals. And there was one hang up there, though, in order for this project to move forward, we had to receive a $100 million from the federal government. That money never came. Now we don't need that money. We're moving forward.

And, Mr. Speaker, it's, been said many times here, and I don't want to sound too repetitive, but quite frankly and quite honestly, I'm taking a look at what this money does. We're looking at a primary care institute at St. Francis Hospital, a research base. We're looking at the Simulation and Hartford Hospital, a training center there. We're looking at -- to Health Disparities Institute to Hartford Hospital. We're looking at a Cancer Center Hospital of -- of Central Connecticut merging with New Britain Hospital, development of a cancer center there. We're looking at Charter Oak Health Center, Hartford, tech upgrades. We're looking at the Hispanic Health Counseling, Hartford, tech upgrades. We're looking at $2 million to Bristol Hospital for room renovations, and on and on and on it goes.

But also, Mr. Speaker, all the more importantly at this point in time, we talked about the bioscience center.

We're looking at the creation of a 169 new bed tower. That creates a lot of jobs because that's not going to take two months to build, it's not going to take six months to build, and it's not going to take a year to build. It's going to take a lot longer. That will be putting people to work. We're looking at renovations of the existing research facility. And we're looking at replacements of -- of ambulatory care facilities and on and on and on.

This bill here is well worth its money. I know times are tough. But here's a chance to put a lot of people to work and to do it immediately. And these jobs aren't going to take a couple of months, they're going to take a few years. And this bioscience center, as we know, it moves straight across western Connecticut. It cuts across from UConn, Farmington, it goes to New Britain, it goes to Plainville, it goes into Bristol, and on and on. And that's the purpose of it, to create jobs.

And one -- in one respect here, if we're looking at the faculty clinician recruitment, 50 new clinicians, 10 based scientists. And incidentally, the original act was called 10-104 out of -- it was House Bill 5027. Now we've got it in front of us again. Yes we're asking for more money, but for good cause, for dying good cause. I think

we've got to take this in consideration and put people to work. Let's not just talk about it, let's do it. I strongly support this.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Wadsworth of the 21st.

REPRESENTATIVE WADSWORTH (21st):

Thank you, Mr. Speaker.

I rise in support of Senate Bill 1152, and I do that because I have recognized over the years that the University of Connecticut Health Center is a very strong asset, not just for the town or the region, but the entire state of Connecticut. The medical hospital is a public service hospital, and it also has regional medical offices and serves statewide with dental clinics. It has a high percentage of Medicare and Medicaid patients, both in the inpatient and outpatient phase, up to 25 percent. And it also serves the Department of Corrections for the medical wing for their use. That's an aspect of it that needs to be improved. This hospital has not been renovated in over 40 years, and in the age of technology and science of medical care, I believe that it's necessary for improvements to -- to be made.

In the area of education, health care or health care education does need to increase in the state of Connecticut. We need to graduate -- and more -- and retain more physicians and more dentists. And that will help sponsor additional intern programs for area hospitals of which the University of Connecticut Health Center provides 700 interns at this time, which generates $70 million revenue, federal revenue for those area hospitals. So a 30 percent increase in those graduates will help the state of Connecticut provide health care needs into the future.

And the most intriguing part of this proposal is the research project. Right now, they -- there's $100 million a year worth of research being done at the University of Connecticut. And just like anything else, if you're not moving forward, you're moving behind. So the addition of additional research money to fund more projects will drive what we all know that we want in the state of Connecticut, and I've heard it here tonight, the bio -- the bio research corridors that have been established, they need to be filled with products out of our research centers. And I believe that the investment being made today will help that vision come true.

So this is a kind of Connecticut that we need to promote, and I expect, or I would urge all my colleagues

to vote in favor of this proposal.

Thank you very much, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Perone of the 137th.

REPRESENTATIVE PERONE (137th):

Thank you very much, Mr. Speaker.

I appreciate the opportunity to speak. I just want to make some of the -- some similar comments, but also just add a little more meat to this -- this proposal. I think that it's certainly a -- an exciting proposal. It is one that sort of secretly to myself I was hoping last year when we had the opportunity to support the -- the UConn Health Center last year in its -- in that form, that it would lead to something like this.

You know, a lot has been said about why our state's economy hasn't created really net new jobs in -- in 20 years. Whether it's -- it's been considered not business friendly because of the brain drain or hostile regulatory climate., and these are -- these are all reasonable. However, I would summarize by the -- by saying really that we've been planning and strategy unfriendly as well.

I think one of the other problems behind our lack of growth has been sort of consistency in the -- in the form

of -- it's been consistency in terms of -- of how unpredictable and how inconsistent we are. Our regulatory system is -- our climate has been -- has been problematic for -- for business. And I think that our tax policy has some -- some things that really have to be worked out. Excuse me. And when -- when you total all this up, you really get inconsistent and sporadic growth long term that really is -- it cannot sustain any, you know, any significant economic growth long term. You -- you wind up back sliding as much as you find yourself moving forward

You know, the state of Connecticut has tremendous assets. But they're -- they're not coordinated. They're not self sustaining. They are frequently offset by inconsistent and unpredictable behavior by our state agencies, which we -- we've seen. In Connecticut, overall, there is a lot that we're all trying to do. We're -- we all -- we all know that our -- our economy and our job creation has to be our focus. But there are a lot of places to -- to, really to -- to focus our attention and sometimes it seems like the -- almost there are too many -- too many you know, key areas to hit. However, with this -- this proposal, the reason I think this is exciting is because Connecticut brings a lot to the table already in terms of the -- in terms of bioscience.

You know, the fact of the matter is, Connecticut has a specialized and diverse concentration of employment in the overall bioscience industry and in two of its subsectors, drugs and pharmaceuticals, and as well as medical devices and equipment. Its research, testing and medical laboratories subsector is highly concentrated and growing.

Academic research expenditures in biosciences were 990-- or, sorry -- my mistake, 595 million in 2008, representing 81 percent of all academic R and D, which is much higher than the national average. On a per capita basis, Connecticut ranks very high amongst states in terms of both academic -- academic bioscience Rand D and NIH funding. Over the last six years, venture capital invested in Connecticut bioscience companies totaled 991 million. Bioscience patents issued were 200 -- I'm sorry -- 2,615. Both placed Connecticut higher by -- by population.

The last two categories are the two largest categories for venture capital investment were human biotechnology and pharmaceuticals. Patents were heavily concentrated in drugs and pharmaceuticals. Yet, it doesn't -- based on a lot of the measurements within the bioscience industry, it doesn't put us in the top 10. It

doesn't even -- in fact, it doesn't even put us in the top quartile of -- of -- of states that are doing similar work.

So basically what I'm saying is, we've -- we're doing fantastic work here, it's exciting work. And the fact of the matter is we could be doing more to support this. And I think that that's been part of the issue. I believe that -- I believe that we are the not keeping pace with the pace of biotech. I think that our -- our state has a -- has a lot of great assets in this area. And by encouraging it, I think we'll be able to -- to maintain a level of competitiveness that is sorely needed.

However, going back to some of my original remarks, and I believe really believe that strong initiatives are -- are crucial to restoring Connecticut's economic vitality, we must develop an economic strategy that attracts commercial development that -- that will flow from research. By keeping research jobs and industries in the cluster form, is really -- really one way to -- way to do that. A perfect example has been our stem cell, the growth in our stem cell sector here, really our health -- our emerging bioscience sector here. We've seen tremendous growth in that.

However, without this, as I mentioned, the state of Connecticut, without -- without continual attention paid

and focus on developing this sector and focusing on -- on self-sustaining jobs and -- and, you know, research jobs that attract, you know, research dollars that attract, you know, commercial investment, we're going to continue to -- our economy could theoretically continue to -- to sputter along with no real growth, which is why we need to get behind this. So at the end of the day, you know, such integration and collaboration among the state's leading universities, in this case, what we're talking about with UConn, is really -- is really crucial to developing innovation and -- and real -- and job creation. So basically, we have the resources and -- and the assets that we need to reclaim our historical leadership in innovation and economic growth.

The question is whether or not we have the will. I think we do. And I think that this is really one of the most exciting proposals we've seen in -- in a long time. I think a football stadium is nice; however, I don't think it quite captures the -- the breadth of really what we need to -- to rebuild our state's economy.

And I thank you for your time.

DEPUTY SPEAKER RYAN:

Thank you, representative.

Representative Coutu of the 47th, the Rose City.

REP. COUTU (47th):

Thank you, Mr. Speaker.

Mr. Speaker, I've been trying to do my best to learn as much about this facility as possible. Representative Wadsworth has been providing me a lot of good information about the positives, the weigh-ins of a UConn Health Center and the facilities on that campus. And I can't help but consistently think of open for business.

We have heard tonight jobs, jobs, jobs; a billion-dollar government investment is going to create jobs. And I've consistently always stated that the government, in my view, does not create jobs. I believe that people in small businesses create jobs. And I think there's been no greater example of this than the past three years with the federal government and our government investing trillions at a federal level, billions at a local level, building a lot of new projects, and it just hasn't produced jobs.

In fact, unfortunately, Connecticut's the only state in New England that had an increase in our unemployment rate, up to 9.1 percent. And two months ago, we lost 6,000 private sector jobs, but we gained 100 government jobs. So in the back of my head when I hear we need to spend more money to create jobs, it hasn't worked to date. And I

question if that's really the primary purpose of spending a billion dollars on this project. Because if it is, it's the wrong purpose.

Now, if the purpose is to establish and improve on a world-class facility that has a lot of research and technologies, produces some of the best doctors and dentists in America, I can support that. But I have some serious concerns when the spending, and basically saying the main purpose is because we're going to create jobs.

Secondly, we all know, we have just implemented a very large tax on all our hospitals, and I can only go by what the hospitals are telling me, that they have concerns with this tax. So here we're taking the tax that we get from them, the $1.6 billion -- $1.6 to $2 billion tax per year that we've just implemented on our taxpayers, and we're going to spend that money on a government investment. I'm not sure if that's right.

I think government's here to provide some policies that let our corporations and businesses know from year to year there's not going to be a constant tax increase. There's going to be less regulations, less mandates. And throughout this session, I don't think we've done that. And the business sector doesn't think that either.

Recently, I had an experience with Boston Children's,

and this is the part where I start thinking there is collaborations between private sector hospitals, non-profits like Boston Children's Hospital, and then there's some institution like Harvard, and it works really nice. They have some of the best doctors in the world, some of the best research, and they have a world renowned -- the best hospital in the world for children.

And then in our region, we have hospitals like St. Francis, we have Hartford, we have New Britain just in the north. In the south we have Lawrence Memorial, Backus Hospital. And my concern is, two years ago when we initially tried to pass this legislation, all these hospitals didn't think it was the right solution. Then a year ago, it went to we're going to spend $300 million and get $100 million grant from Senator Dodd; that didn't work out. And now it seems we're doubling down.

And as far as I can tell, the economic crisis has gotten worse on many fronts, for people across the state of Connecticut in their homes, in their small businesses, and in the large businesses. So I'm not sure if us doubling down is really what we should be doing at this time.

Mr. Speaker, we all know that Connecticut has a challenging situation, especially with our budget. This

will add to our debt load. We have a massive debt obligation unfunded, close to $80 billion; 12 cents on every dollar go to fund debt. We just passed 500 million more debt this ear than last year. The debt service, debt interest payments are literally engulfing this state to the point where we, sooner or later, may not be able to afford these payments.

And to put it in perspective, Virginia, five cents on every dollar that goes to pay debt, Connecticut, 12 cents on every dollar. And the problem is when you're spending that much money on debt some of the core services that we really do need to fund, public safety, education, municipal aid, they will be cut, and they are being cut. And it ends up -- the burden goes on that local property taxpayer. So, Mr. Speaker, I understand the objective by many is the belief that this could create jobs. I don't see how that will happen. Just within the last few years all the government injections at the federal and state level have not worked.

If, secondly, it's to build a world-class facility, improve this campus, I think there is some positives from that, but I question if we should do it on this campus or if we should merge some of UConn's best facilities with some of the best hospitals in our state.

We all know the three areas in this investment plan, the hospital itself has always, for the most part -- most part, underperformed. Some think it was because of the original design of the building. But in general, we have had to bail them out every year, tens of millions of dollars, and here we are doubling down trying to say we are going to inject all this money in a state-run hospital which has not performed to cover their own costs and put them even more in competition with every hospital within a 50-mile radius.

There is a concern there. These hospitals are going to be challenged. They're not going to get hundreds of millions of dollars to improve their hospitals. And at the end of the day, the question is, can we afford to keep on bonding for these major projects, including the bus route for a billion dollars, this for a billion dollars, route 11 for maybe a billion dollars. And sooner or later there's no more money, there's no more taxpayers to cover the costs.

So thank you, Mr. Speaker. I appreciate some of the efforts of the people, but I really can't support this piece of legislation.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Why thank you, Representative Coutu.

Representative Hetherington of the 125th.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker. If I may, several questions to proponent.

DEPUTY SPEAKER RYAN:

Representative Willis, please prepare yourself.

Representative Hetherington, please proceed, sir.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker.

I'm trying to understand the numbers that are put forward. In the fiscal analysis provided by OFA, total prior law -- total UConn 2000, $305.4 million. Now, those bonds were previously authorized; is that -- that's correct, is it not?

Through you, Madam Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you. Yes, they are, sir.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Have they ever been issued?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. If the gentleman could please tell me where he is now on the GEO bonds authorization, what chart?

REP. HETHERINGTON (125th):

Okay. I'm looking at the chart that's included in the OFA Analysis, and it says changes to -- to General Obligation Bond Authorizations. It's on the first page, I guess it's the only page of that analysis. And it shows UConn Health -- pardon me, total UConn Health -- total UConn 2000, total UConn 2000, prior law shows $305.4 million.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Again, you're on Table 1 on page 28 of the --

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, I -- I opened to the Office of Fiscal Analysis,

and it -- I don't see page 28. It is -- appears to be only one page, actually. Is -- is the lady with me on this? Do we --

REP. WILLIS (64th):

I'm not on the same --

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I do not have a one-page fiscal analysis up.

REP. HETHERINGTON (125th):

Well, I --

REP. WILLIS (64th):

Can you pull it up?

REP. HETHERINGTON (125th):

Let me ask you this. How -- how much was authorized for UConn under the 2000 bond -- the 2000 -- UConn 2000 program?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Just for point of clarification, for Public Act 10-104, the one we did last year, is that --

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, there is a reference to 10-104, and it -- it shows in the preceding column, Prior Law, $305 million.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

My apologies.

REP. HETHERINGTON (125th):

Okay. Well, maybe I could help your --

REP. WILLIS (64th):

No, I'm just -- I'm trying to find -- there's a lot of -- a lot of paper here.

REP. HETHERINGTON (125th):

Okay.

REP. WILLIS (64th):

Okay. I am looking at the Office of Fiscal Analysis changes to -- to the government operations bond authorizations for the university. Is that --

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, assuming that what I'm looking at online is the same thing that -- that you're looking at. How much does

it show -- through you, Mr. Speaker -- how much does it show for total UConn 2000?

DEPUTY SPEAKER RYAN:

Representative Willis?

REP. WILLIS (64th):

Total UConn 2000 is 305.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Okay, great, thank you.

REP. WILLIS (64th):

I apologize.

REP. HETHERINGTON (125th):

Sorry? My question, then, is, that was authorized under existing law. Have any part of that bond -- have any part of that bond authorization been issued?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Not that I'm aware.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

So what we're -- what we're talking about here is actually close to a billion dollars in -- in new bonding when you count what was previously authorized but unissued, plus the additional authority that we're -- we're contemplating under this bill; is that correct?

Through you, Mr. Speaker?

REP. WILLIS (64th):

Through you, Mr. Speaker.

That is correct.

REP. HETHERINGTON (125th):

All right.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Now, I have -- I have here a -- the report of the treasurer of Connecticut dated June 1st, 2011. It's a report to the Finance Revenue and Bonding Committee and the Appropriations Committee. And it provides the state's position with respect to existing bonding.

I'm -- I'm puzzled by this, because I have -- this is -- this is date the dated the 1st of June. And it -- it says Authorized and Unissued Bonding by Program as of April 30th, 2011, UConn 2000 Program, and it shows only a hundred and -- $138 million. I don't understand why that figure is there rather than the 305. Do you have any thoughts on that?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm not sure what the gentleman is looking at. Maybe it is regarding the University of Connecticut 2000 project overall.

REP. HETHERINGTON (125th):

Okay.

REP. WILLIS (64th):

As opposed to just to the health center.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. I realized that the gentle lady doesn't have this before her, so I -- I won't pursue that particular

question.

But I -- I do conclude the report that -- from this report, that the total authorized by the Bond Commission from the -- what's been authorized by the legislature, but which remains unissued, is [$3 million, 781.6 dollars]. I realize that the gentle lady doesn't have this in front of her, so I -- I'm not asking her to confirm that. I'm reading it myself from the report here, insuring it.

So we have a total authorized by the Bond Commission, but unissued of $3 million, 781.6. What we're doing, we're increasing that, assuming that -- that this goes forward, and is authorized by the Bond Commission, we're really increasing that total by about -- by more than 25 percent.

My point is that we're making a very substantial increase in the potential bonding for this state. In fact, the -- in 2011, our total issuance to the end of April was a million -- pardon me, a billion 302.9, and this -- this, in effect, would almost double -- almost double our bond issuance for the whole of 2011, thus far. And our total authorized by the Legislature but unissued is 5.7 billion. So we would be increasing by about 20 percent the total -- the grand total of everything, of all the bonds authorized by the Legislature.

I -- I make this point because it's -- the magnitude of this is -- is enormous. I mean, we're increasing it tonight, but we're increasing it by more than a few hundred million, because that is only what we're adding to what is authorized but unissued. The overall total that we're authorizing tonight is increased for this project by close to a billion dollars, as the gentle lady confirmed a few minutes ago.

My point is that this is really on a -- a project of enormous magnitude in terms of the indebtedness of the state, the potential indebtedness because we haven't -- we haven't issued the bonds yet. Our bonding -- our debt services is currently about 11 percent of our total budget, not an insignificant amount. And now we're pursuing another billion dollars of bonding.

And if I may, to the -- to the proponent, there is -- there is no cost in the next two years because the bonds, of course, are not issued. But when would be the first beginning of construction for any of the aspects of this project?

Through you, Mr. Speaker. Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I do want to clarify something. I did find out that the 305 was issued, and that as part of UConn 2000. So I just want to clarify that while I go on and find the information for you on the construction schedule if you'd give me a second.

REP. HETHERINGTON (125th):

Okay. let me -- excuse me, let me just go back on that a second. The -- are we to understand now that the 305 actually has been issued?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Authorized.

REP. HETHERINGTON (125th):

No, I --

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, I know it's authorized. But those bonds have not been issued, have they?

Through you, Mr. Speaker.

REP. WILLIS (64th):

And oh, and been spent. Haven't.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm going to get clarification on that, because it's -- half has been spent, okay, of the 305 million prior to the law that was passed, part of UConn 2000. Some of that money, half has been sent. The -- the Act we passed last year, no money has been spent, okay. Does that answer your question?

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Mr. Speaker. And I apologize, I think I missed you there once. But I -- through you, Mr. Speaker.

Well, how much -- how much of that 305 million has been issued?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Half.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. Through you, Mr. Speaker.

Half has been issued and spent; is that correct?

Through you Mr. Speaker.

REP. WILLIS (64th):

That -- that is my understanding.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Mr. Speaker.

On what has it been spent?

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. I believe it was spent on the cell and genome center at the university.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. And through you, Mr. Speaker.

Is that part of the -- of the total project that's contemplated by this -- this project?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

No, it is not.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

So -- through you, Mr. Speaker.

Roughly a 150 million has been authorized and spent, but is not part of this UConn Medical Center project; is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

That is correct. It's part of UConn 2000.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, through you, Mr. Speaker.

Is UConn 2000 -- UConn 2000, then, is a part of this total initiative?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

All the funding becomes part, really, of the UConn 2000 bonding. As -- as we -- when we authorize money for bonding, it goes and becomes part of UConn 2000.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Mr. Speaker.

So, we -- we take what was close to a billion dollars and we subtract a 150 which has already been issued, and the remainder is the -- is the new -- is the new authorization; is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Yes. Yes.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Yes, okay. I thank the lady. And then, if I could proceed to the question that I believe she was about to answer, and that is, through you, Mr. Speaker.

When will the first shovel be turned on -- on this project?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

The design phase on renovating the existing research basis will begin now -- and -- as I understand it, and then construction on those spaces will take the next 27 months. And then there's a second phase in there, a subsequent phase of construction on, again, renovating research spaces, and that will start in early 2014. Renovating the existing clinical spaces will begin design in -- shortly in the next 24 months, and construction would begin on 2014. Constructing the new hospital tower will begin the -- this year, designing. That will take 23 months. And then the bed tower will actually begin construction in 213 (sic). And then the ambulatory care center, that,

too, will begin this year to be designed, and construction will begin in 2012. And that will go for over two years.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Mr. Speaker.

When is the first issuance of the additional bonds contemplated? It looks like to me, I just -- add to that, it looks like to me -- through you, Mr. Speaker -- that -- that it is -- there are no additional bonds authorized until fiscal year 2014; is that correct?

Through you, Mr. Speaker.

REP. WILLIS (64th):

That is indeed correct.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

And we won't need money for the project before that?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, not through bonding.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

There are other sources of funding for this?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

There has been money, 25 million, which begins the design phase.

REP. HETHERINGTON (125th):

Okay.

REP. WILLIS (64th):

That comes out of existing you UConn 2000 monies.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

I see. Through -- thank you.

Through you, Mr. Speaker.

Do you happen to know, in general terms, how large this -- this segment of the economy that we describe as

bioscience or biomedical? The one -- the area of the economy that is to be, fueled by this -- this UConn Medical Center, how -- how big is that, if you know?

Through you Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through -- through you, Mr. Speaker.

I'm not sure I understand the gentleman's question.

REP. HETHERINGTON (125th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. Through you, Mr. Speaker. We appear to be talking about a particular and identifiable part of our economy which we're going to expand, where we're going to create jobs, we're going to create all kinds of jobs through this UConn Medical Center project. And it's been described as -- I think under various titles. We have biomedical, bioscience. Well, can we, -- can we be a little more precise on that? What -- what is the segment of the economy that we're talking about and that

we're going to enrich by -- by this project?

Through you, Madam Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. HETHERINGTON (125th):

Mr. Speaker, pardon me.

REP. WILLIS (64th):

Please, can we stand at ease while we look that information up?

DEPUTY SPEAKER RYAN:

Okay.

REP. WILLIS (64th):

Thank you.

DEPUTY SPEAKER RYAN:

Chamber, stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you.

We were trying to get information on GNP -- GNP on bioscience. Certainly, we know from the studies that we

have done on our committee and through various -- that we're looking at, in Connecticut, the growth of the health care industry, and health care in Connecticut is over 17 percent of our GNP here in Connecticut.

DEPUTY SPEAKER RYAN:

Representative Hetherington.

REP. HETHERINGTON (125th):

Okay. Well, I thank the gentle lady for that response. One has to be impressed by -- by the speed with which the -- the lady came up with that. That's -- that's impressive, and I appreciate her patience and diligence in -- in finding that quickly.

So we're talking about an area of the economy that currently contributes 17 percent of our state gross product. Well, that is a potential -- a potentially important -- already important area of our economy.

I think my -- my problem with this -- and I'm going to conclude -- is that we are undertaking an enormous increase in the bonded debt of this state. We are almost doubling the amount of bonding we've done this year. The -- the service of our debt is already significant, more than 10 percent of our annual budget. And I'm not sure -- or I'm not convinced that -- that -- that -- that the returns from -- from this are wholly certain. In fact,

they seem rather speculative. We may generate construction jobs, we may generate jobs in the biomed field. And hopefully we will, because I suspect this is going to pass. But I think we really need to exercise some prudence in -- in what we put into -- what has been described as a vision. Well, it is a vision. Whether that vision turns out to be reality, we'll -- we'll have to see.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you very much, sir.

Will you remark further on the bill before us?

Representative Piscopo, the 76th, you have the floor, sir.

REP. PISCOPO (76th):

Thank you, Mr. Speaker.

Mr. Speaker, I -- this is near and dear -- this is -- I know this senator very well. She sits right at the boarder of my district. I have a lot of constituents that work there, a lot of doctors, nurses, maintenance people, some -- probably some trades people that work at this facility, so I'm very sensitive to this issue. I've spent -- I've stepped up many times since -- and then recently two or three times and voted

for a lot of bonding for this facility. So it -- I'm not, you know, I'm not negative on this project.

I just -- I'm just taken aback about it -- about it right now. I think two weeks ago we all got, in the Finance Committee, we all got called into a Finance Committee meeting in the morning, and -- and we had a summary from the governor's office, or maybe it was OPN, or just the summary, and we were asked to vote on a summary sheet from the governor's office. There was no OFA markings at all. And this is the Finance Committee.

We -- I said this at committee, we don't vote for a dog catcher -- oh, I didn't say dog catcher -- we don't vote for an animal control officer without an OFA report. And in -- we have never done that. It just totally -- the process has totally been just turned on its head here with this -- with this project. We -- I'm very proud that we sit -- we worked real hard on the bonding subcommittee and finance. With that, this should have come before us in January.

I remember UConn came before us when we did our agency reviews. And we didn't hear anything of it when they came in front of us. We didn't hear anything of the technology center that was just approved a couple days ago. So this is -- it's -- my problem here goes with process. It should

have been here in January. We would have had a long review with the bonding subcommittee. We would have looked at architects' renditions or whatever, see what was -- see what was proposed here.

It should have gone to Propes [sic] for debt service that this was going to add to add to debt service, that this would have occurred. It should have gone to maybe another bill in public health, because people from around the state that have spoken in favor, you know, if you're in Danbury, if you're in Greenwich, if you're in New Haven, New London, Willimantic, these hospitals actually are -- are looking at us and saying what the heck, you know. We're competing with these guys.

I have Waterbury Hospital in another corner of my district. I have Torrington Hospital in another corner of my district. And they're -- and they're out in the cold. So, it's -- you know, this is -- this is tough. Like I said, this is probably a good project, I just -- I think the Legislature should take a hard look at it, and that's all I'm asking for, not two weeks before the end of session.

Thank you, Mr. Speaker.

(Deputy Speaker Aresimowicz in the Chair)

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further?

Representative Smith of 108th, you have the floor, sir.

REP. SMITH (108th):

Thank you, Mr. Speaker.

Just a few short questions, if I may, to the proponent of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis, please prepare yourself.

Representative Smith, please proceed, sir.

REP. SMITH (108th):

Thank you.

If we were to look five years from now with this project having gone forward, what type of facility and what do you see this to -- to look like at that time?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

There we are. Okay, thank you. I apologize, my microphone wasn't on.

I will get to -- five years from now, I'm assuming you're referring to just the construction and renovation timetable. Five years from now would take us to 2015, '16. We would have seen the ambulatory care center completed. We would have -- we would be seeing a new tower nearly completed. We would see the clinical spaces that are existing renovated or under renovation at that time, certainly on their way. And then renovation of existing research spaces should be half completed at that time, at least for one phase will be completed, and then another phase would be starting up at that point. So that's -- that would be the landscape at the health center.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

Thank you. And then -- so I was thinking in five years we'd almost there, but it sounds like we still have quite a lot of work ahead of us after five years. So the anticipated construction and completion time for this project would be?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

2018.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

And do we have any studies that show the need for this type of facility?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think when we looked, in terms of the renovation, this body has done a study. In 2007, I believe we had the Connecticut Academy of Science and Engineering do -- do a study of the existing facilities and what kinds of renovations needed to take place at the plant. It had not been, at that point, when they looked at it, had not been renovated or anything major done in 35 years. So it really was an aging plant. There was a lot of problems with it in terms of the ability to meet 21st century health care needs, technology and so forth. So at that point, we began the process of -- of realizing that this state was going to have to invest in an upgrade. And this is really an outgrowth of the beginning of that study.

This is taking another step further, because this is more a focus on moving Connecticut's economy forward as opposed to where we start out in 2017, which -- 2007, which was really about a health care facility and a hospital that needed our help. And this one -- this -- this plan, the focus today is jobs.

Thank you, through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th)

And thank you for that answer. And I'm assuming there's jobs in the -- in the health care field; is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Absolutely. We know that's the growest [sic] -- the fastest growing industry in Connecticut. And I think, actually, it's probably the only industry that we could clearly say that we have -- are experiencing growth.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

Through you, Mr. Speaker.

Do we know whether the state of Connecticut subsidizes the health care center at this time?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Yes, the state the Connecticut gives -- provides about 22 percent of the overall funding at the health care center.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

And do we anticipate that number to remain stable or increase or decrease once this project is completed?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I do not have those figures.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

Will the building and the property be owned by the state of Connecticut?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Yes, the -- the grounds, the buildings will all be owned by the state of Connecticut. The only thing that is different in this latest plan is the ambulatory care facility will be constructed privately by developers and will be leased to the hospital. That is -- that is the only new piece to this proposal.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

So with that scenario, I would assume there would be some tax dollars that would come into the state of Connecticut, or am I wrong in that statement?

Through you Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Madam -- I'm sorry. Through you,

Mr. Speaker.

A little bit more clarification. I mean, obviously with more people being employed, with expansion, with more construction jobs, obviously that's going to generate tax revenue for the state. Just to ask if that's what the gentleman is asking?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith, please clarify your question, sir.

REP. SMITH (108th):

Yes, and in fact, that is what I'm asking in terms of whether there would be any tax dollars paid to the state of Connecticut by the entity for either property taxes or any other type of tax that may be due for this type of facility.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm not sure what the property tax responsibility is, as it would -- since the building is owned and leased to the state, I would assume that the owners of the building would be paying taxes.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

And similar, along those lines, will the people working in this facility be state employees or from the private sector?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I'm sorry, I missed the end. You asked if someone -- if they were state employees on the construction, or employees of the facility? If the gentleman could please clarify.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

Sure, I'd be happy to clarify. I'm assuming during the construction phase there would be private sector employees constructing the facility; is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you.

Yes, it would be private, it would not be through the Department of Public Works.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

And then once the facility is built, the -- it would be operated by various number of types of employees in terms of, you know, healthcare providers or maintenance or whatever it may be.

And my question, through you, Mr. Speaker, is whether those employees would be state employees or private sector employees.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think it -- it would be both. I mean the people who are employed at the hospital, if they're -- if they're bringing on new physicians or clinicians, or research scientists, they would be state -- you know, working for the state of Connecticut. At the same time, you're going to see some of those research clinicians doing -- well,

working in incubator companies potentially. So I would assume that they would also be private sector too, that there would be cross pollination between what happens with the companies there that are coming on and the researchers that are part of the UConn family.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

Thank you for that answer. And then I'm -- so it sounds like it would be a private/public combination. And have there been any is studies done as to how many state employees there would be estimated, and -- and roughly what the cost of that would be to the state of Connecticut in terms of all the benefits and the actual salaries that would go along with that?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, I don't have the numbers. If more doctors and professors are needed in order to accommodate the growth in, you know, the number of students that will be taken at the school, at the same time, while there might be a

cost, I think they would more than cover that by the income they would generate. Because, again, remember, they're -- they're also seeing patients. So they're doing research. They're doing clinical work. They're doing educating. So they wear,many of the doctors at the UConn Health Center wear many hats in all those categories.

Through you, Mr. Speaker, I apologize.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Smith.

REP. SMITH (108th):

And thank you for that answer. And that's frankly, is my concern, is whether this would be an ongoing liability to the state of Connecticut in terms of cost and subsidies, because, as you stated earlier, it is being subsidized at this point. So it is good news to hear that it could potentially be an offset, and even a profit with -- based on some of the income that could be generated by the work that is being done there. So I'll continue to listen to the dialogue. And I thank the lady for her answers.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

REP. WILLIS (64th):

Thank you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Sawyer of the 55th, you have the floor, Madam.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

I'd like to address tonight a couple of issues. And the first one is the discussion that has gone on, that, you know, that the hospital has not been renovated in over 40 years. We know that when it was built. But I can tell you that there have been some changes, and one of those has been in the -- in the infant -- the brand new babies, and the change that has happened in that hospital. But of course that goes back to 30 years ago.

They had been a general obstetrics hospital. And I know it for the a fact because I was there. And it changed between my first child and my second child when they decided to move to the NICU, the neo intensive care unit for babies who are in distress, and that was something they had not done before. And they were one of the first in the area to really put that specialty forward. And that is actually in play right now, that NICU and the 40 beds that will be transferred over to Children's Medical

Operation. But at the moment, they're still at the hospital. And they are actually renowned for the work that they do with babies that are sometimes born as little as 15 ounces. And they have a very high success rate.

Having said that, what we also know, in that the University of Connecticut has a very strong track record when it comes to their facilities set up for research. And what UConn has done in the past that has been highly successful, is they have gone out, they have reached out to the science community, told them that they were going to build, they predict the high-tech building that they're going to create, and they draw an interest from across the United States. The scientists then become involved, and they say to the university that, you know, they're looking for this type of research area, what they need, and so they build it, and it's out there with the tenant ready to come in.

In 1998, out of the University in Storrs, they built what they call Big Banana and Little Banana, and it happened to be the shapes of the two buildings. There's an arch shapes to the two buildings, so it's how they got their nicknames for ag biotech. And they brought in a multiple set of scientists that came in from the different disciplines to work together. And of course, brought

across the -- some phenomenal ag work that is known across the world. That was in 1998.

They have incubator space there. And ladies and gentlemen, I can tell you that it's full. And as recently as this last December, they had the grand opening for the cell and genome science center at 400 Farmington Avenue, and that was immediately occupied at full capacity. That, too, also has the incubator space. So the track record at the university is fantastic when it comes to the science research and incubator.

The space that they're looking is of course older space that will be rehabbed. The new part -- the new wing to the hospital is the new construction, and the building that they were talking about for the leaseback is going to be for the ambulatory center, and that's off to the side; whether that's going to be one or two buildings, that hasn't been firmed up. So we're talking about an old part of the building that's going to be -- have reconstruction for it. And it will include the research and the incubator space. Now, what we know is soon as you can talk about new space available that's high tech, you become a drawing card, and that drawing card is sent out, not just across the country, but around the world. And it will look forward to bringing in some of the most renowned scientists

and younger academics, and will bring forth the next generation in technology.

I stand here in support of the project. I do not stand in support of the methodology that it was used to be brought through this legislative body. I believe that was incorrect. But looking at the timing and looking at the fact that we need jobs in Connecticut, we need the construction jobs, which has already been stated many times over by enumerators before me.

The talent recruitment, however, is something that I think we need to talk about because that is something that is across the lines between what we have here at our medical school and our dental school, as well as the scientists that are coming out of the universities in Connecticut. But I'd also like to talk about the talent sharing that we've done, certainly in the -- in the field of stem cells. We have broken ground in this state with the multiple university stem cell work. And again, that is something that has become renowned.

I'd like to thank the university professionals who have spent the time and answered every single question that we've asked. I know that it is an offshoot of the project that we didn't start last year, we didn't start the year before, but we started three years ago trying to put this

together. This is really the -- sort of the third rendition, and for the other reasons that you have heard, it had its -- the bumps in the road.

I think this is an interesting, complex use of a master plan that will incorporate the educational facilities, the medical facilities and the research. And I stand in support.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, Madam.

Will you remark further on the bill before us? Representative Haddad of the 54th District, you have the floor, sir.

REP. HADDAD (54th):

Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the -- of the initiative. It's -- it's been a long debate, and I'll be brief. I am pleased to follow Representative Sawyer. I wanted to associate myself with some of her remarks. They dovetail nicely with some of the things I wanted to say.

Earlier tonight, a question was asked about what kind of research is going on at the university health center. I had an opportunity to visit, not the incubator space at

the university, but the incubator space out at Storrs, and learned a little bit about some of the successes that we've had with developing new -- new companies out of university research.

I would like to share a couple of those examples. Jeff Volek, an associate professor of kinesiology is working Genomas on DNA-guided medicine. He is currently working to develop diagnostic tests that will predict a person's ability to lose weight, which is something that we can use -- can be used by physicians to generate personalized diets for the prevention and treatment of obesity, diabetes, and metabolic disorders.

Jon Goldberg, the professor and director of the Center of Biomaterials and the Department of Reconstructive services, and Emeritus Professor Charles Burstone is working on -- with new -- New Ortho Polymers developing new aesthetically-pleasing brackets and arch (inaudible) to using orthodontics.

Ben Bahr and Dennis Wright, associate professors of pharmaceutical sciences have formed a company called Synaptic Dynamics. They are currently working on compounds that have the ability to prevent the accumulation of plaque on the neurosynapse that leads to

age-related neuro-degenerative diseases, including. Alzheimer's.

I was particularly excited to hear that Robert Birge, who's a -- work works in the chemistry department, is working with proteins that can convert light into electrical impulses, and is working with a company to develop an artificial retina.

Mr. Speaker, I don't know if any of these are going to be the next big company, but I do know that this research is what gives us the ability to hope for the next big company. We've heard -- we've heard the statistics that come out of the -- the economic analysis, 3,000 construction jobs, 16,400 jobs by 2037. I checked the economic report. 15,750 of those are private jobs. It has the potential to double the federal and industry research grants, adds more physicians and dentists. It stabilizes the UConn Health Center's finances. It's a project well worth the support.

Mr. Speaker, Bioscience Connecticut is designed to help Connecticut take a hold of our own economic destiny. This is an investment in our future. It will drive the creation of new companies based on new research and technology, and in doing so, will create high-paying jobs for thousands of Connecticut residents. I urge my

colleagues to support it.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further on the bill before us, representative Lavielle of the 143rd District, you have the floor, Madam.

REP. LAVIELLE (143rd):

Thank you, Mr. Speaker, and good morning. I have a couple of brief questions for the proponent, if I may.

I have in front of me, the slides that we had at the hearing, and I ask a question about one of the slides then, and I still have a couple of questions there because I don't feel that I understand what these figures mean.

I am on the slide that is called Economic Impact Projections. And I -- if -- if -- through you, Mr. Speaker -- the proponent doesn't have to look for the slide because I'll just read the numbers.

REP. WILLIS (64th):

That's all right. Go ahead, ma'am --

REP. LAVIELLE (143rd):

It's pretty -- it's pretty short.

REP. WILLIS (64th):

-- I think I may have, if you --

REP. LAVIELLE (143):

Okay. Through you, Mr. Speaker.

There is a number here that says $4.6 billion increase in state personal income by 2037, and I'm curious as to what exactly that means, state personal income, and whether that figure is over a period of years. And if so, how many years, and how did we get to it, if possible?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

It says increase in personal income by estimated 4.6 billion, I'm assuming that that's through 2018. And the study, the information that most of this was derived from is the study that we have referenced throughout the evening on the economic impact of Bioscience Connecticut which was done by the Connecticut Center of Economic Analysis. And so that's -- using a REMI model, that's how they arrived at those numbers.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you. And the net new revenue to the state of 823 million, I'm assuming that's the same REMI study, by

2037, net new revenue. Would that be the taxes on the personal income referenced in the previous number?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Madame -- Mr. Speaker.

What page is that on? I -- I flipped pages.

REP. LAVIELLE (143rd):

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you. It's -- it's the same slide. It's -- there's just four numbers there, and two of them reference jobs, and two of them reference these -- these financial figures. One is the increase in state personal income, the other is net new revenue, and both of those are labeled by 2037, by 2018.

REP. WILLIS (64th):

I apologize.

REP. LAVIELLE (143rd):

That's okay. Sorry, Mr. Speaker, we -- we just spoke directly there.

But it says net new revenue to state by 2037, 823 million. And I just wondered whether that was revenue from that personal income that's referenced in the 4.6 billion.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you.

Yes.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Lavielle.

REP. LAVIELLE (143rd):

I thank the -- the chair of Higher Education for that answer.

Another question. And -- and this is perhaps my own failing for not having gone through the REMI study. But do we have a kind of flowchart or something similar that shows us the -- the bonding, the revenue streams from the bonding, the payments on debt service, the payment for costs matched up year by year with the revenue projections that we're making for jobs for personal income and for revenue on that income.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Not on one page. But I do have different things that are referenced, the bonding schedule and the payment on debt, but they're not in a coordinated fashion as -- as you described.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you. Through you, Mr. Speaker.

The reason for my question, in business, I was very accustomed to working with return on investment models or internal rate of return models, where we could actually look at what we were spending and then see right next to what we were spending what we were actually getting for that spend over time. And we would actually make a determination of what our goal was in terms of what we got. In other -- in very simple terms, the bang for the buck.

So I was wondering if we have anything that enables us to see that, where the revenues and the expenses, and those are, I understand, projected revenues, are matched together.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No, I do not have that information. And so it has not been made available to me. It may exist, but I -- I do not have it, I'm sorry. I apologize.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Lavielle.

REP. LAVIELLE (143rd):

I thank the chair of Higher Education for her answer. And I'll just make a brief comment in closing.

This is the part of the project that disturbs me and is going to influence my vote, because I -- I think it's -- the goals of the project are -- are very pertinent to what we need to to in Connecticut right now. The -- the idea of doing an ROI model or an IRR model is that you do have a goal to reach. I want to earn 15 percent on my investment or something like that over a period of years and so on. And even if we had that model here, I don't see a criterion against which we could measure whether what we're actually getting out of it is enough.

For example, what we're investing for the project,

we're getting -- we've assumed 16,400 jobs or 4.6 billion in personal income. How do we know if that's enough, or too little, or more than perhaps we need? And I would like to have a -- a better idea of those determinations and how we would come to that. Therefore, I'm -- I'm not -- I don't feel comfortable enough with where we are financially on this project and in terms of projections. So reluctantly, I will not be supporting the bill, but hope to support the project in the future.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, Madam.

Representative Williams of the 68th, you have the floor, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And good morning to you.

DEPUTY SPEAKER ARESIMOWICZ:

Good morning, sir.

REP. WILLIAMS (68th):

Mr. Speaker, it really bothers me that we're standing here tonight, and it may bother me for different reasons than it bothers some other people. It bothers me that we're standing here tonight, because I so want to support this project. I think this might be a great idea. I think

this might be a great idea in the future. What bothers me is that we're standing here debating this issues less than a month and a half after we first heard anything about it.

Folks, process is important here in this building. And we've heard every argument in the world as to why this is a good idea. And I think I agree with most, if not all of those arguments. We've heard about job creation, about making Connecticut a leader in bioscience, about improving the quality of health care here in the state of Connecticut, and specifically at our flagship university. I think that's a great idea.

But we heard about this issue just a few short weeks ago for the very first time. We heard about $254 million in new bonding just a few weeks ago for the first time. And 15 days after the plan was formulated, the state senate took a vote on the bill. Days after we heard about this issue, and after the plan was formulated, the Finance Committee adopted language that the governor's office gave us and said please just adopt this, we need to move this issue forward, it's so important for economic development, we have to do this right now.

And I guess my question is, why do we have to do this right now. I'm not even suggesting that we need to wait

until next year to do it, till next session; I'm suggesting maybe we can do this in a few weeks. If this is such an important economic development tool, and if this is so important to the quality of health care here in our state, let's call ourselves back into special session. We're already talking about bonding another $254 million. The minimal cost to call ourselves back into special session to do this the right way would be a worthy investment. And I'm not normally a proponent of calling ourselves back into special session. I'm not normally the one that says we should come back in the summer. I think we constitutionally have a finite number of days and months in which to do our business and we should go home.

But these are tough economic times. These are tough economic times, and we're talking about real jobs. We're talking about repositioning our state to be a leader in bioscience. We're talking about dramatically improving the quality of health care here in our state. And I think that would be a worthy investment. But for the state senate to adopt this bill 15 days after the plan was formulated, days after the Finance Committee got to this this bill for the first time, without a public hearing, without a formal public hearing. You know, there are there are people who will say well we had a public hearing

on this issue, right, we -- we had a hearing with legislators and they were invited at 9:00 a.m. And guess what, that public hearing allowed every legislator to ask one question. One question. $254 million in new bonding and we were allowed to ask one question. That's insulting.

Like Representative Mikutel, I want to be able to support this proposal in the worst way. But I want to be able to support it after hearing from my local hospitals, from the people who work at my local hospitals, from the executives of my local hospitals who know how this may or may not affect them.

But this is potentially millions and millions of dollars in either net positive or net negative economic impact that all of our hospitals in this region may be affected by, and we don't know how it's going to affect them. We don't know. We hear anecdotally stories from people. You and I may get emails from people or phone calls or run into somebody at a coffee shop. We may know from talking to them how they think it may be affecting their jobs or their business or their livelihoods. But we haven't had any real, true, formal public hearing process.

And there's going to be those who argue that while,

you'know, most of this is a -- a plan that we formulated in the past, a lot of this isn't really new, it's just sort of, you know, rehashed from before; things have changed in the last year, folks. Things have changed in the last year.

In the last legislative session, we didn't have the same level of budget deficit, the same level of job losses that we have right now. And so things changed, and we can't be expected to adopt a plan that was formulated last year today without a public hearing.

You know, a few weeks ago we had a bill on internet dating, and there was not a public hearing on an amendment that was offered, and so the amendment was rejected. That was the reason for rejecting the amendment. We have not had a formal public hearing on this issue. We have not formally heard from all of the people who may be affected by this bill. And it kills me, it eats me up inside, because I think this is a proposal that I may come to support one day.

I do believe in repositioning ourselves and repositioning our economy. We -- it was said earlier, we can't be a service-based economy. I believe that. We can't be a service-based economy. And we can't just rely on manufacturing. We have to be new. We have to be

nimble. We have to do different things. And this is different, and this is new, and this is nimble. This is all of the things that are good about what we want to become as a state.

But without a public hearing, well, talking about this, without vetting it the proper way, we're going to push a button and spend another $254 million like it's nothing, it's no big deal.

You know, Representative Mikutel earlier referenced the Adriaen's Landing project, and the New England Patriots' deal. And I remember a few weeks ago in the Finance Committee, Senator Fonfara made a passionate.plea that we should put this off, not not do it, but put it off. Because he remembers the day the legislative leaders and legislators and staff and lobbyists were high-fiving each other, I think it was in the old judiciary room or in room 310, the day that the New Britain -- or the New England Patriots' deal was finally crafted. We all know what happened there. But we jumped in feet first into that project; didn't we? And look what happened to that.

And here we are again looking at a project that we don't know is going to create jobs. We have assurances, we have studies, we have people who say we think this is what might happen. But we don't know. And we don't know

how it's going to affect our local hospitals and our local service delivery system.

You know, we just imposed the hospital tax and the budget that we adopted just a few short weeks ago. Some hospitals are going to take a pretty good hit. And combine that with this. And I'm not even saying it's a bad idea, but come on, not to have a public hearing, not to hear from these people. The president of Waterbury Hospital happened to have emailed me the day before the Finance Committee meeting a few weeks ago when we first learned about this issue. He happened to have gotten wind about this through some back channel, and he talked about how this would affect Waterbury hospital, in his mind. He could be totally wrong. He could be totally right. I don't know. I'm not sure. And he's not sure. But with a push of a button, we're going to spend $254 million, and role the dice, and that's not right.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir. Will you remark further on the bill before us?

Representative Rovero of the 51st District, you have the floor, sir.

REP. ROVERO (51st):

Good evening, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Good evening, sir.

REP. ROVERO:

I have a few comments. After listening to some very nice discussion for three plus hours, I can't imagine what I would learn if I heard 11 hours of discussion. But I will say this much, in three and a half hours, or three hours of discussion, I learned that a similar project last year was going to create 2,400 jobs, and a very similar project this year is going to create 16,400 jobs. In three hours, I learned that a project that was only going to be $254 million of new bonding, if you add it all up with interest, you're talking about a $1.2 billion project.

Sometimes I get the idea that people in this hall talk about $1.2 billion like most of us talk about $100. That's all of I have to say. And I'm not saying I'm against the project, but folks, we are talking about not 254,000 thousand -- $254 million, excuse me -- we are talking about approximately $1.2 billion with interest.

Thank you very much for your time.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Representative, O'Brien of the 24th, you have the

floor, sir.

REP. O'BRIEN (24th):

Thank you, Mr. Speaker.

The state of New Britain has a special place with regard to this project because of our geographic proximity to it. This is a very bold project that stands to gain a lot for the state of Connecticut in terms of research, in terms of the jobs that come from research. And I think that that makes it a very good thing.

But as somebody from New Britain, I have to be concerned about the impact that it's going to have on my city. Now, it can be very good for New Britain or very bad for New Britain, depending on how it is executed. It could be something that is truly a regional project, something that creates jobs throughout the corridor that's being talked about right now, or it can be something that concentrates jobs just outside of the city of New Britain.

A lot of the problem that our city has had is that there's a lot of economic development that occurs just outside of our city, sucking the life out of -- a lot of the life blood, a lot of the economic vitality out of our community. That's what I worry about with this project. Is doesn't have to happen that way, though. It can happen in a way where it adds to that vitality, where we can -- if

it is -- if it is done in the right way, if the administration executes this well, that the jobs that get created, get created throughout the area, not just in New Britain and Farmington, but in Hartford, in Plainville, in Bristol, and throughout the entire corridor that is envisioned here.

So, through you, Mr. Speaker, I'd just like to have a quick question to the -- to the proponent of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis, please prepare yourself.

Representative O'Brien, please proceed, sir.

REP. O'BRIEN (24th):

Thank you, Mr. Speaker.

Would you say that you'd agree with the -- the comments -- through you, Mr. Speaker -- that I've just said, that it is the intention that this be executed in a way where the jobs are created throughout this corridor?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think that is very much the intent. I think this is not just something to create jobs in and around the -- the health center, but it's -- it's meant to spur

economic activity statewide. We're talking about putting Connecticut on the map in the bioscience field. And as you know, when we did the bill last year, we also did the enterprise zones, bioscience enterprise zones around New Britain, around New Haven, around Yale, and -- and around the greater Hartford area.

So this is not just -- this endeavor is -- is not just about the UConn Health Center, it's about creating jobs for Connecticut and spurring economic development for the state. Thank you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative O'Brien.

REP. O'BRIEN (24th):

Thank you. Just to follow up with that question, and in particular with regard to the enterprise zones, because originally enterprise zones were created in order specifically to encourage economic development in the central cities. And one of the concerns I have is that the town of Farmington which already has many of the advantages that enterprise zones located in places like New Britain were designed to -- to be able to equalize, is -- is already getting those advantages and then some.

And would it be the -- the intention of this legislation, the charge to us -- to -- to the UConn Health

Center, and to DECD, that the -- that -- that we want -- we want to encourage, as a matter of policy, the development of businesses, not just in the area of -- of Farmington around the health center, but in New Britain, and indeed in the other parts of the enterprise zone that are created under the Act?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I think that's an excellent point, and one that we have to be clearly cognizant of as we move forward as a state and on a -- on a project like this. So I think it will be incumbent upon all of us to ensure that we achieve that.

So thank the gentleman for his question.

DEPUTY SPEAKER ARESIMOWICZ:

Representative O'Brien.

REP. O'BRIEN (24th):

Thank you. I plan on supporting the legislation. It is very bold and very important for the future. I do plan on watching how it is implemented to make sure that if there are changes that are needed in order to ensure

that the goals that I've talked about right now occur, that -- that we can make those changes so that the benefits can be as I've -- as I've discussed.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Candelora of the 86th, you have the floor, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

Mr. Speaker, I'm also a little bit torn over this project. I think it is certainly a very worthy project. It was something I supported a year ago when we had this proposal. I certainly was concerned at our ability back then for us to be able to get the federal funding. And unfortunately, that didn't come through, and so we were faced with how to revive this project.

I do share the concerns that Representative Williams also has put forth of the fact that we haven't really vetted this project through a public hearing process. But I think it probably points to a bigger problem that we have in this state, and that is how we -- we do long-term planning with our bonding. Many of our towns will bond projects and will have a five-year strategic plan, and will review projects on an ongoing basis. And at the state

level, it seems that we do look at them more in isolation, we look at agencies in isolation, and so that -- these projects don't necessarily get reviewed in a long-term process.

So on one hand, it's sort of understandable that we would have this type of proposal sort of come the way -- the way it has come to us. And I think it's probably something in the long term that we'll need to look at to review.

And I guess, just a quick question to the proponent of the bill, if I may.

DEPUTY SPEAKER ARESIMOWICZ:

I see Representative Willis is prepared, so please proceed, Representative.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I know there was some discussion that we had earlier regarding the bonding for this project. And there is new bonding involved which is put out into the out years of -- through 2014 and 2017. And I was just wondering if the good representative could just recap.

I'm looking at the fiscal note, and we are allocating 2000 -- UConn 2000 dollars for this project. And if -- if I could just understand what that dollar amount is from the -- from current funds that have already been

authorized.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

It's my understanding that of the 3.5 million, that we authorized by law prior under UConn 2000, that half of that money has been spent. And on the Act that we passed last year, no money thus far has been spent on the project.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And so, would the representative have a grand total of what that amount would be?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

A hundred million is -- that's not -- you're going to have to excuse me while I -- the -- the new state bonding is 254.9. The -- the ambulatory care facility is not in -- in that, which is 203, because it's going to be

privately financed. The 69 million is UConn's contribution and through philanthropy. And the -- the UConn health network is 25 million. And then as we mentioned before, there's the UConn 2000 previously approved, and that's 305.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And so the 305 that we're talking that's been previously approved by the legislature --

REP. WILLIS (64th):

Right.

REP. CANDELORA (86th):

-- that money has not yet been issued in the form of bonds. We would have the ability to recast that money, or is that money already -- the bonding, has that bonding already been authorized?

Through you, Mr. Speaker.

REP. WILLIS (64th):

It's already been -- through you, I'm sorry.

DEPUTY SPEAKER ARESIMOWICZ:

No, that's okay, Representative Willis. Please proceed, Madam.

REP. WILLIS (64th):

I'm getting excited on the time here.

DEPUTY SPEAKER ARESIMOWICZ:

Absolutely understand, Madam. Please proceed.

REP. WILLIS (64th):

Okay. Half of that has been spent on the 305.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Candelora.

REP. WILLIS (64th):

Or it has been previously approved and --

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And I appreciate the representative's answers to my questions.

Again, I think that this is a -- it's a troubling sort of quandary I think that we get ourselves into when we -- we look at this project. Certainly, when we look at the merits of the project overall, it's probably a much needed -- revisions that we need to see to the UConn Health Center. I mean, certainly it's been a project that we need for our -- to improve our higher education system. I think there's a lot of value in that. We saw some vetting of those concepts last year. I think the bioscience is -- is sort of another leap which would certainly enhance the

project.

But I do get a little bit worried about the bonding and what that impact will be. I understand that in this underlying bill, the new money is stretched out into the years '14, '15, '16 and '17. But we are committing ourselves off into the future. And when you look at it in the context of other projects that have come down the pike [sic], I don't know how we're going to be able to continue to fund this debt service.

Currently, this year, we're already at $1.3 billion of authorizations that the Bond Commission has done. So I'm sort of less critical about the UConn project, but maybe more critical or concerned about how it plays in our overall bonding scheme. And it's something that we can't ignore here because we can't just look at the four corners of this document. It really needs to be looked at in the concept of all of our bonding that we've done.

Our special transportation fund, we've hit the -- close to the billion-dollar mark each year in the past couple of years, especially with the new bus way project, whereas in years past, that money was around 200 million. And we continue to hear that we have the money for the debt service, but I'm just not so sure all the time.

When we look at where this money in this underlying

bill is going to form -- fall, excuse me, those payments are going to fall under the treasurer's line item. And when we look at that line item in a budget each year, we look at it as a lump sum. And typically that dollar amount goes up and down depending on whatever the treasurer's office tells us. And there isn't a lot of scrutiny put into that. And it sort of is an interesting line item to look at, because at times that's where we can see there's $300 million that we sweep and we pull in, in order to cover our deficits, and this very bill is going to fall under that line item. And I think that this chamber needs to pay attention to that, because every project that we pule on, overall impacts our budget, and our -- our debt service is around 11 percent. It's hovering.

I think that the package that we've put together just this past session, which unfortunately I did have to vote against because when it came out of committee we added more into it, and we're targeting these numbers well over the $1.3 billion mark, and if our revenues don't stand, we're going to have to see ourselves beginning to cancel bond projects. So it's sort of difficult to debate this bill in isolation. You know, we should be looking at it in the whole context of a bond project.

So it's -- it's a difficult decision for me to make.

I frankly still haven't made up my mind how I'm going to vote on this project because I have supported the underlying project, I did a year ago, but it's getting harder and harder. Because when we look at all the other projects that we've piled on, I'm just not sure how we are going to be able to sustain our debt service payments. And I appreciate the time. Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you very much, sir.

Will you remark further on the bill? The good gentleman from the hills of Litchfield, Representative Miner of the 66th. You have the floor, sir.

REP. MINER (66th):

The other day we got home the verge for waking up. I don't know what's going on happen today, Mr. Speaker.

Mr. Speaker, I had a question or two to the proponent of the bill, if I might, through you.

DEPUTY SPEAKER RYAN:

Please proceed, sir.

REP. MINER (66th):

Thank you, Mr. Speaker.

And this may have been answered. I know that generally when the state of Connecticut permits expansions or reductions in size of hospitals, there's a process

called a Certificate of Need. And if I could, through you, will this new development at the UConn Health Center go through that same process? Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Since this -- it's already been approved because there's no change in beds, so the Office of Health Care Access has already approved the expansion because of the -- on the bed count.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And if the gentle lady could describe whether that bed count is the same bed count of today, or is that a bed count that included some additional beds last year?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you. It's the same bed count as last year.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And last year as part of that process, was there a Certificate of Need with an approval?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

Yes, there was.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

And as part of the budget process, I know that there is instituted a new tax on costs associated with going to the hospital. And if the gentle lady could tell the Chamber whether or not this hospital will be subject to that hospital tax.

Through you.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

No. Because it's a state hospital, it's not subject to the tax.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

And -- and so if a patient is admitted into the UConn facility versus being admitted into St. Francis Hospital here, what would the difference in the tax be?

Through you.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you.

To my colleague from Litchfield county, I don't have that information, so I can't -- can't answer the gentleman's question.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Through you, Mr. Speaker.

Is the Gentle lady aware of whether St. Francis Hospital has to pay the tax?

Through you, please.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you.

I -- I believe that all hospitals in Connecticut are subject to the new tax, with the exception of the Children's Hospital.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

And I thought I understood her -- the gentle lady to have said previously that the UConn Medical Center -- Center as well. So that would be, if I know her now, it's the Children's Hospital and the UConn Medical Center would not be responsible for that tax?

Through you.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Yes.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

And through you, Mr. Speaker.

I know that the Gent he will lady was describing how

the job creation through this construction project would filter out throughout the surrounding areas, and I think Representative O'Brien accurately, I think, reflected the -- the feelings of some. ' And that is, when the state of Connecticut's spending this kind of money of taxpayer dollars, what expectation do we have that we'll get something out of it?

I think we all know that we have constituents who work there. I think we all know that we have individuals who may have been born there or may have gone to the medical center for treatment. But to the extent that the gentle lady is aware of -- of what the expectation is, are these jobs going to be restricted to the state of Connecticut, contractors to the state of Connecticut?

If I might, through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker. Referring to the hospital jobs or construction jobs or bioscience specifically?

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

I was thinking specifically of the construction jobs.

Through you, Mr. Speaker.

REP. WILLIS (64th):

Okay.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

The majority of the construction jobs, thus far, on the UConn Health Center campus, have been carried out by Connecticut residents. But Connecticut law, as you know, requires the lowest bidder.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And when the gentle lady talks about the jobs being performed by Connecticut residents, is she aware of whether or not the actual business owners -- are these businesses that may exist outside the state of Connecticut that may in fact go to union halls here in Connecticut, and -- and draw from that population to do this work?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you. Mr. Speaker. Mostly in state.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And with regard to the facility itself and the new beds and the -- and the new operation, not the nanotechnology necessarily, but is there -- is there an expectation of how many new physicians, how many new teachers, how many new nurses and so on?

If she could help us with that information, please, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Yes, through you, Mr. Speaker.

We are expected to bring on about a hundred more physicians, 50 more dentists, and we're looking at increasing students by about 30 percent. I believe that's the numbers.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And I know that currently there's a -- there's a benefits differential that the state of Connecticut has historically contributed to UConn. If the gentle lady knows, is it expected that that will continue, or is there some understanding that with this additional square footage that the profit structure will be different than what it is today, and that the university and the hospital system will stand on their own?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

On the issue of the wage differential, this state has had to support that over the last couple of years. In terms of what the long-term forecast is, one can only hope that we'll see a healthier economy, that the Bioscience Connecticut will really help stabilize the UConn Health Center as well, particularly when they bring on more physicians and dentists which would definitely increase revenues. Thank you.

DEPUTY SPEAKER RYAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

Mr. Speaker, I'm not actually sure that I heard in that explanation, while I think it was rather expansive, whether or not there would in fact be no need anymore for that benefits differential. I'm thinking that it's in the $20 million range now, and if we add more employees, unless that becomes a situation that's more stable and a situation that's more capable of sustaining itself, is a enterprise fund or whatever, it just seems to me that by adding more people, while that may be good from an employment perspective, it doesn't really help us in terms of our operating budget.

And to the extent that the Appropriations Committee has worked very hard over the last two or three years to develop a list of things that we can afford and prioritize our needs, it -- it almost seems to me like this additional staff is actually going to put a greater burden on the state.

So again, if I could, through you, Mr. Speaker. Is it the intention -- through these discussions, has it been described as being the intention of the university to be a more self-funded situation where we would not be making that contribution on an annual basis?

Through you.

DEPUTY SPEAKER RYAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

First I do want to say the differential was 13.5 million not 20.

In terms of looking at the wage differential and what we have before us today, I don't have that information, and it's -- while I can understand the gentleman's connection to this, it's -- it's not part of what I have before us today -- we have before us today, in terms of a discussion.

(Deputy Speaker Aresimowicz in the Chair.)

DEPUTY SPEAKER ARESIMOWICZ:

Representative Miner.

REP. MINER (66th):

Good morning, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Good morning.

REP. MINER (66th):

Mr. Speaker, I thank the gentle lady for her answers

to my questions. I would say to the Chamber that I think the questions that I've asked are very much before the Chamber.

Ladies and gentlemen, we've heard an awful lot about job creation. We've heard a lot about improvements to the facility, how long they've been needed, what the advantage will be, how important it is to the university system for us to improve our place nationally, if not worldwide. I -- like said the chairman I have met with, members of the hospital unit, and with UConn, and have also been impressed by the thought process that's gone into this, not only this year but even last year and the year before.

Mr. Speaker, my constituents, some of them work in the, UConn facility. And I've told members of the Chamber here stories of new employees at the university system that have come here from other parts of the country that live in -- in Litchfield in fact, because they thought it was the right place to go for them and that there was a good possibility that improvements there were going to -- were going to provide them an opportunity, and science an opportunity to become an even bigger player in -- in world health.

I am concerned about the debt load. I am extremely concerned about the process. I know there's been an

explanation tonight that there was a -- an informational meeting. But I -- I have to agree with many of the speakers that have gone before me, it is so hard for me to imagine that the kind of dollars we're talking about here would be appropriated, whether they be in a -- on a cash basis or a borrowing basis without a real full public hearing process, an opportunity for the Finance Bonding Committee to actually get a grasp on this project in conjunction with all the others that are going to be done in the state of Connecticut.

So, despite all its good, I am concerned about the that, and for that reason I expect I probably will oppose this bill at this time.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you, Representative.

Representative Ritter. The other representative from Montville, of the 38th.

REP. RITTER (38th):

Thank you very much, Mr. Speaker. Good morning, Mr. Speaker.

Mr. Speaker, I rise in support of this bill and this proposal. In my time here in the legislature, this is the third time around for an opportunity to examine plans for

the UConn Health Center, and I have spent many, many hours in various meetings learning about the challenges of doing this, and studying the alternatives available to us.

But I rise in particular support of this project for mainly two reasons:

One was already been very well described by representative Reynolds when he talked about the breadth of this project. The fact that it goes outside of the more traditional silos that we have been -- have been used to seeing in the past when we've addressed these issues from the health center's point of view and it's ability to really transform this part of Connecticut and the health care institutions in this area in very, very different ways, and give them an energy and an expansion capability that does not exist today.

But the second reason has not yet been discussed, Mr. Speaker, and that has to do with the commitment to provisions of primary care for the state of Connecticut. Right now, the loss of our primary care practitioners is one of the biggest problems that we have to deal with, and it's been one of the most stubborn ones for us to deal with, at least in this legislature. And this plan provides not only an opportunity for us to clearly strengthen our network of primary care physicians, dentists and

healthcare professionals, but it provides an environment for them to stay in Connecticut and to grow their practices and thrive in ways that right now we simply lack.

And for that reason, among many, many others, Mr. Speaker, I would like to ask my colleagues to please think very, very carefully. This is a serious problem for us here in the state of Connecticut, one we've attempt to address for years, and I'm very pleased to see address so thoroughly in this proposal.

And thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you, Representative, it was good to hear from you.

And a moment I've been waiting for, Representative Christopher Davis of the 57th.

REP. DAVIS (57th):

Thank you, Mr. Speaker. And it's always a pleasure to see you (inaudible), especially at this early morning hour.

Mr. Speaker, I went to UConn. I went to UConn as an undergrad. I went to UConn for graduate school, got my masters there. I went to UConn to get my Ph.D., and actually left there to serve here in the legislature. So when I hear about UConn wanting to do a project that -- that

is such a positive impact, perhaps on the university, but not only on that, on jobs in the area, you know, I get a little bit excited.

Unfortunately, the fact of the matter is, is that it's been kind of given to us at a very late stage in the game. I mean, we're looking at the situation where it was given to us in the Finance Committee 35 minutes before we were expected to vote on it, hundreds of millions of dollars in new general obligation bonding. And now we're being asked at two o'clock in the morning, maybe even later, to vote it through here this evening. It's a situation that troubles me, and gives me great hesitation in possibly voting for this project here this evening.

So through you, Mr. Speaker, I have a few questions to the proponent of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

Please proceed, sir.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

And please excuse me, I mean, it's a little late here this evening, I may not have heard some of the answers that were previously given.

But, I mean, just in terms of how many jobs will be created by carrying through with this project?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

3,000 construction jobs beginning in 2011 and '12. And then by 2037, it's expected that it will be 16,400 jobs.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker. And how did we come up with these numbers of 3,000 jobs within the next two years, if -- if we can get moving with this project right away? And then 20 years out, or even longer than 20 years from now, 25 years from now we're looking at 16,400 jobs?

Through you, Mr. Speaker, how were these jobs calculated?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

A study was done of this, of the economic impact of the Bioscience Connecticut Initiative. It was done by the Connecticut Center of Economic Analysis. And they used

a REMI economic model and plugged in the numbers, and these were the projections.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

And -- and I must ask for -- I must apologize, I just don't know exactly what the REMI model is. And I was wondering, through you, Mr. Speaker, if I could have a description of how the REMI model is -- is operated?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I am not quite sure how a REMI model is actually done. And I was looking -- ah, here he is. May I turn this over to -- this question over to the vice chairman of the Commerce Committee, who will be able to explain to all of us the REMI model?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Davis, with no objection, it looks as though Representative Haddad may be able to answer that question. Is there any objection, sir?

REP. DAVIS (57th):

No objection, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Haddad, if you could help out, it would be greatly appreciated, sir. Please proceed.

REP. HADDAD (54th):

I'm not an economist, but I will do my best.

Mr. Speaker, earlier this year, the Commerce Committee was looking at doing jobs impact analyses on various pieces of legislation. It was actually a suggestion made by the Republican Caucus in their commonsense agenda.

The REMI -- the REMI -- the REMI model is constructed by the Department of Commerce. It is carefully constructed replication of the economy. It allows skilled economists to add factors into the model and generate accurate information about it -- the -- an initiatives's potential impact on the economy.

Through you, Mr. Speaker.

(Speaker Donovan in the Chair.)

SPEAKER DONOVAN:

Representative Davis.

REP. DAVIS (57th):

Thank you, Mr. Speaker.

And I thank representative Haddad for his answer. And -- and I understand the process that it went through. And it's -- and the problem with that is I'm not sure if those forecasts can be completely accurate. We're looking at 25 years out. The economy changes very much. We're looking at potentially a lot of job growth in that area, but potentially not. We don't know. We don't know how the economy's going to go.

And that's one of the issues with this bill. We're looking it to push this bill through as fast as possible for a project that doesn't even really hit the ground running until perhaps a year from now, perhaps two years from now, three years from now. We're looking to bond $300 million, so.

Through you, Mr. Speaker, I can't support this bill here this evening. It's -- I don't think now is the time to be voting on this bill. We need more time to look at how we're going to do it and perhaps bring down some of these numbers.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Representative Larson.

REP. LARSON (11th):

Thank you, Mr. Speaker.

One quick question for the proponent of the bill, through you, Mr. Speaker.

SPEAKER DONOVAN:

Please proceed, sir.

REP. WILLIS (64th):

Through you, Mr. Speaker. Oh, I'm late.

SPEAKER DONOVAN:

Representative Willis.

REP. WILLIS (64th):

It's late.

REP. LARSON (11th):

May I ask my one question, Mr. Speaker? Thank you.

REP. WILLIS (64th):

I thought you were going to answer questions for me.

REP. LARSON (11th):

Oh, I'm going to.

SPEAKER DONOVAN:

Representative Larson.

REP. LARSON (11th):

Thank you.

SPEAKER DONOVAN:

Please proceed.

REP. LARSON (11th):

Having had some tremendous experience with the University of Connecticut when they built a rather large athletic facility in the garden spot of America in east Hartford Connecticut, they named that Rentschler Field. I know it's in Henry Genga's District. But I can't be more positive of that experience and the opportunity that this particular project presents to itself. I can't leave church, the grocery store, or walk down my street when my neighbors don't ask us about creating job. I think this is the perfect venue for it. I think it's a perfect partnership. And it will only continue to grow.

My one quick simple question is, assuming all of the stars line up for this and this gets approved, how quickly can we get a shovel in the ground?

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Willis.

REP. WILLIS (64th):

Through you, Mr. Speaker.

I will look at the chart. And I believe the first shovel will go in the ground in 2012 for the --

REP. LARSON (11th):

Thank you very much Mr. Speaker.

SPEAKER DONOVAN:

Representative Larson, thank you.

Will you going to remark further on the bill? Will you remark further on the bill?

If not, staff and guests, please come to the well of the House. Members take their seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber, the House is voting by roll call. Members to the Chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Please check the roll call board to make sure your vote has been properly cast. If all the members have voted, the machine will be locked. And the Clerk will please take a tally. Clerk, please call the tally.

THE CLERK:

Senate Bill 1152, in concurrence with the Senate:

Total number voting 142

Necessary for passage 72

Those voting yea 97

Those voting Nay 45

Absent and not voting 9

SPEAKER DONOVAN:

Bill is passed.

The Chamber will stand at ease.

(Chamber at ease)

SPEAKER DONOVAN:

The Chamber will come back to order.

Will the Clerk please call Calendar 619. 619.

THE CLERK:

On page 37, Calendar 619, Substitute for Senate Bill Number 1001, AN ACT CREATING THE FIRST FIVE PROGRAM, Favorable report of the Committee on Finance Revenue and Bonding.

SPEAKER DONOVAN:

Chairman of the commerce, Representative Berger on the floor, sir.

REP. BERGER (73rd):

Yes, good evening, Mr. Speaker. I move for acceptance of the Joint Committee's favorable report in concurrence with the Senate.

SPEAKER DONOVAN:

The question's on acceptance of the Joint Committee's

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Thank you, Mr. President. Mr. President, would Clerk call as the Second Order of the Day the item on Calendar page 36, Calendar 224, Senate Bill 1152.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Returning to Senate Calendar for Wednesday, June 1, 2011, Matters Returned From Committee, Calendar page 36 marked Second Order of the Day, Calendar Number 224, File Number 339 and 830, Substitute for Senate Bill 1152, AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER. Favorable report of the Committees on Higher Education and Finance, Revenue and Bonding.

THE CHAIR:

Can we please make sure we take our conversations outside the Chamber, please.

Senator Bye.

SENATOR BYE:

Mr. President, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

On acceptance and passage, will you remark?

SENATOR BYE:

Mr. President, House Bill 1152, AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER, also known as Bioscience Connecticut, is a bill that's before us right now. What this bill does is it makes it possible for us to pursue something that Governor Malloy has been calling Bioscience Connecticut.

This is a bold vision for Connecticut. At its core, this vision is about creating 16,000 high-quality jobs for Connecticut. It's a positive vision. It's about believing in Connecticut and believing in our ability to create high-quality jobs.

It builds on our strengths. In Connecticut we have a high -- highly-educated workforce, and this will provide high-quality jobs that build on that workforce and will create the kinds of jobs that will have our graduates of our institutions of higher learning stay in Connecticut.

It leverages and builds on a positive asset that we have, University of Connecticut Health Center. It's a unique public -- asset, and it's a good model for growing because it grows on an asset and a strength.

Like the Stem Cell Center up on Farmington Avenue, it adds incubator space to the health center.

It will double the federal research dollars coming into Connecticut from 100 million a year to 200 million. It will add space to our medical and dental schools so we have 30 percent more physicians. It will shore up the finance of the University of Connecticut Health Center John Dempsey Hospital which is due to break even by 2018 in this proposal.

All of this comes with a reasonably-sized additional investment over Public Act 10-104 that this General Assembly passed last year. Seventy one percent of the funding for Bioscience Connecticut was passed by this body last year. This is a small additional -- investment and it adds five times more jobs than what we passes last year for additional bonding of $254 million. This is not a health center bailout bill. This is not a hospital bill. This is an economic development bill.

How will we accomplish these goals? I'll go into some details in my opening remarks and then will be happy to take questions. As I've just stated, it uses 71 percent of what's been previously authorized by this body. It authorizes an additional $254 million, will renovate and expand research facilities.

As was previously planned, we will construct and

update a -- patient tower and a garage, will renovate and remodel the existing medical tower, and will construct a new patient care center. It's been referred to also as an ambulatory center. What it is is the current Dowling buildings will be updated for patient care and doctors' offices.

This is exactly why we have bonding, to invest in projects that have a long-term payoff. It's an investment. It will not increase the State's overall bonding per year as Secretary Barnes has issued a letter stating that we will stay within our 1.2 billion per year. There may be other projects that drop off, that aren't considered as good an investment or might not create as many jobs.

Last year after much debate, we came to a plan about the hospitals in this region working with the health center and all of those provisions stay in place. The health center does not add any beds; it uses the same number of beds as approved now. Hartford Hospital continues to get the investment to build their conference space and education center. Saint Francis Hospital will get its primary care institute that was a part of this proposal last year. The Hospital of Central Connecticut will -- get its

cancer trial and clinical trials unit, and Bristol Hospital will keep the funding that's been authorized for their additional patient rooms. Connecticut Children's Medical Center will receive the neonatal intensive care unit and receive those beds from UConn Health Center.

This is the most comprehensive job creation plan I can remember in my history as a resident of the state of Connecticut. There's a detailed jobs timeline, planning starts immediately, construction starts in 2012, and we can't wait, Mr. President. I know that when I campaigned this summer, the number one thing on people's mind were jobs. That's what they wanted to hear from me about is how were we going to spur this economy and how were we going to get it going. And that's why we can't wait.

There will be 3,000 construction jobs by 2012, and any of you at the public hearing heard from those construction workers about how much they need jobs now. Construction jobs are down 29 percent in the last several years in Connecticut, and they can't wait. What we've added here is $254 million in bonding and the expected job creation rate will be seven times greater than that that was in the bill we

passed last year.

The fiscal impact and the economic impact will be positive. The Center -- Connecticut Center for Economic Analysis provided a study that was reviewed by our Department of Economic and Community Development, and they expect the revenue to the State generated by the project by 2037 will be $965 million. That exceeds the bond investment, that is the total bond investment, not just what we're adding to this year, by $373 million.

The initiative encourages intellectual properties development and revenue, and will help the health center be less reliant on State support and more reliant on intellectual property development. It will generate an additional $4.6 billion in personal revenue to the State of Connecticut each year by 2037.

We held a public hearing last week and we heard loud and clear that people need jobs. I urge my colleagues around the Circle to join me, to believe in Connecticut, to believe in our ability to rely on our intellectual capital and grow jobs through this kind of strategic investment. And I thank the Governor for his bold vision. We've been needing it a long time and I hope that you'll join me in supporting the bill.

Thank you, Mr. President. I'd like to yield to my -- the Chair of Commerce, Senator LeBeau.

THE CHAIR:

Thank you, Senator. Senator LeBeau, do you accept the yield?

SENATOR LEBEAU:

Yes, I do, Mr. President. Thank you very much, and thank you, Beth, for a great introduction to a -- a great bill. Let me start off where you left off.

Some of you folks in the Chamber know that about a year and a half ago I was running for governor and what I talked about was that we needed a vision, that we needed a certain kind of development in the state of Connecticut, and I'm going to say this right up front, I want to thank Governor Malloy for having that vision, for having the boldness, for having the energy to put this together in the first year, to bring a big, big, big project to Connecticut that's going to create not 1,000, not 2,000, but as Senator Bye said, 16,000 jobs, permanent jobs, jobs that average over $100,000 a year in the pharmaceutical industry.

We could not be in a better place. This is precisely the kind of economic development that we should be making. Why? Because Connecticut is number

one in education in the country. We have the intellectual infrastructure to support this. We have a pharmaceutical industry that already exists so we're building on our strengths and that -- if you read everything in economic development, and, you know, you read the stuff that I get, and I'm sure not everybody gets the same material as I do, but as Chair of Commerce people send me stuff on economic development and the principles of it and almost always they say build on your strengths. Take what you've got and try to expand them and that's what we have here.

We have an opportunity to build on the strengths of Connecticut, our -- intellectual infrastructure, our pharmaceutical infrastructure, our bioscience infrastructure, our medical devise infrastructure. They're ready to grow, they're ready to expand, they're ready to -- to provide thousands and thousands of jobs, and by providing those core jobs, high-paying jobs, the kind of jobs that we want in Connecticut, other jobs will spin off, the multiplier effect will come into effect, and we will have a tremendous result. We will have those jobs that we're all so interested in creating being created right here in Connecticut.

I don't agree with every single piece of this bill as everybody probably in this Circle has expressed on different -- different bills. I wish there were some different emphasis in this bill. But having said that, the overall vision, the overall impact, the overall direction of this bill, the overall direction of this plan, is exactly -- and I can say it again and again and again -- it's exactly where we should be going.

Education, medication, they are the future. You look around the room, we're all getting older. Today is my birthday. Thank you. Terry, you must have missed the earlier chance to say happy birthday. And so is my generation.

I was born in 1947 of -- the baby boom generation is getting older. What does that mean? It means we're going to have more and more needs for medicine, more and more needs for health care. That's an expanding population and some people have said, well what's going to -- where is this expanding population going to come from? That's exactly where it's going to come from. And I wish I didn't have a back problem and hip problems and arthritis in my hand, but I do, and I need help. I need pharmaceuticals, I need

therapy, I need to talk to doctors and get some of these things dealt with.

I don't know what the future's going to hold for any of us, but I'm sure that it's going to include some visits to the doctors. That is where the growth is going to occur. It's going to occur in Connecticut, it's going to occur around the country.

This is an exciting -- this is -- this is the best economic development policy that I've seen proposed in my 16 years -- this is my 15th year -- in the Senate. This is the best single economic development initiative that I've seen, and I am very, very pleased and very full of enthusiasm, as you can tell, about this initiative, and I do hope that when all is said and done today that we join together and pass this initiative and really help ensure Connecticut's future. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Remark further? Senator Kane.

SENATOR KANE:

Thank you, Mr. President. If I may, a few questions to the proponent of the bill.

THE CHAIR:

Please proceed.

SENATOR KANE:

Thank you, Mr. President. Senator Bye, through you, Mr. President, I have a number of questions for you, but a lot of them will turn to monetary issues. So I know you're the Chair of the Higher Education, but I do have some number-related questions for you at some point.

SENATOR BYE:

Sure.

SENATOR KANE:

Thank you. I have a handout here that the Administration put forth and it talks about, as you did, about the vote last year in 2010, Public Act 10-104, and in it it says that the plan was overwhelmingly approved by the General Assembly and supported by area hospitals. Can you tell me where the area hospitals are on this plan? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. First of all I want to say happy birthday to Senator LeBeau since he pointed out it was his birthday and thank him for his

comments.

What my point was, that last year's bill was a long-term conversation and collaboration among the hospitals, and a listening tour of hospitals in the region that came to an agreement about beds and about special programs at different hospitals, and so that is the bill that we passed last year and my point is that this builds on that.

The new investment is all about jobs, it's not about hospitals, so the $254 million is used to accelerate job creation in Connecticut. It's not about the other hospitals, it's about incubator space, it's about expanding the size of our medical and dental schools, it's about start-ups and supporting those, it's about bringing in 100 new clinical researchers who add to the state's critical mass of scientists to draw more companies to come here. It's a -- it's an accelerator effect. So this is about economic development for the state using the health center as a catalyst, if you will. It's not about the hospital.

Through's you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. That's an interesting answer because there is such a thing called the zero sum game, and if we are helping a State-run facility and putting the private facilities out of business or hurting the private facilities -- we already know we implemented a hospital tax which is severely going to affect the hospitals that -- you and I attend.

We don't all just go to UConn Medical Center. There's Hartford Hospital, there's Saint Francis Hospital, so certainly that has to be taken into consideration, and your -- and your answer was that it's not about the hospitals. So that's why, again, I'll ask my question, is was this supported by the hospitals because they have to have a -- an opinion on this. They have to have some input on this that it -- it -- according to this plan, yes, we're adding jobs at UConn Medical Center, but are we hurting those other hospitals? Through you, Mr. President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. We are, as a State, living up to the obligations we made to the hospitals,

the other hospitals, last year saying this is where we would like to grow. Whether it's Saint Francis' primary care facility, whether it's Bristol Hospital adding patient rooms, we're living up to those obligations, and when we grow our medical school, we grow doctors for those hospitals, and we have more residents for those hospitals. You know, having the UConn Health Center residents, or UConn medical school residents in those hospitals, adds a value of $100 million a year to the hospitals in the region. Those are important things for our hospitals and there's a huge projected shortfall of primary care docs who hospitals rely on, and this increase in the size of the medical school, which isn't inexpensive when you think about the added classrooms needed and the extra professors needed, we believe that will be a huge helP to the area hospitals.

Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President, through you to Senator Bye. How many of the residents at UConn slash docs end up at those competing hospitals?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. I understand there are a total of 700 doctors who are working in the area hospitals. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

From UConn? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. Yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

And those -- what is anticipated after this project? How many docs, residents, will end up at those competing hospitals? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. We will be adding, I

believe it's 25 graduates per year, 25 residents per year who will be out in those hospitals working.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. So when a resident graduates from UConn, are they required to work at these other hospitals? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

No -- Mr. President, through you -- but I'm glad that my colleague asked that question. They are required to work in those hospitals as part of the residency training and do contribute in a big way to the staffing of those hospitals.

But one of the projections that we have is that currently 50 percent of the grads of UConn Medical School remain in the state and work and support -- support our residents with health care and also support hospitals. But we anticipate that when Bioscience Connecticut comes to fruition, that these -- this number will raise to 60 percent because these doctors will want to stay in Connecticut because they

can do their research, they can be a part of a medical community that's growing and innovating and exciting.

Just as an example, through you, Mr. President, my son applied and was accepted to UConn Medical School and one of the things that -- what made him hesitate was the uncertainty that's been in the air about the health center. So there you have a graduate from the University of Chicago thinking about coming home and going to medical school, but the uncertainty of the fate of the health center, and not having an exciting proposal like this, made that -- should I go there or should I stay in Chicago? And this proposal has that fine young student now saying, wow, that's cool.

So I believe that will be going on around the country. That's only one quarter of my family, and think about the whole state, the multiplier effect, but it adds to the draw of the university and thus the number of docs who will stay in the state and practice in the state. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. It wasn't the high

taxes that we have here in Connecticut that kind of weighed his mind maybe? I'm just teasing with you.

Through you, Mr. President --

SENATOR BYE:

It was us he was avoiding actually.

THE CHAIR:

Senator Kane has the floor.

SENATOR KANE:

Thank you, Mr. President. In your -- in your opening remarks you mentioned how this is not a bailout. How many times have we bailed out the UConn Medical Center? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. I think you have to go back in history, and actually not go back that far. The fiscal problems that -- when the medical -- when the health center would have to come here and asked for an appropriation to make up a shortfall began in 2007. And now last year, as I understand it, the health center broke even, however, we did provide around $13 million of support in fringe and it's the same in the current budget. Through you, Mr.

President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. I appreciate Senator Bye's answers. I was -- that was going to be my next point. We just gave them thirteen and a half million dollars in fiscal year 2010. It's my understanding that we've bailed out UConn Health Center four times since the year 2000. You mentioned 2007; am I incorrect? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. Well, I started in 2007 so that would have been three of the four years. There may have been one other year. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. Why is that? Why do we continue to bail out UConn Medical Center? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. What we've been told over the past few years, and I've really come to believe, which is exactly why we've been through the process of all these hearings about the health center over the past four years, is that there's a structural deficit because of the bed mix that's going on, the patient bed mix.

And in addition, the hospital has not really had a renovation since 1972, and so the renovation will help draw patients, the emergency room update will help with that, and also, because of the size, the medical center does not get as much in federal grants as we would like. So this year, I believe we have $100 million in federal NIH grants going to UConn Health Center. With this proposal and the added docs, we expect that will be $200 million a year based on the analysis by our economic development at UConn.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. In regard to the bed

mix, wouldn't the bed mix at UConn be the same as other hospitals? Again let's say the Hartford Hospital, Saint Francis, some of the other area hospitals?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. No, University of Connecticut Health Center has more Medicaid patients which has a bigger loss than either, say Hartford Hospital or Saint Francis Hospital. In addition, the health center has programs that will never break even because it's part of their mission as a public hospital. For example, the Huntington's Disease clinic, the Sickle Cell clinic, we have more psychiatric beds than -- than hospitals would have if they were caring more about profit.

The mix wasn't ideal and so this plan, adding the research dollars and improving the rooms to attract more patients and having more clinical practices, is what will set it on footing to break even beginning in 2018. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. I believe they ended fiscal year 2010 42,000 in the black. Was that due to the 13 you mentioned earlier? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. I -- I would have to get 2010 in front of me, but I do know over the years, especially over the past four years while they've been dealing with a structural deficit, we have given appropriations to the health center to help them break even.

Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

You mentioned -- thank you, Mr. President. You mentioned the -- the thirteen and a half million we talk -- talked about, and I think you mentioned it was because of the fringe benefit costs. Are their costs higher because it is a State-run facility and we have more State employees than -- than a typical hospital?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. Yes.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, thank you for that answer. The -- in your remarks you also mentioned that this would be, I think you said a small additional investment compared to 10-104 of a year ago, but isn't it true that the -- this project is $502 million more? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President. In my opening remarks I was referring to the public investment, so what that was missing was the -- the new doctors' offices that are in the current Dowling buildings and that's a -- that's a private enterprise that would be part of it, but it's 254 in additional bonding from the State of Connecticut. So that project they could do with or without this Legislation; they could do

that today.

Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam -- Mr. President, I'm sorry. The -- in fact actually that leads to my next question which is the -- the private funding. It is anticipated $203 million will be needed in private funding. How can we expect UConn, the State, you, I, whoever, to get $203 million in private funding? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President.

This is an investment, sort of a real estate investment, that could be made and -- and apparently as doctors' offices are built -- this goes on throughout the country, really. There's a value in -- a long-term value for a real estate developer to lease that land, build the proper space for doctors' offices, and then collect rent from the doctors' offices and what would be the health center to make a

profit. Through you, Mr. President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Mr. President. Just so I -- I understood the answer correctly. We're expecting to lease the property for $203 million? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Mr. President.

No, we are expecting the cost to build the building to be $203 million that the private real estate development company will put up to build that building, and then we will lease the space in that building.

Through you, Madam President.

(President in the Chair.)

THE CHAIR:

Senator Kane.

SENATOR KANE:

Madam President, good evening.

THE CHAIR:

Good evening, sir.

SENATOR KANE:

Lost my train of thought. The 203 million, could -- I'm sorry, Madam President. Could you ask Senator Bye to repeat her answer? Through you.

THE CHAIR:

Senator Bye, would you repeat you answer, please.

SENATOR BYE:

I would be happy to, Madam President. Good evening.

THE CHAIR:

Thank you.

SENATOR BYE:

How this would work is that the real estate development company would lease the land from the State of Connecticut. They would pay to have the doctors' offices constructed and then we would lease the doctors' offices, or the University of Connecticut Health Center would lease those offices for rent and all of that is built into the calculations. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Thank you, Senator Bye for repeating your answer. I lost my train of thought when we had a little change there, you know.

THE CHAIR:

So sorry, sir.

SENATOR KANE:

The -- the land that you mentioned, we have new land, the existing land, what land are we referring to when you say leasing the land? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President.

One of the nice parts about this proposal that I didn't say in my opening comments that questioning allows me to is this is very much a smart growth proposal. If you've been to the University of Connecticut Health Center you'll know that when you drive in, on the bottom right there are two medical office buildings called the Dowling South and Dowling North where there are doctors' offices. This is where those buildings would be razed and new -- new offices would be built by the developer. Through you, Mr.

President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

So the -- thank you, Madam President. So the developer would pay us $203 million to raze the existing buildings and take the property and re-lease it to new potential doctors? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President.

No, maybe I haven't explained it clearly. I want to be very clear. A real estate development company would lease the land. They would invest and build the building that will house the doctors. There are some doctors in there right now. They're sort of guaranteed there are plenty of doctors and we would also put the dental clinic at that location and then the -- the offices, we would pay rent for the office space to the developer.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. And we have had conversations with potential developers or people in real estate to know that there's a market for this? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes, I read a -- a proposal from Metro Realty. Again, if you've been up at the health center or in that area -- one reason I feel really confident about this proposal is -- is representing Farmington, if you drive up Farmington Avenue, what you see every two years is a new doctors' office building that a private developer has gone -- has done.

So Metro Realty worked with the health center who's developed those programs -- those buildings -- and given them a sense of the costs and the rents and how it all works and they -- we met with Turner Construction -- not we -- the health center met with Turner Construction to say how much will these cost, accelerate it because of the timeline and because of some of the expenses of building for the State of

Connecticut, and yes, they believe it is a very viable proposal. They expect to have multiple proposals in fact because they have guaranteed renters, they have -- we know the doctors exist or will exist. It's a very good investment for some company to make.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. So -- but you're not saying we have a deal with Metro Realty. I mean this is going to go out to bid. Through you.

THE CHAIR:

Okay, Senator Bye.

SENATOR BYE:

Through you, Madam President.

No, they were consulted because they had developed other buildings so -- in that exact area -- so when you make projections like this and you make a proposal like this, you'd better make sure that the numbers are going to work because it's a significant proposal. And as I've stated earlier, Madam President, the UConn Health Center could enter into an arrangement like this today. It's being proposed as

part of this proposal so people can see the big picture and all that we can bring forward with the full Bioscience Connecticut proposal.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

Is there a -- I hate to use the term plan B because we use that -- we've heard that so much around here.

Sorry, Madam President.

THE CHAIR:

Thank you.

SENATOR KANE:

But is there an alternative just in case this -- this portion of the project doesn't work out or we -- we have an -- alternative ideas in place?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President.

What I would say if -- you know, I -- I go into

those crummy buildings quite a bit. Pardon me, UConn Health Center. And they're serviceable but they won't be drawing a lot of new patients in the same way, so they would be serviceable until this worked out. But given the development around the health center that the health center is spurring, that you see when you drive up Farmington Avenue, I cannot imagine that there wouldn't be a developer eager to come into that space.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. So -- so the -- the tower and -- and the rest of the campus could go forward without this particular part of the project.

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I suppose it could. It wouldn't be as full a proposal, but I believe there's some assumptions about moving the

dental clinic and other portions and other doctors' offices to make room for research space, so I believe that's why it was included in this proposal, but I'm sure there could be accommodations and slow-downs if this didn't happen. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

That's fair. I can appreciate that answer. In relation to jobs, you talked about jobs, and Senator LeBeau talked about jobs. Do we have a breakdown of how many public-sector jobs versus private-sector jobs will occur? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Yes -- through you, Madam President. What is projected is 85 percent of the 16,400 jobs created will be private-sector jobs.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

And -- thank you, Madam President. And those being in the construction arena? Or would those be permanent, long-term jobs? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President.

If you've looked at the Bioscience proposal, what it is is there are 3,000 jobs created a year during the construction phase through 2017, but the 16,400 are long-term, ongoing, high-quality jobs.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. But it -- if they're private-sector jobs, 16,000, but if -- but if they work for UConn, how could they be private-sector jobs?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. The 16,400 number

is all the jobs that would be created from the jobs that are created from the UConn Health Center initiative. For example, the incubator space is there for new companies. They're investments in intellectual property and there are assumptions that are made with the modeling that the -- the analysis used that show how this will expand.

There may be jobs that are real estate agents who are selling houses to some of the new development that comes there. It's sort of like the Genome Center where it's not all the scientists that have the jobs, there are other jobs as well. So it is not anticipated that the majority of these jobs will be State jobs, only 15 percent. Most will be the new companies that start up here who are innovation and our doctors, when they do their research and they're creating new ideas, some of those turn into new companies.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

Yes, I believe that is a big assumption. I mean

I guess you're saying if you build it they will come. But I think the jobs that we talk about are hoped they will occur. I guess what you're saying is outside the campus of UConn Medical Center and what it's going to do to the entire economy. I -- I hope you're correct in that assumption.

It was talked about the pharmaceutical industry and are we now going in competition with the pharmaceutical industry?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President.

Quite the contrary. What we are trying to do is enhance our relationships with the pharmaceutical companies. I know from conversations with Governor Malloy that he went and spoke with some of the leaders at Pfizer who've reduced their reductions in Connecticut. Some of what's going on in Yale is supporting that, so the idea is that we get a critical mass of scientists in Connecticut who join the scientists who are at Pfizer and at Yale and maybe up at UConn Tech Park and create a critical mass so

companies want to locate here when they want to enter their new ventures in the biomedical arena.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I just want to circle back to the opening remarks in relation to the UConn Health Network and the initiatives that are taking place. You mentioned Hartford Hospital, Saint Francis Hospital, Hospital of Central Connecticut, Bristol Hospital, but there was not mention about the funding that's being eliminated, $8 million I believe, to the Institute of Nursing Excellence and the Connecticut Institute for Clinical and Translational Science. Can you speak to that? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Sure, thank you for that question, Senator Kane. The Center for Nursing Excellence in conversations with Dr. Laurencin. Much of what they do will be picked up in -- in this new initiative and it's the same with the Translational Research. Translational

research is a wonderful place for us to get funding, grant funding, and so that is one of our most successful research areas is the translational science where they perhaps take a patient that has a tumor and while they're operating on the patient they look through the slides and see exactly what kind of tumor that is, what level, and that impacts how they operate on that patient. This is a new area of research and is one of our greatest hopes against cancer, and so that's integrated into the bigger plan, but it will be one of the cornerstones of Bioscience Connecticut. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. How do we pick -- how do we pick those two to eliminate funding? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'm very clear that the Translational Research is not an elimination of funding but rather is being wrapped up in the

bigger picture. The Center for Nursing Excellence is perhaps a little different. What -- Dr. Laurencin and his staff at the health center had to make decisions about how they could best support Bioscience Connecticut, and what was a big-picture needs for this and for the State. And the Center for Nursing Excellence they did not feel was a fully-developed idea and they would focus on nursing as they do at -- in stores and at the health center, but it would -- that particular center would not be fully developed as proposed last year. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

In relation to those two entities, if they are being wrapped up, as you say, is there a specific earmark for them in this proposal, in this bill?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. As I've said, I'm more familiar with the Transitional Research. I know

that that's wrapped up in this proposal. There's not a specific earmark. It's part of the NIH funding and -- and the research grants that they are fairly comfortable that they'll be receiving. The Center for Nursing Excellence, is no. It is -- there will be a focus on nursing and growing the number of nurses through UConn, but not in the manner envisioned when the bill passed last year.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. And without putting you one the spot, but at some point if you could point out the section in the bill for me that speaks to that, I would -- I would appreciate that so I could see that specifically.

In your opening remarks you talked about the -- the bonding and I -- I've stated in the Appropriations Committee public hearing -- well, I shouldn't say that -- Higher Ed, Economic Development, Appropriations, we had that joint hearing the other day and I asked the question of Secretary Barnes and I'll ask you the same question, and as you know we were only allowed one

question so I couldn't follow up.

So the -- my concern is with Moody's credit rating, and as you may know, as far as debt, it is generally accepted that it be eight percent of the current budget. Connecticut is already at 11 percent of our current budget and this would put us even in greater length or risk. If you add in the busway that's already being -- well, it was approved by the Bond Commission -- and to this project, we are skyrocketing with our debt.

So have we gotten assurances from Moody's in relation to our bond rating because of this greater spending? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. In my attempts to be fair and let all ask question, there were some who perceived my public hearing way as being too pre-school teacherish, and I'm going to take that under consideration.

But in terms of Moody's, I'm not an expert on Moody's, but I do know that, as I said in my opening statements, we will not be adding to the bond --

bonding amount that was planned by the Governor of about $1.2 billion a year. There may be projects that drop off. We certainly expect that school bonding which is our number one bonding, or number one -- what we bond for the most. As our school populations decrease, and many, many schools have already been renovated, that number has been going down. But this will not add to our total bonding.

It's -- it will -- there will be decisions that Secretary Barnes and the Governor have to make. Because they're making this investment, there may be other investment that they won't be able to make. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. With all due respect to Senator Bye, how can it not? I mean, again, we're talking about $864 million. I forget how much the busway is. I'm sure Senator Roraback knows -- $100 million for the busway. The high-speed rail -- 67 -- 567 for the high-speed rail. I mean how can we not say that we're adding to our debt service and adding to our bonding? Is there -- through you to Senator

Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'd just also like to reiterate that the new bonding is $254 million in new bonding, but also cite a letter to Governor Malloy from his Secretary of OPM, Ben Barnes, where he says, "In light of the Bioscience Connecticut proposal" -- or excuse me, Madam President. I know I'm not supposed to read from the floor so I'd just like to get permission to read.

THE CHAIR:

As a quote, that's fine, Senator.

SENATOR BYE:

As a quote, okay. "In light of the Bioscience Connecticut proposal, I want to take the opportunity to reiterate this Administrations previously stated expectation that the State of Connecticut will exercise its bonding authority and borrow and estimated $1.2 billion each year over the next five years. The Bioscience Connecticut initiative does not alter nor increase the 1.2 billion-dollar expectation. There is no intention to exceed the 1.2 billion-dollar

estimate." Secretary Barnes said it about four times in that paragraph.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. I -- well first, I don't believe that $1.2 billion is a minimum. If anything, if we are able to reduce our debt service, we need to get below that 1.2 billion-dollar figure. And then, as you mentioned, with all the school construction we do, I don't foresee that happening.

Is there nothing in this bill -- and I -- I appreciate the remark you just read -- but is there nothing in this bill that says, whoa, we're going to have to take a look at this and say we can't do A, B, C, or D now that we're doing this project. I mean there's only so much we can spend. I think we all have to agree on that.

Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you. Senator Kane, I couldn't agree

more. We can't do more than 1.2 billion a year. I don't think anyone around the Circle would say that we should. I can't tell you what won't make the Bond Commission, but I can say that the Secretary of OPM was very clear that there won't be things that make the Bond Commission list that are approved if they exceed $1.2 billion.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President, and -- and I thank Senator Bye for that answer. I'm -- I'm not -- I'm saying we need to be below 1.2, not that we have to be at 1.2 or we want to stop at 1.2, I think we need to be below 1.2 in order to get our debt service down. But, you know, this is another example of -- of our appetite for spending, I guess.

Just a couple of more questions in regard to the actual building. The tower is -- I believe 169 beds is the proposal and I believe that was the same as Governor Rell's proposal that you referred to. But are the costs the same?

Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I do not have the costs last year, but I do know that the construction of the hospital tower and garage is listed in this proposal as $318 million.

Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Is part of that -- well, actually, I'll take a jump over to -- to renovate the existing tower which is 163 million. Is part of that renovation the floors that the Department of Corrections uses? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. If we can stand at ease, I have a chart that tells me what's on each floor, so.

THE CHAIR:

Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order.

SENATOR BYE:

Through you, Madam President. The answer to the Department of Corrections unit is no. Those -- that will not be new.

THE CHAIR:

Senator Kane.

SENATOR KANE:

The Department of Corrections floors will not be renovated? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I have before me a -- a diagram that has the floors, sort of a stacking diagram. It actually doesn't say what's new or what's not, but it's my -- it was my understanding that the Department of Corrections unit was not slated to be renovated.

THE CHAIR:

Senator Kane.

SENATOR KANE:

That's interesting. Thank you, Madam President. I -- you know, I would imagine if you're going to build this bright, shiny, brand-new tower and renovate the existing tower, everything would be included in that. We wouldn't leave floors -- not renovated. You yourself said about the buildings down below, they were crummy, so it -- and you said that we haven't had renovations since 1972. Why would we leave that particular portion out?

Actually, that may even make me happy because I've been bringing up the issue of the RFP that UConn has with the Department of Corrections which is a no-bid contract since 1997 and the costs have continued to rise although our prison population has maintained the same level. So I don't know if there's -- if you wish to address that at all, but if there's any discussion that -- I would appreciate it. Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. My understanding

is that it's been the -- the willingness of the health center to open up that contract to a bid. They do not make any money on the corrections contract and if -- if others wanted to bid on that, as I understand it, the hospital is open to being in an open bidding process. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. Thank Senator Bye for that answer. And one last question if I might and -- if -- because you've been very helpful and very forthright with your answers. Thank you, Senator Bye. The loan forgiveness program, can you just speak to that? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Sure. Through you, Madam President. What the loan forgiveness program does is that for students that attend University of Connecticut Health Center Medical School, or UConn Medical School I should call it, they -- if they enter into primary care they will have their student loans forgiven. Through you, Madam

President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you. And as a -- as a follow-up to that question, through you, Madam President, are -- if we're going to forgive those loans, are they required to work here after they're finished? I mean, what if they go to Chicago as you mentioned earlier or wherever? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. It's my understanding that the loan forgiveness comes with practicing primary care in Connecticut. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. With any timeline on that, by the way? Through you.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I -- I am not sure. I know that most loan forgiveness say for a period of five years or however long. As I stated in my comments earlier, the hope is with this new vibrant medical community more and more will want to stay in the state. Through you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. One last question to you if I might. My understanding is that the debt service for these geobond authorizations will be $133.8 million. Through you, is that your understanding as well?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes, and -- and I also have some data though to show that with the job creation and with the increase in economic activity and the payment of income and sales tax by folks who move to the state, or live in the state and take those new jobs, it far outpaces the debt service. Through

you, Madam President.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President. And I appreciate Senator Bye for her indulgence and answering my questions as she has. Obviously she is Chair of the Higher Education Committee, not the Appropriations or Finance Committees, so I appreciate her answers. Thank you, Madam President.

THE CHAIR:

Thank you, Senator Kane. Senator Prague.

SENATOR PRAGUE:

Thank you, Madam President. I want -- through you, to Senator Bye, who is really doing a spectacular job on explaining the whole project. I would just like you to repeat once more about the bonding money. When the -- when the press conference was held and the $854 million was announced as the cost of the project, I had several calls from constituents who said, you know, that's too much money, where are we going to get that kind of money? And I would like you just for the purpose of explanation to explain that all we had to bond at this point was 254 million and why that is so.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Thank you, Madam President, and I thank Senator Prague for her kind comments and I think it's an excellent question to clarify for the public. Indeed the total cost is $864 million, but only 254 million of those dollars is new bonding. $203 million will come from private financing, 69 million will come from the UConn Health Center. They have to find those dollars from private sources, philanthropy or their budget. They have to come up with the $69 million. $305 million was previously approved for UConn 2000, and 33 million was approved for the UConn Health Network.

And I'm glad you asked that question, Senator Prague, because if we think of that $254 million as totally focused on job creation, the additional dollars are not to fund deficits, they're not dollars we're handing over to UConn Health Center, they're dollars that are being spent for job creation, and that's what our residents have been asking us to focus on up here this session, and I'm very proud to stand here and support a proposal like this that does just

that. Thank you.

THE CHAIR:

Senator Prague.

SENATOR PRAGUE:

Madam President, through you. Thank you, Senator Bye, for that answer, and I can tell you I am excited, really excited about this project. It seems to me that this is going to pull us out of this terrible nine-percent unemployment that we have, this terrible recession that we're in where people don't have any money to spend because they don't have decent jobs.

With the prospect of thousands of jobs being offered because of this project, I firmly believe this is going to pull us way ahead and give us back our state of Connecticut where people enjoyed a way of life and -- and the state was blossoming and businesses were booming, and I am just delighted, delighted to think about the future prospects of what this project will bring us.

So I really want to thank this Administration for having the foresight, for having the planning ability, for giving us an opportunity to really restore the kind of economy that this state enjoyed not too long ago. Thank you, Madam President.

THE CHAIR:

Thank you, Senator Prague. Senator Welch.

SENATOR WELCH:

Thank you, Madam President. Thank you, Senator Bye, for the time and the answers you've given so far. I do have a number of questions for you, and I apologize in advance to the extent they're stream-of-consciousness, but that's really a fact -- that's really a result of the fact that we haven't had a lot of time to digest this.

And therein lies my biggest frustration with -- with this and that's the process more than anything else. Yes, this is big. Yes, this is bold. That means we ought to be asking more questions, spending more time, potentially taking this out into our districts with Town Hall meetings to say here's what's going on, what do you guys think about it. But instead, this is moving really, really fast and it's a lot of money at stake. And I would argue it's -- this is something that's worth coming back in special session for, maybe in a month, to consider after we've gotten more input from our constituents. This could be a great project, but we need more time to do the diligence.

So my apologies in advance, but if I can just go through these, and to the extent you don't have the answer, I totally understand, so thank you. If I may, through you, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR WELCH:

I've heard a -- great promises about jobs, that's all very exciting. How -- how were those calculations determined? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. The Connecticut Center for Economic Analysis did a -- did a study about this proposal, and they're economists, and we've relied on them for years when we have proposals such as this. We relied on them when Adriaen's Landing was proposed by Governor Rowland, and we're relying on them in this case. They are our best forecasters. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President. If I may follow up. Who -- can you tell me a little bit about that organization, who they are and -- and did they use a model to crank these numbers out? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. If I may yield to my colleague, Chair of Commerce Senator LeBeau, as he is more familiar with these sorts of models.

THE CHAIR:

Senator LeBeau, will you accept the yield, sir?

SENATOR LEBEAU:

Yes, I will, Madam President.

THE CHAIR:

Please proceed.

SENATOR LEBEAU:

Senator, could you please repeat the question?

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Sure. It was actually multifaceted and I apologize for that, but if I may, through you, Madam

President, what -- the information I'm trying to glean is who is this organization and how did they come to their conclusions? Did they use a particular computer model? If so, what were the inputs that led to the outputs that everybody's talking about today? Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Thank you, Madam President. The -- this came from the -- the Connecticut Center for Economic Analysis which is headed by Fred Carstensen, a -- an economist who has been working, and I believe since about 1996 or 1997, with the REMI model. Essentially the REMI model is a -- is a model of our economy. It's a computer model of our economy, and every year as the economy changes, the REMI is updated and the Connecticut Center for -- Economic Analysis bought the rights to this, this is a nationally known model, and used it for Connecticut. It's also -- we also have it available through the Labor Department.

The -- and Fred Carstensen prepared this report along with Peter Gunther from the Connecticut Center of Economic Analysis. So they've been in existence

for quite a long time now, have done prior analyses. We've used them for a variety of different economic development projects over the years, I believe including Stamford, some of the analysis of some of the developments we've had in Stamford and some of the bigger projects that the State has been involved in and made major investments in.

It's also used -- it's also used many times either through -- the REMI analysis is used either, through one way or the other, through DECD or Connecticut Center of Economic Analysis or Labor Department on specific development projects and specific grants and loan projects that we sometimes are involved in. I know that -- I remember in East Hartford, I believe that the REMI analysis was also -- was used for the Calabasas project as a destination retail project, and basically it says, okay, you put this -- these are the inputs you put in, this is the period of time you put them in, it's going to fit into the economy, and this is what's going to happen, here's how you come up with the results. And that is how they came up with the 16,000 -- 16,000 job figure.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you. If I may, through you, perhaps to Senator LeBeau, follow up on that, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR WELCH:

Thank you. Senator Bye mentioned Adriaen's Landing, you mentioned some other unnamed projects. Is there a track record with respect to the predictions that have made thus far? In other words, the input goes in, they've used the REMI model and a number of projected jobs was output, and did we hit that? Did we miss it? Were we over? Were we under? Through you, Madam President.

THE CHAIR:

Senator -- excuse me -- Senator LeBeau. Would you like to transfer that over to --

SENATOR LEBEAU:

I'll be as honest as I can. I don't believe that there's a report card in a sense. I do know that they continually update their model based upon past analyses and that they're continually tweaking the model in a sense in order to get new input as -- as the economy changes and as -- you know -- and let me

say this. It is a model and it is an economic analysis. It is highly sophisticated. It's -- it's probably as accurate as you're going to get, but in thinking about this, I mean, who knows what the world is going to look like in five years? Who knows what, you know, I mean if you were in Japan and you were to do -- have done an economic analysis of the growth of northern Japan, you didn't -- obviously didn't see the tsunami and a major nuclear catastrophe coming. Any -- economic analysis would be wiped out.

And in this case we're talking about health, we're talking about pharmaceuticals, we're talking about patents and the creation of patents. Now they -- there's certain data that backs -- that backs this up. You put a certain amount of money in, you can usually depend on a certain number of patents coming out. Those patents then can lead to new companies which is a lot of what we're talking about here is those patents, that new knowledge that is created, that patentable information which can lead both to -- income coming back to the University of Connecticut, but more importantly the creation of new companies that will go out and make new hires and new jobs. That's one of the reasons I'm so excited about this,

but I hope I answered your question. I'm not sure I did, Senator Welch.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And I think I'm going to yield back to the good Senator.

THE CHAIR:

Senator Bye, will you accept the yield?

SENATOR BYE:

Yes, Madam President, through you. I just had a little data for Senator Welch since you asked the question going to the report. Just to give you a sense of what the report covers in terms of jobs, it covers design, construction, personnel recruitment, the expansion of R and D, clinical trials stage 1 to stage 4, expansions in medical and dentistry enrollments, and then some of the spinoffs that my colleague Senator LeBeau mentioned.

It goes to lengths to say that they were very conservative because they didn't make any changes to the existing workforce that exists so that if -- they could have run the model less conservatively and counted improvements in job growth and job potential

for the existing workforce. This was based on new jobs.

But I did do a little analysis our last -- what I thought was our last biggest economic development project, and I wasn't here nor were you, Senator Welch, but that was Adriaen's Landing.

I was looking across and it said Rob Kane from where you stand from me so it confused me.

But to give you an example of this project compared to Adriaen's Landing, same center doing the analysis. The investment in Adriaen's Landing in 2000 was $443 million and from that they anticipated 1,355 jobs in the same time period. That came out to $326,000 a job. This particular bill, if I use the $800 million which is being very conservative because it's taking into account the private investment, but I'll -- I'll give you that, they're predicting 16,400 jobs in the same -- from the same organization. So the prediction is that this particular investment would lead to seven times more jobs than the Adriaen's Landing proposal, and the jobs that we're talking about are hi-tech, high-end jobs, not service jobs which aren't all of Adriaen's Landing but are a lot of the jobs that were accounted for in Adriaen's Landing.

So if you use the same analysis on the last big proposal, it was seven times more job growth and that proposal passed in this Circle 30 to 6.

And I'd just also like to respond to why so fast because I think that's a very fair question that Senator Welch is asking. I would say that we have been debating the health center and the fate of the health center and the role of the health center, UConn Health Center, in our state for many years. So the initial part that we agreed to last year was not fast, that was a long process and listening tour as I said. But the job development, the 254 million injection and the big picture of Bioscience Connecticut is new, it is fast, and I think that's because our residents are clamoring for jobs, and high-quality jobs, and we want to see an industry that Connecticut is invested in and they can't wait. I don't believe people can wait and we can be part of the economy turning around with this kind of investment. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And I thank the Senator for that information. If I could just kind of try to tie that up a little bit.

With respect to Adriaen's Landing and the 1,300 jobs, through you, Madam President, did we actually achieve that?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I am not sure. I know there are a good number of jobs at the convention center and at the science center. I know certainly that development has not reached what was hoped with the empty storefronts, but parts of it have certainly been realized and it has created some jobs for Hartford. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you. And then following up on the question of jobs and the numbers we're talking about, how many of those jobs, through you, Madam President, are related to the additional $254 million in bonding and how many of those are related to the prior appropriations? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Public Act 10-14 predicted that it would spur 2,400 jobs by 2037. That's 2,400 jobs. The Bioscience initiative is predicting to grow over 16,000 jobs in that same period, so there is a significant difference. As I've said, the additional dollars are very focused on job creation. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, and just so I can be clear, through you, Madam President. Senator Bye, are you saying that the difference between the 16,000 and the 2,400 is related to the 245 million in additional bonding? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Wow.

THE CHAIR:

Can I have that on the record, sir?

SENATOR WELCH:

I think it is.

THE CHAIR:

Okay.

SENATOR WELCH:

Okay, if I can then move on to the -- the $203 million that I believe we were talking about with respect to -- or the discussion was with Senator Kane -- with respect to the lease. What -- what happens, through you, Madam President, if -- if we do not have a developer? What -- what happens to that part of the project? What happens to the project in its entirety?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Though I am very hopeful that this will take place, and I know that there was thorough research done, accepting the possibility that it couldn't work, the project would adjust, but the vast majority, I believe, could go forward. It -- it would not be in the same form and I think this is a very important piece of the project

and I'm comfortable it will come, but if it didn't, I'm sure there would be an adjustment in the plan, but we would not hope for that. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And -- and I guess a similar question. I note that the health center is -- needs to raise $69 million in contributions. What happens to the project to the -- if that money is not raised? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. As -- as I was confident in the ambulatory care center lease arrangement, I'm also comfortable that UConn Health Center did not pick this number out of the air. It's a -- it's a dollar amount that they believe that they can reach, and like this whole investment, it all fits together and it's an important piece. So I'm hopeful that they'll hit it and if they don't, again, I imagine there would be some adjustments, but we

couldn't realize the full plan without it. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

So is it anticipated, through you, Madam President, that the adjustments would be coming back to the General Assembly for the money? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. No.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

If I could talk about the additional bonding now. As I understand it, the bonding does not begin until fiscal year '14 so we're not going to be bonding any additional money between -- in fiscal year 2012 and fiscal year 2013. Is that correct? Through you, Madam President.

THE CHAIR:

Through you, Madam President. Yes, that is my

understanding.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And that $254 million in additional bonding is over four years. Is that correct? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. That is my impression, I just want to double check. Yes. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And do we know if -- if that money is in the first year of those four years, meaning fiscal year '14? Is it divided over the four years evenly, i.e. $63 million a year thereabouts? Do we know how that breaks down? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President, if the Senate can stand at ease, I believe I have (inaudible).

THE CHAIR:

Please, the Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The House -- the Senate will come back to order.

Senator Bye.

SENATOR BYE:

Through you, Madam President, and I appreciate the assistance of the subtraction done by my aid, Kyle Thomas. In year 2014, it will be 58 million, year 2015 and 2016, 80 million each, and year 2017, 44 million. Through you, Madam President.

THE CHAIR:

Senator Welch. Senator Welch.

SENATOR WELCH:

Thank you, Madam President. If I can direct the Senator's attention to the bill, and in particular around line 107, I believe a table starts which references UConn 2000 expenditures. Well, that's -- my number's off. I apologize.

THE CHAIR:

Take your time, sir.

SENATOR WELCH:

Okay, my number was correct, the bill I was looking at was incorrect. We have a table there beginning T-1, UConn 2000, project -- and -- I just want to make sure I understand. Looking at this table, through you, Madam President, what are we adding on this table by way of expenditures through the bill that is before us today? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

If the Senate can stand at ease, Madam President.

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order.

Senator Bye.

SENATOR BYE:

I -- I had -- through you, Madam President. Because I was -- my binder was getting too thick, I actually took out the pages with these numbers so -- the -- you have to go to lines T-316, Main Building Renovation, T-333, Renovation, T-342 Project List, and then you'll see the total on line T-343. Does that answer your question, Senator Welch?

THE CHAIR:

Senator Welch?

SENATOR WELCH:

I think it might, thank you. And if I can just revisit the number we were talking about. So we're -- we're looking at an additional bonding of 254 million, thereabouts. We've -- we're looking at requiring the health center to contribute, or to get contributions of at least $69 million, and we are also considering private investment through leasing of about $203 million. Is all of the rest of the money involved in this project a prior appropriation through bonding? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Thank you for the

question, Senator Welch. Yes, there's $338 in previously-approved bonding, and then the 254 in the current request, and then as you outlined, the private financing and the UConn Health Center Contribution. That is the sum of the dollars. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And thank you and if I could just talk a little bit, or ask a question with respect to the bonding and the -- the 1.2 billion-dollar goal that the Governor has set for the State as far as not exceeding in any given fiscal year. Senator Bye mentioned, Madam President, that we would be considering bumping, or possibly bumping some bonding projects, and I'm wondering if you could, through you, Madam President, identify what projects we'll be bumping.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. That -- that is not in my purview as a member of the Senate who's not a member of the Bonding Committee or even the Finance

and Bonding Committee. That would be up to the Bond Committee to decide what went through. That would not be up to me. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you. I'm sorry, you said -- through you, Madam President. I believe Senator Bye said what went through. I thought we would be bumping prospective projects, not projects that have already been appropriated. Through you, Madam President, is that correct?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I'm sorry, Senator Welch. Thank you for the opportunity to clarify. So the bonding commission gets projects all the time for consideration. The Governor gets projects to consider all the time. It would be going forward that these decisions would be made. Perhaps the proposals aren't even before us, but what the decision of this bill and, you know, the Governor's proposal is to say we're going to invest this $254 million in job creation and

in creating five times more jobs than the previous proposal had accounted for. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Okay, thank you. If I could maybe try it a different way, through you, Madam President. I believe Senator Bye said that in 2014 there was a specific number allocated, I forget off the top of my head, and then in 2015 there was another number, 2016 there was another number, and 2017 there was another number. Have we -- do we have any other projects currently, other than the one before us, that we are allocating for bonding with respect to any of those fiscal years? Through you, Madam President.

SENATOR BYE:

Through you, Madam President. I'm just studied in this particular proposal and what the proposal here is. It's really up to the Governor what goes on the bond agenda. Through you, Madam President.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President. And then also, Madam President, Senator Bye mentioned primary care and how important that is the health care, and I do agree with that, especially as we move down the road here in the next few years, and there at least was an illusion that this project would -- would benefit the number of primary care physicians within the state. Do we have any studies or any estimates or at least any idea how specifically this project will increase the number of primary care providers within the state of Connecticut, and if so what are those numbers? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. What I -- what I do know is that the UConn Medical School will increase its capacity and dental schools by 30 percent. That's significant since between 50 and 60 percent of those students stay in the -- in Connecticut and practice. And the idea of the incentive in loan forgiveness is to increase the number of primary care providers as well because one of the big problems getting doctors to go into primary care is that they can't afford to

pay off their student loans when they get out of medical school so they're very focused on specialties where they'll be able to afford to pay that off. The loan forgiveness will make it easier for doctors coming out of medical school to be primary care physicians.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you and -- and I think that is all the questions I have at -- at this moment. Again, I do -- I appreciate all the work and the answers Senator Bye has given us today. I do continue to express my frustration with how fast this is moving and -- and to somewhat -- that we've been limited in -- in the process. I know we mentioned that there was a public hearing, that seemed more like an informational hearing than a public hearing, and I think a project this big definitely warrants a full public hearing. Thank you, Madam President.

THE CHAIR:

Thank you, Senator Welch.

Will you -- Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. I stand for the purpose of questions to the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR MCLACHLAN:

Thank you, Madam President. Thank you, Senator Bye. I've been listening intently to your presentation this evening. I wonder if you could shed light on a concern that I have, and that is what is the impact of this investment in the UConn Health Center on Saint Francis Hospital? What -- what's the future of Saint Francis Hospital here in the greater Hartford area? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I think the future of Saint Francis Hospital is bright. They have good leadership, they've just -- they themselves are building new patient rooms and have been building new patient rooms over the past 10 years that are quite nice. I've visited family and relatives there. They have fantastic doctors, they have many doctors there who are professors at UConn Medical School and they

have the opportunity to be professors at a medical school when they come and practice in this region.

They have the doctors -- the residents there who are helping to staff the hospitals, but I think the future of Saint Francis Hospital is bright. It's a fantastic facility. I think patients respond to quality and that's a high-quality setting. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. And I'm -- I'm glad to hear of your optimism. I do hope that that and Hartford Hospital will do just fine in the future, too. But here's the basis of my concern. I've read about the hospital business in other parts of the country and how when there are a number of hospitals in close proximity as we have in the greater Hartford area, between the UConn Medical Center, the several other hospitals that are mentioned in this bill, that in the challenges that we face in the reimbursement rates of -- federal reimbursement rates for health care and so forth, that hospitals are struggling. And I guess my concern is if the State of Connecticut's

official policy is to focus somewhat most of their efforts on a State institution medical center, what would be your perception of, given those comments that I've just made, and what we've seen across the country, what would be your perception of the greater Hartford area hospital community as it relates to this investment? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. And I -- I understand the gentleman's questions because it is a difficult economic environment for hospitals right now and the health care landscape is changing all the time, and so they have a right, and all hospitals have a right to be concerned. However, this proposal largely -- I should say -- I should go back to the proposal that we agreed on last year -- was made with Saint Francis and with Hartford Hospital and with the other surrounding hospitals, Hospital of Central Connecticut and Bristol Hospital, because we understand as a state we need all of these institutions to be successful and to thrive and they all agreed to the terms of that because each of them

was going to have a Center for Excellence.

So Saint Francis Hospital, for example, is going to be a Center for Excellence in primary care which is exactly what we're talking about with our increase in our medical education program, increasing the number of graduates from UConn Medical School, and they will go on to be practicing doctors at Saint Francis. The funding -- we have funding that goes directly to those hospitals as medical training sites. For example, Saint Francis Hospital got $30 million in 2009 because they were a site for residents and a site for medical training. So, you know, there are big advantages to having a healthy State university research medical center in your region for all the hospitals. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. Thank you. Again, Senator Bye, I do hope indeed that your optimism, not only specifically about Saint Francis, but for the greater Hartford hospital community proves to be accurate. I think that -- that we should, with this kind of an investment by State taxpayer money, should

be assured that we are in fact helping to nurture the other hospitals in Connecticut and not make it difficult for the other hospitals in Connecticut, which has happened in other parts of the country.

You mentioned the bill from 2010 which was sort of the foundation of -- of this particular bill before us tonight, and as I recall, the bill voted upon last year has certain stop-gap measures that required UConn and the State to accomplish certain hurdles similar to some hurdles that have been placed in this bill. But very specifically there was a hurdle of $100 million that must be obtained by UConn in federal, private, or other nonstate money before the construction could commence on the new project. And as I recall, there was a -- a somewhat public application process and a rejection of an application through the -- to the federal government for that money. Has -- has the plan that was before us last year changed much as a result of the rejected application from the federal government? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. That was a big

disappointment for all of us in Connecticut. We were very hopeful to get those federal funds and we were not successful. That said, leadership changed, our Governor changed, and our new Governor came in looking for his best opportunity to make an investment in jobs, in creating jobs and economic development. And as he talked to executives around the state, and he talked to us yesterday saying they said we need the State to step up and be a Center of Excellence in biomedical and in bioscience because our industries here that are in that sector need more docs and need more support to stay here.

Other states -- Massachusetts made a $1.2 billion investment in just this sort of thing a few years ago and we have lost companies to Massachusetts to go -- to Cambridge which certainly you couldn't argue has a higher cost of business than Connecticut. So we have a new Governor who came in and said, okay we didn't get the $100 million, but we can't miss out on this opportunity to grow jobs in Connecticut.

So the parts that are related to the other hospitals have remained largely the same. You know, the $5 million that's going to Saint Francis to build that primary care center, the -- the dollars going to

Hartford Hospital for a conference center and simulation center, for doctor education there, those pieces are all staying in place. The big change here, as I've been trying to sort of highlight today, is the $254 million in new bonding to spur job creation, to build incubator space, to expand our medical school so we can have improved public health as well, which I'm probably not focusing on enough in my comments, but bringing 100 great clinicians to Connecticut helps all of us.

I have a -- I have a dear friend who -- who was diagnosed with bladder cancer about six months ago, and he went to a hospital here, and then he went to UConn, and after that they went for a third opinion in Boston. And what the doctor in Boston said to them was, you don't need to drive to Boston, one of the 10 best doctors in the country is at UConn Health Center, and so that family in dealing with this illness isn't driving back and forth to Boston or New York because we have great clinicians here. And we're talking about bringing 100 additional top-flight clinicians to Connecticut to support our public health. It's 50 more than in last year's proposal, Senator McLachlan, so that's a change, but 10 of the new 50 are purely

research scientists and 40 will be a combination of clinician, scientist, researcher, practitioner. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. And thank you for your answer, Senator Bye. We just -- we just talked briefly about the hurdles in the bill before us last year that authorized a significant investment in UConn. That hurdle of course being the 100-million-dollar requirement which fell through. Are there similar hurdles that are any stop-gap measure of this particular proposal before us, being held up in any way if certain things don't happen? Now I do see there's one where UConn has to find $69 million. My question is, are there any other stop-gap measures before this project can proceed? Through you, Madam Speaker.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. No, this project can proceed now. That is considered to be what the

UConn Health Center needs to contribute to complete the project. But we approved bond funding previously and so the project can begin in January of 2012. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. Thank you, Senator Bye, for your answer. Is there -- there's a reference to a reallocation of previous bonding authorizations made available through UConn 2000 in the amount of $305 million. And this may be old information, but could you just share with us, in that reallocation of UConn 2000, were other projects at UConn sidelined to facilitate this proposal? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR MCLACHLAN:

Through you, Madam President. As I understand UConn 2000, the -- it included both the health center and the Storrs campus and the university -- sometimes we forget this, but they're related. The UConn Health Center is 50 percent of the UConn budget. You know,

they're -- they're one and the same, and so they have the ability as a board, and under the president of their leadership to say, where can we best invest these dollars for the University of Connecticut. And so this is where they'll be expending those dollars and that is a decision that UConn has the capacity to make. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. Thank you for the answer, Senator Bye. The private investment, I think, is a unique concept. It's certainly been used elsewhere, and it's a good idea. Hopefully the market will -- will respond as optimistically as you've indicated. I do know that we -- just in Connecticut, we do have investors interested in that kind of development. My question is, as it relates to the new ambulatory care center, ambulatory care center, is does this Legislation before us provide very specific bumpers to that project? Does it state, for instance, that the project must be a -- a union construction project? Or how -- how is that specified in this bill? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I am not 100-percent clear on the answer to that question, so I apologize to the Senator. It would be my impression -- it would be my impression that it would need to follow the rules if it's going to be built on the University of Connecticut space, but it is a public/private partnership so those terms most likely will be worked out in the contract with the private developer. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. So -- through you, Madam President. Is it your understanding Senator Bye then that concept has not yet been fully developed and so we're not quite yet sure how the RFP or competitive bidding process would -- would proceed on that particular aspect of the project? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Any RFP has to follow a very specific process if it's the State of Connecticut Request for Proposal, and I would anticipate this is UConn entering into the agreement, that it would need to go through many steps before it could come to fruition to make sure that it's following all the rules. Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President. Thank you, Senator Bye, for your work on this. I've listened intently, as I mentioned, to your presentation and your -- and your answers this evening. I'll continue to listen to the debate. I do share concerns expressed by Senator Kane that we may be pushing the upper limit if we're not totally going through the upper limit of the State of Connecticut's ability to borrow money. And my other concern is that we, in the last few months, few short months of this new Administration, have heard about three major projects which in total appear to at least meet or exceed what the stated goals are for a

maximum bonding of -- of State projects here in -- in Connecticut. And it seems to me that an awful lot of other things that have been waiting in line for a long time may be set aside for some of these really big, high-profile projects. So I -- I have a concern that sometimes the big, big projects create problems downhill, if you will, too many others that have stood in line for a long time.

And I understand the impact that this project can make. I understand the job argument. That makes some sense to me. I do agree with that, but I do want to share the concern of others in this Circle that we have to be very careful about how much money we plan to borrow in this State, especially given our per capita debt at this point is frankly way beyond where it should be. Thank you, Madam President.

THE CHAIR:

Thank you, Senator McLachlan.

Senator Kissel.

SENATOR KISSEL:

Thank you very much, Madam President. My experience with the UConn Health Center goes way back. I was lucky enough, as many of you in the Circle know, to have grown up in what we were very proud to call

the first English settlement here in Connecticut, the Town of Windsor, settled in 1633. And when I was at Sage Park Junior High School in the eighth grade, I had a great science teacher, and his assignment to us was go to the UConn Health Center and research the disease of your choice, disease or diseases.

So being 14 years of age, you had to find a friend that had an older brother or older sister or a mom or a dad that would drive you down 91 South to 84 to the UConn Health Center. And I recall the first time we drove up. What a monument, what a structure. To this day, when I approach those facilities, I am awed. Whoever came up with the idea to put this giant edifice up on a hill? Amazing architecture -- one of those places -- almost feels castle-like.

And I recall to this day doing the research in their medical library. The staff there were really great, they understood, they had worked it out with the teacher, they knew that all of us would be coming in at various times. And my research -- and I won't get back into my sort of fixation with communicable diseases, but it was on bubonic, pneumonic and septicemic plague and its outbreak, especially in the year 1348-49. It was -- that was an incredible

project.

Further down the road, I had the great opportunity to study at the University of Connecticut at Storrs, and eventually I'm delighted to say, received my bachelor of science in education and a bachelor of arts in history from the University of Connecticut so I feel very close to my alma mater. Wonderful years spent there on the Storrs campus and it is a truly great university and I have nothing but fond memories of the University of Connecticut. And over the years as they've come forward with different proposals, some I've agreed with, some I haven't, we went back and forth on Rentschler Field and things like that. They were always big dreamers.

Now in my District that I'm lucky enough to represent, one of my first reps, may he rest in peace, was Frederick Chelsea, and Fred was always a little leery of UConn. And it wasn't that he didn't like the school, but Fred liked to keep control of the purse strings, especially when it came to bonding. And when UConn 2000 came before us, he was concerned and he's there, do you really want to turn over all this authority over to them? You might want to keep some of that authority here.

And there's been that evolving tension that's gone back and forth, but I think we all can agree that as UConn 2000 really took off, the UConn Storrs campus and its various other areas have really blossomed. And so we can't credit UConn's rise in excellence as a national institution to just fabulous basketball teams, whether it's men's or women's, or a burgeoning football program, or all those other great things that they have, but they really made the huge investment into their campus, into their staff, their professors, into the quality of their program. They're embarking, I believe, on a -- on turning the Storrs area into a -- a renovated kind of old-fashioned town center similar to what I believe is at the University of Maryland. I man they've got plenty of plans, plenty of plans that cost a lot of money.

And when I was growing up, I was lucky enough to be able to go to UConn. I -- I wonder if they're going to get so big and so excellent that maybe my children might not even be able to -- to get in, and we do need them as our university, and we do need them for our Connecticut kids. And so while I continue to hope that they aspire to excellence, I also hope that they realize that their role here in Connecticut is

primarily for our kids. It's okay to take in lots of other out-of-state kids, but they're for our kids.

Now my experience with the health center itself has some twists and turns. I remember when my wife, Cindy, was pregnant with our first son, Nathaniel, and somewhere along that process before he was born the physicians in our town got a little concerned and so they said, we have a question regarding the little guy's heart -- or the child's heart, we didn't really know he was a boy, we didn't want to know until he was born, but that was a scary trip. That was a scary trip to the health center, but they were fabulous, they ran whatever tests they had to run and the verdict was nothing to worry about here. But that's one of those trips you always remember and it turned out to be a happy one. And also along the years, I got to be friends with someone whom I've always admired, who's worked on the Malloy-Wyman transition team, and I call her a friend to this day, and that's Lori Aronson. And Lori and I would -- we would tour the UConn campus, we've had meetings when she was the Chief Financial Officer at the University of Connecticut, and I will always remember one meeting when they were having trouble with their budget at the

health center, and I went in the dead of winter to the health center and was able to get a parking spot a fair distance from where I had to go and it was really, really cold.

But there was -- Lori and some very top-level staff at the health center explained their problems regarding the facility, and was able to tour the hospital, saw how it was planned out, and really didn't comport with treating practices of this day and age. The rooms weren't exactly designed to maximize treatment and so clearly there was an awful lot of work that needed to be done.

So what we have is we have a beautiful facility that almost looks like a shining castle on a hill, we have wonderful professionals, highly-paid, highly -- high-achieving researchers and physicians -- the dental school is in my opinion preeminent -- and so we have this really wonderful, wonderful facility that has had its financial issues over the years.

I had gone into the debate last year thinking that I would support the ultimate proposal, but I've got to tell you that in reaching out to my constituents, as much as Enfield and north central Connecticut does avail itself on occasion of the

facilities at the University of Connecticut Health Center, their overall concern, the concern that trumped this issue for me a year ago, was they really do believe we've just used our State credit cards too much. And I come to this debate seeing that Governor Dannel Malloy -- and if I've pronounced the first name incorrectly throughout the last six months, I do apologize to our Governor, but I've been informed that it's Dannel Malloy -- he's essentially doubled down on the project. And so the project that I was concerned with because of the huge amount of borrowing about a year ago now, has an additional quarter of a billion dollars worth of borrowing.

And as much as I love UConn, want to see great things happen at the health center -- was able to just a few months ago tour the Storrs campus where I saw various research facilities, for example, in the science building we have material science going on. I was able to see some of those laboratories. We've got some really top-notch research going on in -- in cooperation with some of our branches of the military, really exciting stuff.

And along the lines of what Senator LeBeau had indicated that sort of gets him excited is the notion

of incubation, and if you've got a brilliant idea then what you want to do is you want to spin that off to the folks that can bring that to the marketplace, and you sort of need all of that together to make it work. And my guess is, and from what I learned when I did the tour at Storrs, was the part of the business model, and part of why where we were having a problem was -- for example, when these contracts were lead out in the greater Boston area, you did have Harvard, you did have MIT. It really is as if the University of Connecticut is competing with some very upper-echelon Ivy League schools. Cornell's another one where we are constantly in competition for these research dollars. Not a bad place to be. Not a bad place to be. But where we want to go is to the next level and I'll let -- I'll be happy to listen to -- to my leader, Senator McKinney, when he speaks on this issue because he's very passionate about it and very, very knowledgeable. But in all the times that I've listened to him debate this issue and talk on the radio about the issue and the articles that I've read, I think he's right that if you want to get to that next level, you need to get to a certain critical mass, and as much as this is doubling down and really

ratcheting-up the borrowing, I'm not even quite sure that it gets to that critical mass such that all the goals that have been touted can be achieved.

And I -- and with -- with all due respect, I do have to wonder a little bit when we're making predictions for something 26 years down the road, and I heard it on the radio, I heard it on the floor this evening, that we will have X-amount of jobs and X-amount of dollars in the year 2037. Who knows? Who knows? 2037? With -- with the march of technology -- just look what happened to your cell phones in the last three years, you're going to know what you're going to be doing in 2037? I don't really think that we can make any concrete predictions regarding 2037.

When it comes to what we want to do with this project, I've heard different researchers actually sort of say, you know, your area of the state that is most suited for this research is in the southeast. That's where Pfizer -- still has a lot of jobs. It's not a hop, skip, and a walk between southeast Connecticut and -- Farmington area so this anticipates there's going to be a lot of physical movement and relocation, and I hope all that comes to pass. The bottom line, without belaboring the point, is this, at

least for me. I love the University of Connecticut. I love the efforts that it's made to rise up to a level in our nation where it is highly known for its excellence. I hope it always is grounded in the knowledge that we need it to be our hometown university. It is publically-funded to a great extent, not exclusively, but to a great extent, and it needs to be our go-to university for Connecticut kids. The health center has a role to play, but it needs to work cooperatively to the greatest extent possible with other great institutions like Saint Francis Hospital and Hartford Hospital and other hospitals in the geographic area. It's not to say that it isn't, but I still have concerns regarding that relationship. It does look like some of the initiatives that were in previous bills have been reduced a little bit regarding funding for some of those interrelated programs with the -- other institutions.

But I agree with my colleagues when they are concerned about our bonded indebtedness, and when I go back to Enfield and I talk to my constituents in Enfield and Somers and Suffield and Windsor and Windsor Locks and East Granby and Granby, they know we have one of the highest bonded indebtedness ratios in

the nation, and they know as this State has slipped into recession, that to the extent they as members of families have had high indebtedness, that that has been problematic.

I heard on the radio just yesterday that one in four people -- families that have homes -- one in four residential homes in the United States is under water. It doesn't mean the houses are being foreclosed, but it states that there is more debt on that real estate than equity to the extent that those people owe more on the house than its value. One in four? I've got to believe those statistics are skewed because of certain areas of our nation that are enormously under water, but that's still an incredible number, and even if the folks in your town aren't in debt to that extent, they hear those radio programs, they see those reports in the papers, and they know in their heart of hearts if you get too indebted it's very difficult to dig out.

And so what they've done, and I believe all of you have seen this in the last year or two if you've been out at a restaurant, out at a store, because I pay attention and I see it now. Didn't in the beginning, but now I sort of like look and listen,

credit or debit. Debit, or cash, or check. The incidents of people charging things since we've entered this recession has gone down dramatically. That's hurt retail, that's hurt small businesses, but that's because people in their heart of heart know -- can't keep borrowing and borrowing and borrowing.

And they're asking us -- great plans, Connecticut, we love our State University, but can you take a lead from us and not borrow, and borrow, and borrow. And so as much as I think this is a great plan, very visionary, and I hope all the predictions come to fruition, it is trumped by my concern expressed to me by my constituents, stop spending, stop borrowing beyond your means, learn from us, live within your revenue streams, bring your debt down to manageable levels, and once you do that, then you can build your cities on the hills, your towering health care edifices, your research areas of excellence. And for that reason, Madam President, I will be voting no on this proposal this evening. Thank you very much.

THE CHAIR:

Thank you, Senator.

Will you remark further? Will you remark further? If not -- oops, so sorry. Senator

Guglielmo.

SENATOR GUGLIELMO:

Thank you, Madam President. I appreciate that.

THE CHAIR:

And he's my Senator.

SENATOR GUGLIELMO:

I'm so shy. You know that.

THE CHAIR:

Sorry about that, sir.

SENATOR GUGLIELMO:

I -- I would -- I'm going to try to keep it pretty brief. I would like to support this. I have lots of friends down there in the corner who I respect and admire. Somebody introduced me at UConn a while back, I thought it was one of the best introductions I ever got. He said, "Tony's for all things UConn," and that's pretty much true. I might have voted against one thing for the -- for UConn in the 19 years I've been here, but not many.

I'm a UConn graduate, so is my wife. I met my wife at the university. My brother's a UConn grad, our youngest daughter, several of our cousins -- huge part of my life -- would not have a college education if it was not for University of Connecticut. I was

chairman of the Parents Committee when my youngest girl was up there. I've always contributed money to the university, especially when the kids got out of college, a little -- was able to do a little more. You know, I'm a season ticket holder to the football and nobody was happier than the people in my living room when UConn beat Duke in the first national championship in basketball. In fact we had a friend of ours who was a -- went to UConn with us -- is now still teaching at Duke -- changed his allegiance to Duke. I guess he went with those that signed his paycheck, and it's understandable, but when UConn won, we picked up the phone and we called him and we sang the UConn Huskies song on the phone which he was not too pleased with. Watch every UConn women's basketball game on television. Couldn't have been prouder this winter when this team upset -- came from nowhere to be a national champion.

And not just the university. Also the University Health Center. We had a -- years ago my middle daughter -- and I'm going to test my memory, but she had a problem with a low blood corpuscle count, white blood cells. She was bruising easily and my wife's a momma bear and she just kept after it. We'd go to

different doctors and they'd say, no, there's nothing, we can't find anything, but she was convinced that nobody should bruise this easily.

So anyway we went up to -- finally went up to the -- this went on for months -- and we went up to the UConn Health Center and there was a doctor up there, in fact he's still there, and he diagnosed it immediately, and at the time the treatment for that was massive doses of steroids. You'd take the steroids and it usually knocks your immune system back into shape, but that didn't work for her for some reason. It works in about 90 percent of the cases; they told us it didn't work.

Then they put her through the nuclear medicine facility, they found the problem was with her spleen, they removed her spleen and she was fine and she's a nurse today. She's at Beth Israel Hospital in Boston. And in fact, I'll tell you a little story. We went up there about six, eight months ago with one of our granddaughters and -- she has a problem that needs constant blood testing -- and that same doc was there; he works part-time and we recognized him of course and we got real excited to see him, and we introduced ourselves because we had a nametag on because in that

facility you have to make -- wear a nametag. And I'll tell you how special this guy was. After I introduced myself and he said, oh I -- he said I saw your nametag. He said, how's Leslie? That's a fact. So -- so obviously he's a pretty bright guy and with a very good memory, a lot better than mine.

So anyway, the whole thing with the university, the health center, is important to me personally, it's important to the State of Connecticut, it's important to my District. We employ a lot of people in my District at -- on the main campus. Somebody once said in the House, the only thing in eastern Connecticut that anybody cares about is the University of Connecticut. I don't remember who it was. We ended up taking him on a tour of eastern Connecticut to show him that that wasn't exactly the truth. And I understand what's good for the health center is good for the main campus. I guess the only problem I have is the problem that Senator Kissel articulated, we really don't have any money. We are heavily in debt. I mean it depends on what statistics you look at, but if we do it per capita, we're at least in the top three in the nation. Some people say number one, and it's just not a healthy situation.

And I told the folks I -- you know, I'm impressed with the project obviously. It's a good project, a visionary project. This whole -- I'd say the past 20 years, for those of use that hold UConn degrees, they have just enhanced the value of our degrees by all the wonderful work that's happened at the health center, on the main campus. So what I was looking for was to do this without new money. Take $100 million from the busway. I mean, I don't think -- in all -- with all due respect, I don't think there's too many people who think that's -- that's going to do anything for the State of Connecticut. Even those that support it talk about the massive subsidies you're going to have even if you get the ridership that they say, which you probably won't get. Take -- take money from that.

Take some money that's in the pipeline at DCD. I mean I'd like to see the money go to the University of Connecticut state-owned health center, not -- not future Starwood Corporation deals, not future Pfizer deals, not future Adriaen's Landing deals, not future Cabela deals -- Cabela, I think that's the way you pronounce it, the sporting goods store. I mean these things drained millions of dollars from taxpayer pockets and had no success and yet we continue on the

same track, we continue trying to pick winners and losers in the state of Connecticut.

We're very bad at that which is not surprising. Who's good enough to do that? You've got venture capitalists, they -- they do it for a living, they can figure it out, but we're not in that business and we do it poorly. So if we could -- say tonight we don't pass this, we come back here with a plan that shows us where we're going to get this money, what other pocket we're going to take it out of, but not new money because we just can't afford it. Can't spend money you don't have, can't continue. The people -- like Senator Kissel said, the people really do understand this. I mean they're amazed at the stuff we're doing up here. It's stunning to them. So I'd love to support it. If we could do it in a way from existing funds, I certainly would, but regrettably, the way it is tonight, I can't vote for it. Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

I think it was Senator Kelly that was next.

SENATOR KELLY:

Thank you, Madam President. I'd like to ask a

question, through you, to the proponent of the bill.

THE CHAIR:

Prepare yourself, Senator Bye.

Please proceed, sir.

SENATOR KELLY:

Thank you, Madam President. How will the UConn Health Center fare in the post -- I'm going to say Governor's budget world of draconian hospital tax where there's winners and losers? Is it going to be a winner or a loser? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Though I did prepare for questions about Bioscience Connecticut, I do not have answers about the hospital tax and how that affects the health center. I could try to ascertain that if the gentleman would give me a moment.

THE CHAIR:

Please stand at ease. Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order.

Senator Bye.

SENATOR BYE:

Through you, Madam President. CCMC and the health center are exempt from that tax. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

And with regards to the purported 16,000 jobs, how did we come to that number? Through you, Madam President.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. That was -- if you can hold on a minute -- that was from the Connecticut Center for Economic Analysis which is a group we rely on to do these sort of analysis. What they did was they covered design, construction, recruitment of personnel, expansion of research and development, the expansion of clinical trials, the expansion in medical and dentistry -- enrollments and the practices that

those spawn, new graduates, and the economic impacts of spinoffs and transfers arising from incremental biotechnology scientific base. Those were the factors that they took into account, and I think I stated earlier, they considered this a very conservative estimate as they didn't take into account dollars that might be gained for the current workforce. Through you, Madam President.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Through you, Madam President. And by when will we see those 16,000 jobs?

THE CHAIR:

Senator Bye.

SENATOR BYE:

According to their report, by 2037.

THE CHAIR:

Senator Kelly.

SENATOR KELLY:

Thank you, Madam President. And thank you, Senator Bye. I appreciate the answers. When -- I'm going to say it was a little bit more than a year ago -- when I sat down with my family and decided to run

for State Senator, one of the prime motivating factors was the fact that looking around at not only the federal government but also the State government and the spending that was going on at that time, I recognized that my future was -- was mortgaged, but what was particularly disconcerting was that my children's future was being mortgaged. That's when I decided that I wanted to run for State Senate to come here and give a voice to those individuals that not only live in this state, but live in the 21st District, that are struggling on a day-to-day basis just to make ends meet.

When I came here, we had a 3.2-billion-dollar deficit, our bonding was maxed, we've got a problem with our State Employee Pension Fund, and all I have seen, virtually on a daily basis since I've arrived, is spending. Now I heard the proponents talk, let's build on the State's strengths, and let's try to expand upon them, and they talked eloquently about education and medicine. But what they forgot to talk about was their spending and that one of the greatest strengths occurring here is the spending that is going on.

We have a budget that has increased the tax on

our citizens, the largest in the history of the State, the largest, bigger than the income tax. The budget increased spending by almost a billion dollars. And now let's look at the bonding. Let's look at what we've put on the State credit card just since January. Just since I got here, this is what I've seen.

We have 542 hundred million in University of Connecticut Health -- Center bonding, 318 million in other bonds, 400 million in special transportation initiatives, 567 million for a high-speed rail, 90 million for a busway from Bristol to Hartford, and then from the State Bonding Commission, another 700 billion, for a total -- not billion, million -- for a total of 2.5 billion.

There's so many numbers here that you lose track, but the fact of the matter is we've done enough bonding to represent almost 13 percent of the State budget. My question is, when do we stop? When do we start reining this in because I know in my -- my area of the state when I go back and I see people like I did this past Memorial Day, and I walked through the parades and I'd go to the picnics, people are saying "uncle." They need relief.

My concern here with the hospitals is that while

we put $864 million into a State-funded hospital under the new rules. The post-budget rules of hospital reality in the state of Connecticut is that we're going to have winners and we're going to have losers, and if we're investing $864 million into an institution that's going to compete with our other hospitals, who are the losers? I fear that the losers are going to be those that are back -- I'm going to say, in my District, like Griffin Hospital that services the lower Naugatuck Valley. What about those jobs? Where do those jobs go? Are the people that -- that work at that hospital, that live in that community going to work here in Farmington? I think not.

I'm guided by the principles that we cannot spend our way to a surplus nor tax our way to prosperity, and while possibly well-intentioned, today in this fiscal environment, in this economy, is not the time to be building that to the detriment of other hospitals and jobs. I also graduated from the University of Connecticut School of Law. Like many in this room, I love the University of Connecticut. I love the Huskies. And while there is a -- a place for higher education and a need for it -- don't get me

wrong, there's a time for it, and in these tough times the citizens of Connecticut are sitting at their kitchen table and they have to make the choice between wants and needs, and when their income doesn't meet the need, they work their budget over, time and time again, until they make their ends meet. And just like those people, we need to behave in the same manner.

If we had surpluses, I think the situation may be different. Unfortunately, we're not in that position. So while I may love the University of Connecticut, I also love this great state of Connecticut and the people that make it up, and they deserve a voice at the table, and they are asking, if not demanding, that we start to exercise the same fiscal responsibility that they are exercising on a daily basis at their kitchen table. I think this is a want in a time we cannot afford it. I hope the members of this Circle agree, and I thank you for the opportunity to speak on this issue.

THE CHAIR:

Thank you, Senator Kelly.

Will you remark? Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President, good evening.

Through you, if I may, a few questions to Senator Bye.

THE CHAIR:

Prepare yourself.

Please proceed, sir.

SENATOR RORABACK:

Thank you, Madam President, through you to Senator Bye. Does Senator Bye have any memories of what we as a Legislature went through last year in connection with the passage of the UConn Health Center bill in 2010?

Through you, Madam President, to Senator Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Though I was not Chair of the Higher Education Committee, or on the Higher Education Committee, I was aware of the proposal last year and did sit through some of the hearings

Through you, Madam President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President. And would Senator

Bye concur with my assessment of that process as being thorough, deliberative, painful at times, exhaustive, complete, and inclusive? Through you, Madam President, to Senator Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes, I would, that and from 2007 forward as well. Each year when we dealt with this issue, we dealt with it very thoroughly. Through you, Madam President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President. And does Senator Bye have any observations about the differences between the way this bill is being handled this year and ways that it's been handled in previous years?

Through you, Madam President, to Senator Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. Yes, this has proceeded more quickly. Through you, Madam President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, and would Senator Bye agree with me that it's proceeded in a way which has been less inclusive? Through you, Madam President, to Senator Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. It has diverted from the usual process. This evening around the Circle we are having a long conversation about it and people who are, you know, not happy with the process have their vote, but it certainly wasn't as long as the process last year. Through you, Madam President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President. I have no interest in casting aspersions on any individual, and certainly not Senator Bye, but observations go to just how important an initiative this is and just how seriously the Legislature, the Governor's office, affected

hospitals, have taken this measure in the past. And Madam President, on May 17th we heard for the first time, or at least those of us who get our news from reading the newspapers heard for the first time, of this initiative which represented a substantial change from what had been built through consensus last year. On May 19th we saw proposed language for the first time. On May 24th, there was an informational session at which the elected members of this General Assembly were given a ratio of one question per member.

Again, that's not Senator Bye's fault, it was just a function of the amount of time we had at that moment to probe into the details of this rather dramatic initiative. And now, Madam President, we've had a four-day weekend and it's June 1st and the moment of truth is upon us, and I guess I hold this year's process -- it is such a stark contrast to what led to the passage of the bill last year, and I for one, Madam President, voted for the bill last year, and I did so after a lot of thought, a lot of consultation.

And I don't fault anyone from the University of Connecticut. They've been -- they've gone -- above and beyond the call of duty in volunteering to answer

our questions, but the time -- we are in this crazy time in the General Assembly where so many things are vying for our attention that it feels -- it just feels like we're being denied -- we, members of the Legislature -- are being denied the time which this issue deserves.

Madam President, last year I -- my recollection is we were told by the University, by the Governor's office, what we have come up with is the answer, we've met with Saint Francis, we've met with Hartford Hospital, there's blue smoke, this is the answer. And we have Washington wired by the way, for $100 million to get us to the finish line, and you know what, if we don't get that $100 million, we have a plan B, we're going to raise that money privately, or we'll scale back our project.

On May 17th, all of that changed, and I credit the Governor for his vision, for his leadership, for his bold stroke, but I don't credit the General Assembly for not upholding our responsibility to take the time to vet this process. And again, it's not a criticism of the University of Connecticut, it's not a criticism of the Governor's office, it's a criticism of we as an institution, as a coequal branch of

government, that has allowed this plan to be railroaded quite frankly through the process.

And that's a sad commentary on the nature of government today I guess in Connecticut. And I -- it's hard for me to get over the fact that Legislators were allowed one question. It's like, one question, $250 million in bonding, new bonding, one question.

And through you to Senator Bye, I have a couple of questions on the -- well, through you. Does Senator Bye -- if we had gotten the $100 million from the federal government, does Senator Bye have an opinion as to whether we would be here today, Madam President? Through you to Senator Bye.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. It would be my impression that we may still be here today, but with an enhanced proposal because Governor Malloy was looking for an economic development project that would grow jobs and grow jobs quickly and this really fit his bill. He wasn't looking -- I guess -- I want to be clear because there's been so much rhetoric.

He wasn't looking to take out the credit card, he

was looking to make a strategic investment, something that has been missing for so many years in this State. He was saying, how can we best invest to grow jobs in Connecticut because it takes strategic investments. It's more like an annuity than a credit card. You're putting money in now knowing that in 25 years it will pay off, and so I believe that Governor Malloy would have been looking at this as a strategic investment. We might have had $100 million in federal funds, but given how I heard about his conversations with CEOs around the state, he was looking for what would be the best strategic investment that Connecticut could make now to grow high-quality jobs, and this is what -- where he landed. Through you, Madam President.

THE CHAIR:

Thank you. Senator Roraback.

SENATOR RORABACK:

Thank you, Madam. And my understanding -- and I am old enough to have voted for UConn 2000, to have listened to Fred Chelsea and Les Young say you can love UConn but we're -- we're setting a precedent here that we will someday perhaps come to think twice about it.

Through you, to Senator Bye, I think if this bill

passes, both Chambers of the General Assembly, we're done. I mean there's no more Legislative oversight or Bond Commission oversight. The University of Connecticut will have this authority to bond, and our ability to scrutinize, ask additional questions, is -- evaporates. Through you, Madam President, to Senator Bye, is that her understanding of how the UConn 2000 funding works?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. We would be making an appropriation to help build Bioscience Connecticut. I never believed that our role as a General Assembly is done. It's our job to provide oversight, if you will. We approve the operating budget of the UConn Health Center so we have multiple roles in assuring that this comes to fruition.

Through you, Madam President.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam. And my question went -- went purely to the mechanics of how the bonding for the

UConn 2000 process works, unlike other State bonding which comes before the Bond Commission, this bonding is kind of self-executing. Through you, Madam President, to Senator Bye, is that her understanding of how that bonding works?

THE CHAIR:

Senator Bye.

SENATOR BYE:

Through you, Madam President. I would ask to -- I need to ask that question to get (inaudible).

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senate will come back to order.

SENATOR BYE:

Thank you, Madam President. I thank the colleagues around the Circle for indulging me as it's my first year as Chair of Higher Ed and I'm still learning certain parts of this. But UConn 2000 is authorized and allocated when we vote to approve this.

Through you, Madam Chair.

THE CHAIR:

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President. And it was -- was not -- not intended to be a trick question, just a truism that unlike other -- when we pass a bonding bill here, that's not the last step. Bonding -- then the Governor has to put items on the Bond Commission agenda. We have an opportunity at that time to vote on it, to question it. The train leaves the station if this bill passes both Houses of the General Assembly, and we say goodbye to our opportunity to intervene going forward and that's why I think it's particularly important that a process around this health center be thorough, inclusive, exhaustive, and when it's not, the consequences are even greater because of the nature of the bonding that we're approving.

Madam President, May 17th, June 1st, who can go home and say I have satisfied myself completely and with confidence that this is the answer, particularly when it wasn't 12 months ago when something else was served up as the answer? So when the target moves, it's hard to have confidence that we're aiming in the

right direction. I wish I had had more time, Madam President. I too have a strong affinity for our State's flagship university, but I have a stronger affinity for the responsibility this branch of government has to do our job completely and thoroughly and I don't think we've lived up to that responsibility and for that reason I urge rejection of the bill.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator Roraback.

Will you remark further? Will you remark further? Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President. Good evening. And I rise to speak on the -- this proposal. Madam President, it's a very exciting proposal filled with -- with great possibilities. The fields of bioscience and -- and translational research, clinical research, all provide us with -- with great opportunities to not just grow jobs but to stimulate minds to -- to really put Connecticut on the map and -- and think those are -- are tremendous opportunities for us.

There are concerns. I've voiced those concerns

relating to the development of the new patient tower, the ambulatory facility in particular, and the potential to draw resources away from our existing hospitals in our urban centers in particular. Ladies and gentlemen of the Circle, the hospitals that reside in my District and throughout the region are major, major employers in our communities, they're great neighbors, their presence in helping to stabilize neighborhoods where they often are located are not the best, and to -- to somehow affect the delicate balance that exists in those hospitals is something we need to guard against.

I have spoken several times in the opportunities we've had on what the proposal is before us and what my hope is for it. I've given this issue a lot of thought and -- and I've concluded that in asking what is my role as a State Senator, a State Senator representing the city of Hartford in particular in this instance. I could exercise my concerns through my vote here today and I have given that a lot of thought. But in the end, I am -- I've come to the conclusion that I choose to embrace the vision of our new Governor who has put before us a bold proposal.

And not solely with respect to this particular

proposal that I have chosen to move in the direction I will tonight, because as any of us who have been here before know, that you don't always get what you want exactly the way you want it. But I believe that Governor Malloy has a vision, not only for the health care center and the University of Connecticut in this particular proposal, but one that has a vision for urban Connecticut as well. He's a Governor who as mayor really created and was a part of creating an exciting city in the city of Stamford. I look forward to the opportunity to work with him and the members of this Circle to move in the direction in that regard with respect to not just Hartford, but the other cities of our state.

I look forward to the Governor encouraging the flagship university of our state, to not be a follower when it comes to issues of collaboration, not just on health care and the hospitals that exist in my city and in New Britain, in Bristol, in Waterbury, but being a leader in encouraging that kind -- kind of collaboration, being a leader in other types of collaboration and how to turn our poor -- poorest -- some of the poorest urban centers in the country around. That is a role for the leading -- for the

flagship University of our State that is not being fulfilled at this point.

I look forward to additional ideas of how to make our -- our hospitals that have a tremendously diverse population that doesn't exist in the current location where the University of Connecticut Health Center exists. How we can take advantage of that diverse patient population and what that brings in teaching new doctors how they can practice, and increasing numbers in primary care, in translational research that moves exciting new research from the -- from the laboratory to the bedside.

That's where the dollars are moving today in health care research on the national level and we can be a leader in that regard. That's what I believe the promise that Governor Malloy brings, and while I might have drawn this differently, I choose today to stand in support with our Governor, not as a leap of faith, not as a leap of faith, but in a belief that as his track record has been as a mayor, that he with even greater resources and greater opportunity can deliver for our state as a whole, including those areas that may today be concerned about where this proposal will go. I choose to believe that he will find a way with

us to grow this proposal even further, to embrace those resources that exist in our cities today, those great opportunities for our future doctors, for jobs that can grow from those relationships in our cities and throughout our state, and to embrace even more possibilities that go beyond this proposal that I believe await us. So having said that, Madam President -- Mr. President, I intend to vote in support of this proposal before us this evening. Thank you.

(Senator Coleman of the 2nd in the Chair.)

THE CHAIR:

Thank you, Senator.

Will you remark further? Senator Hartley.

SENATOR HARTLEY:

Good evening, Mr. President. Yes, indeed I will, and thank you, sir. It has been a long debate on a very vexing issue, important to the State and to virtually every region in this state. It is our flagship university. We all have recognized the incredible potential that it has had and that it has not realized. I for one have really labored over this

proposal. Yes indeed, I agree with Senator Roraback that I had a number of questions, and but for being able to ask one, I was frustrated. And if we could, and if we had our druthers, I think a lot of this would be very different. Unfortunately for many reasons we don't, and on balance, we must step back and make those assessments. They're not easy, they ought not to be leaps of faith, they ought to be rooted in facts and experience, and I would like to share with the Circle an experience that is very much part of this conversation and it's this.

About 10 years ago, being from the city of Waterbury, I had for a number of years had the problem of every April disputing and deciding what position I was going to take when the local masthead in the newspaper would read Waterbury UConn Branch to Close. And I would have those discussions repeatedly for a number of years with the university, with the regional branch. And it got to the point where I simply could no longer justify the existence of the Waterbury branch. Our enrollment was down, the prospects of it growing, turning around, becoming a vital part of the -- community, were fading every day, every year, and I came to the conclusion that I would not be able to

defend its existence any longer if something very drastic did not happen.

Very shortly thereafter, we had an opportunity to move its location to a core area, to a downtown area in the city to start a new footprint in the heart of the city where it previously had been located on a hill in a historic district. Beautiful Queen Anne architecture, historically significant buildings, but tucked away, no parking, no security, no ability for growth, no -- not even faculty offices which were located in anterooms of the boiler -- boiler room.

We did engage in a bold leap, and at that time I felt very much like I do now. Is this folly? Is this good money after bad? What would -- what will really be the outcome? It was a major investment, it was a significant move, there were many, many in the community who said it's a waste and we bet that you will fail, we bet that you won't be able to fill those seats, and we bet that the lights will go out.

Well, I'm so pleased to report to you today that that university is bursting at the seams, it has outgrown its footprint, it is offering master's degree programs, four-year degree programs for older students, for students in the Waterbury and greater

Waterbury area who cannot go the Storrs, who cannot afford to go the Storrs, who choose because of their family obligations to stay in the community, but yet want a four-year degree and are so proud to be able to be at the flagship university.

It was an incredible experience. It was one that was pretty daring I would say, but it is a microcosm of what we're talking about today with a university that has such great potential, which has such great reach in a small state that we are. But yet this is obviously a very -- a very concerning and significant proposal that we are all laboring over it. I would like to say that I see beyond just the proposal that we're talking about here. It's the interconnectivity.

This, if I understand it correctly, is not going to be in a vacuum, this is going to be very much connected throughout the entire state. I talk about the I-84 corridor, being on the west end of that corridor that we are virtually 20 minutes down the road from the John Dempsey Hospital. My acute care hospitals are very concerned about how this will affect them, what will their future be? How can this be a good thing? And it does take come creativity, it does take some ingenuity, but it will provide

opportunity that hasn't been there before.

So with that -- Madam President, welcome back. I would like to say that I don't think tonight's vote is the conclusion, the end of this conversation. I think it is the beginning of a statewide conversation that connects us all, that raises this state on a national and international level, and that recognizes that Connecticut has always really been about brains and not brawn and therefore we need to realize our full potential.

Thank you very much, Madam President.

(President in the Chair.)

THE CHAIR:

Thank you, Senator.

Will you remark further?

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President. Tonight I don't know what to say positively or negatively about the UConn Health Center plan, but I can tell you I will be a no when it comes time to vote. And the reason for that is that we don't know really what the business plan is

for this project. It's moving along at far too rapid a clip for us to be able to digest even the basic parameters and basic points of -- of a business plan.

A lot of concern has been raised tonight about a variety of different issues including the record of UConn in this business of educating in -- in health care in the past and -- and perhaps some more red flags have been raised than have been brought down off -- off the flagpole. The entire public hearing on this version of the UConn health care plan was all of two hours, and that's if we were able to make it because it was on a very difficult day. Maybe there are some wonderful things that can come from this, I don't know. I'm not qualified to speak on the merits of this plan because I don't know, and I'm not sure any of us know as much as we should to make an educated decision about this.

There has been a reference to the fact that this will create, this project will create 16,000 jobs, and if my math is correct, if we're using this kind of logic going forward, it's going to cost us a total of $5.4 billion to replace just the jobs that we lost in the last -- in the recession that we're still coming out of here presumably. And I hope none of you

looked at the -- the computers today and the Reuters and everything else. It was a horrible day on Wall Street which is always an indication of what's going on out there in the economy and it does have to do with housing unfortunately. We are dealing with dire fiscal and economic circumstances still, and we have to keep that in mind.

So yeah, do we want to create jobs? We sat in that public hearing and we had dozens, if not maybe 50 or 100 steel workers there. We all want to put them to work. The best economic policy we can have as a State is to create the best economic development and business environment that we can. We need to lower taxes, we need to get the regulations off the necks of -- decision makers in business, and we need to really, really be open for business. Purchasing jobs like this, investing in jobs, it's a nice concept, but it's awfully expensive, and this one at this point appears to be out of our reach financially speaking. Thank you, Madam President.

THE CHAIR:

Thank you, Senator Frantz.

Sorry, Senator Suzio.

SENATOR SUZIO:

Thank you, Madam President. As I said in the Appropriations Committee, there's a lot of reasons why I'd like to vote for this project. I spend some time in the biotech world, I know how exciting it is and the -- and the opportunity there is for improving not only health care, but the quality of life, and that to me is really exciting. But as I also said in the Appropriations Committee, I've been 41 years in business and I've been in the banking finance world most of that time, and what I've learned is there's no shortcut for understanding and properly analyzing a complex and complicated project. When you try to take shortcuts, you make mistakes, big ones, and Connecticut's not in the position today where we can afford a big mistake. We owe it to the taxpayers, we owe it to the voters here in Connecticut to do this the right way, to approach it a business-like way, and that means taking the time to understand the numbers underlying the project.

I've had a chance to peruse the 55-page report that was put out by CCEA which is based on the REMI model, and frankly, I could keep you here the rest of the night asking questions about the content of that report. I'm not going to do that, so don't worry

about that, but in the business world, if I came in front of an investment banking committee or a commercial bank loan committee with a project like this with the superficial details, I would be thrown out on my ear. I don't even know if I'd have a chance to go back to them. They would lose respect for me, because you can't go forward without knowing and understanding what it is you're proposing.

And I would bet that every single one of you here doesn't really totally understand the project. As enthusiastic as you might be for it, and certainly it's an exciting thing to talk about, no doubt about it, but you know what? You're hanging your hat on an economic model that I don't think anyone in this -- this Circle understands. All we know is it somehow came out positive, but we don't know how it -- how it came about.

Does anyone know or understand the strengths or weaknesses in the REMI economic model? I've read some economic analysis that says, for example, one of the weaknesses in it is it doesn't distinguish the impact on job creation in a low-unemployment area versus a high-unemployment area.

Does anyone know or understand the basic

assumptions in the model? Does anyone know or understand the parameters that were entered into the model for this project? Does anyone know if the -- if the model even takes into consideration the negative side of the project, for example, its impact on inflation and the cost of living in the area where the -- the project's going to be built? The cost of housing? The increased need for government services locally -- have to be locally provided, did it take that into consideration? Does anyone here know the answer?

I'm sorry, when I was elected, I took this job seriously, and to me, it's impossible to exercise a responsible decision tonight predicated on the superficial information we have, as exciting as it might be and as exciting as those pictures and drawings are. To me, I'd be failing the voters who supported me if I voted for this project, as much as I'd like to support it, and I don't understand, I do not understand why, why we can't take two or three more months to do it the right way. This is a project after all that's going to affect the state for 30, 40, 50 years. Why can we not take two or three more months to analyze the data, study the reports, ask the

questions that have to be asked, and then make an intelligent, informed decision about this project? Not one based on emotions or gut, but one that's based on understanding the underlying dynamics of the project.

In the questioning I was listening to earlier, I think it was Senator Welch, asked about the model and was it used for Adriaen's Landing, and what I thought I heard was yes. The model that we are using for this project is the same model that was used for Adriaen's Landing? I don't think that's necessarily an endorsement about what I would rely on in this model of that's the case.

Did the -- did the model take into -- into consideration the impact to health care providers tax? Did it take into consideration the fact that next year the federal government's going to lower the reimbursement rate for Medicare patients? No one can even answer that at this table. And I -- I'm skeptical it did.

One thing I know, having read the 55-page report is, I don't like the way it's put together. It doesn't allow you to isolate and look at the operations end of the -- of the facility and determine

the plusses and minuses, the surpluses or deficits that are occurring or the timing of them. You can't tell reading the report. It just got -- it gets the big numbers together and it does a -- what we call in finance a discounted present value and it shows up as a positive, but it doesn't show you the details that were used to bank it up.

If we did this the right way, there's a chance, and maybe a pretty good chance I would be able to vote for this project, but we're not doing it the right way. And I don't care if it's the right project, if it's done for the wrong reasons, without the right information, it's not right to vote for it.

I think we all have a responsibility at this table not to decide on this project tonight, to basically do it the right way. I don't care if we have to come back to special session. Maybe that's because I'm a freshman and I'm naand I don't know what I'm asking for.I guess, but I'm willing to do that. When I sought this office, I can't tell you haw passionate I was about getting elected because the good Lord has given me a good life in banking, finance and accounting and the business world, and I know that this State badly needs some common business sense

about it that's been lacking for a lot of years, and my common sense business sense, predicated on 41 years of banking and finance and accounting, says we are doing something horribly in the wrong way here. It might be pure luck that it turns out to be right, but you know what, you don't make billion-dollar decisions on a guess, or on hope. If you do, you're failing your responsibility to the people who elected you.

There's no way I can see anyone could responsibly vote for this tonight because none of us have the information to make the right and the intelligent decision. So a no vote tonight is not a no vote against the project, ladies and gentlemen, it's a vote against the process. There's nothing wrong with saying to the Governor, give us the time to do this the right way. It's our obligation to the people of Connecticut.

So unfortunately next to my name up there when the vote is called on this, there's going to be a red light. But I promise you, it's not because I'm opposed to the project. I would like to have the chance to make it a green light, but I will not do it the wrong way and I don't think any of you should either. Voting a red light tonight is not a red light

to the project, it's just more like a caution light to the Governor saying whoa, whoa, we have to do this the right way, let's take our time and take a couple of more months before we spend a billion dollars of taxpayer money and who knows what the outcome will be.

So I ask all of you to understand that those of us who vote no tonight are not no to the project, we are just no to an irresponsible process that's built on superficial information. So I will have a red no there tonight. I hope, I hope that the vote turns out tonight that you'll give me a second chance to vote green for the project because I promise you, I am open-minded about it.

I can't tell you how exciting it was when I was in the world of biotech. We were working on an AIDS vaccine -- I mean it was the most intellectually stimulating thing I have ever done, and I'd love to see Connecticut take the lead and become a world leader in bioscience. So I could be very enthusiastic about this, but I can't be enthusiastic about it if it's done the wrong way. The end does not justify the means. Thank you very much.

THE CHAIR:

Senator Meyer.

SENATOR MEYER:

Good evening, Madam President. Who is the enemy of economic growth in Connecticut? From what I've heard in the last half hour, it's us. There are intimations here in the Circle of the fact that this program is a rush to judgment, that it's too complex, that it doesn't have enough detail, that the public hearing lasted only two hours on this. I wonder -- many of you have been here longer than me -- whether those things -- we who have said those kind of negative things are indeed the enemy of economic growth and why we haven't seen any growth in the last 20 years in Connecticut.

Because into that stagnate -- economic stagnation has come a man who has proposed a vision for growth in Connecticut. Government Malloy has seized upon bioscience which is absolutely one of the great growth components of -- in the world, not just the United States -- and has said that we're going to make Connecticut into an engine of economic growth through bioscience. And he's done it with component parts that are very creative. He starts with health and medical research. He goes on to propose increasing the schooling of physicians and of dentists, and a

major expansion of health services. This is the direction the country is taking.

We're told in Connecticut that we are part of a very aging population, and you've seen the figures of what it will be like in 20 years. The UConn Health Center project that's before us meets that market demand like nothing else that I can imagine. So I just would say, in brief, I'm ready, as one State Senator, to put my faith in this plan, in this vision, and I am concerned that if we don't support this energetically and follow up with it, that we're going to continue and have another 20 years of economic stagnation. This is a way out of the mess. Endorse it, support it, and work for it. Thank you.

THE CHAIR:

Thank you.

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President. This has been a very interesting debate on, really on the future of Connecticut, and I'm -- I rise in support of this proposal. And I want to thank the Governor for his vision and wanting to take a bold step forward, and this truly is that.

Granted, we don't have all the information we'd like to have. I would venture to say after -- since I've been in -- in the Legislature, between the House and the Senate 18 or 19 years, we always say that. Well, I don't have enough information, can't we wait a little longer, can't we get more information, and many times we wait so long that we miss an opportunity. I don't want us to miss this opportunity and I think the people of the state of Connecticut also don't want us to miss an opportunity. The fact that we don't have all the information now doesn't mean we can't continue to gather it and put it together over the next few months or even years and modify the plan if we need to.

I come from southeastern Connecticut and many of you know that's where Pfizer is located here in the state, their main office. I'm tired of hearing in southeastern Connecticut that Pfizer is -- that we're losing jobs from Pfizer. We have 400 scientists that are moving to other states and other parts of the world where the kind of research that we could do here is being done elsewhere. We missed an opportunity.

I believe and -- and we also believe that there may be many more jobs lost. Originally their

announcement was 1,100 jobs. They downsized; they used to be in Groton and New London. They sold their New London site. Thank goodness for the growth of Electric Boat which bought the building at a fire-sale price. But be that as it may, we have Electric Boat who thank goodness is growing engineering jobs to the rate of a couple of thousand over the next -- next year or so, and so they're occupying a prime piece of real estate which the State helped -- Pfizer fund, and then after 10 years decided, well, now we'll just move back across the river and we'll cut our workforce and move it elsewhere or jobs will just disappear.

We have an opportunity to not only grow the bioscience area in this state which I think we are well-positioned to do, with not just Pfizer that's still here, and maybe it will help grow more jobs at Pfizer, but also with Yale, with other institutions in this state. It's an opportunity to partner, to sort of, you know, spread the tentacles from -- from Farmington to other parts of the state and grow jobs elsewhere.

And so I think we need to -- to move this project forward. We cannot stagnate anymore. This state has been in a state of stagnation for too many years. We

have an opportunity to -- to make a difference for the future of the people of this state. I'm sorry that those construction jobs aren't going to be available for probably a year and a half or two years until things really get rolling, that -- maybe those research jobs won't be available right away, but I'd like to know that if my children and grandchildren stay in the state of Connecticut, that they might have a future here and -- because I also believe that there's this multiplier effect that will also help grow jobs.

So I stand in support of this project. I don't want the state to continue to stagnate and in the -- and in return actually move backwards. It's time to move forward. It's time to embrace this project. If not -- heartily, maybe somewhat, and let's say to the Governor, thank you very much for your vision, I may not -- I might not be totally there, but I'm willing to work with you to make this vision the -- the best one that we have for Connecticut.

And so, again, I support this and I urge all of us around the Circle to give it some more thought and -- and move forward. Move the state of Connecticut forward. We have a great future; we just need to

implement those ideas.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Senator Markley.

SENATOR MARKLEY:

Thank you, Madam President. Senator Meyer and Senator Stillman have both referred to the stagnation that we've had in this state over the last 20 years, and I think there's a reason for that stagnation, and I think that reason had to do with the last strong visionary -- Governor that this state had, was Lowell Weicker. I don't think we've had a man to match him since, thankfully, and he had a vision and a determination to reform the state through an income tax. He got his way and we've suffered with it for 20 years, 20 years of the lowest economic growth in Connecticut.

I don't mean to belabor the income tax. I've spent enough time talking about that. But I think we have to be careful about moving just for the sake of motion. I've heard from my dear Democratic colleagues here the need to have faith in this project, and although it's an appealing word, I think it's a

dangerous word for us.

From my Republican colleagues I have heard I believe very clear and very convincing argument along two main lines. One is that we can't afford it, and I think that's almost obvious. I don't know how we can think that this investment of money makes sense under the circumstances. I can't believe, again, that the people of the state would endorse this if it were put before them as a ballot -- question right now for instance, this level of expense in this circumstance. And as Senator Frantz said, as today's events have shown, but at a moment still of economic fragility.

According to the clock, we're halfway through a recovery, or let's say halfway to another recession. When you think about what this recovery has been like, we can only dread what may be coming if the economic cycle comes -- returns to us, or if there's a recession as a result of gas prices, dropping real estate prices and so forth, again takes another hit. It seems like the last thing we want to do is take on new obligations. We should be battening down the hatches.

And the second thing that my colleagues have pointed out is the haste of this process. If for no

other reason but the integrity of this system, I would oppose going ahead with a project like this on this level of debate.

So for those very strong reasons, I will vote no on this. I appreciate the thoughtful remarks that I've heard from both sides, but I do not believe that we should go forward with this project at this time. Thank you.

THE CHAIR:

Will you remark further? Will you remark further?

Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. I rise in support of this project and want to commend Senator Bye for all the hard work, and her committee for doing such a great job. You know, as I was sitting here listening to debate, and while there's some clichs in it, you know, John F. Kennedy stated once, you know, it's not why, but why not, and I believe this is the situation we have here.

We have a vision from a Governor who's not a novice at economic development. If you look at his record in the City of Stanford and what he has

accomplished during his term, you'll see an experienced individual who knows what he's doing, who knows that you have to invest money to make money. We're very fortunate to have his leadership and I accept, you know, the opponents' positions in regards to the why -- you know, why we shouldn't do it, but I stand and say why not?

We have -- we have outstanding talent -- at the medical school, at the health care center, at the university, in Governor Malloy. It's something that I know we should all be proud of. So we can stand here and speak for hours, but, you know, I don't believe we should fiddle while Rome burns. It's the time to really embark upon a trail. You know, I have this quote here given to me by Senator Meyer, (inaudible) said do not go where the path might go, go instead where there is no path and leave a trail. And Government Malloy is leaving a trail for all of us. Thank you, Madam President.

THE CHAIR:

Thank you, Senator Crisco.

Will you remark further? Will you remark further?

Senator Looney. Woops. Senator Looney, may I --

SENATOR LOONEY:

Yield to Senator Daily.

THE CHAIR:

-- yield the floor -- to Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President and Senator Looney, and I'll be brief. There are many personal stories here and the stories I can share are all good except for one. I had a marvelous neurosurgeon at Dempsey Medical Center. He was the head of the department and because we're stalling, he's gone to the University of Houston.

But what I do want to tell the Circle is about our bonding. Certainly we're flying high, certainly we're doing the big, bold development that the Governor said, but we are not being reckless, and our capacity remaining before the 90-percent limit is $4,680,321,619, that's in -- as of July 11th. And estimated as of July 12, the capacity remaining before the 90-percent limit is $5,153,127,638, so certainly we're well within out bonding limits and well within our bonding capacity and on good solid footing.

THE CHAIR:

Thank you, Senator Daily.

Will you remark? Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President speaking in -- in support of the -- of the bill -- and first wanted to commend Senator Bye and Senator Daily and others who worked so hard on this in terms of preparing in -- in the Higher Education and Finance Committees. But to -- to take the long view, and I think the Governor is doing that in proposing this, anything that we have -- have planned for and ventured to do and committed to for the University of Connecticut over the last 20 years has certainly paid dividends in ways far beyond what has been anticipated.

Just look at the -- at the history -- going back into the -- the 25 years ago or so when Gampel Pavilion was being discussed in -- to replace the Field House at UConn. Maybe it's 30 years ago almost now, but when it was rejected to build their -- around a 10,000-seat facility there, more than twice the capacity of the old Field House, some people said at the time I recall -- I was in the House of Representatives at the time -- we'll be embarrassed, it won't be filled, there will be so many empty seats

there that -- why are we leaping ahead to build something more than twice as big as the field house that has served us so well for so many years? Then of course within a year of Gampel opening, the question was why didn't we build it bigger? It's -- now it's already overcrowded. We could have built it bigger and still -- and still filled it.

So that's just -- that's symptomatic, and again, the investment in UConn 2000, in 21st Century UConn, that -- began 15 years ago, there were questions as to whether or not that investment was -- was worthwhile. And it certainly has been as we know that UConn has moved from being a second-tier to a first-tier State university. It is now -- now the -- it is the first choice of so many students rather than a backup choice or a safety choice as it might have been 20 years ago primarily because of the State investment in what UConn could be, seeing it for what it could be rather than what it was at the time that investment was -- was made.

Again, a few years ago we made a modest investment at UConn in terms of -- of stem cell research. That also was a good idea, and there were -- there were naysayers at the time, but it was the

right thing to do and probably should have been done on a -- on a bigger scale than -- than now. States that have been successful, as we know over the last 20 years or more in terms of carving out a niche for themselves and becoming seen as innovative, cutting-edge leaders, are states that are built upon intellectual capital, economic development spinoffs from academic research, and that is exactly what we are proposing here and that the Governor clearly sees.

All of this has been exactly the direction, that when we look at other states often with envy about what has made them seem to be advanced and thriving, it is this kind of project. Again, in -- just in terms of that -- and Rentschler Field also, the -- the investment, the commitment to -- to be part of the Big East, that also has proved to be a successful investment.

So all of the big commitments that we have made to UConn, in one way or another over the last 25 years or more, have all turned out to be among the best investments that the State of Connecticut has made during that time. And I believe that this is likely to be -- certainly it's the biggest -- but likely also to be the best of all in terms of the long-term

benefits that it can provide to the State.

I am certainly hopeful that there will be ways that this project will have spinoff benefit effects to help the City of Hartford as well, that I think it is going to be -- be important to make sure that -- that our Capitol city shares in some of the energy and expansion and creative new research that will be -- that will be facilitated by this commitment, and I think it will, and I believe the Governor recognizes that it's important to have Hartford share in the benefits of this as well.

So all of these are -- are things that I believe we should consider, to recognize that Connecticut cannot stultify, we cannot just stand still and hope that things will -- will improve by a process of -- of inertia. We have to be bold, we have to take some initiatives, and we have to play to our strengths, which is exactly what this proposal is and what the Governor recognizes. Thank you, Madam President.

THE CHAIR:

Thank you, Senator. Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President. Madam President, I had an opportunity earlier this evening while the

debate was going on to take a look at our debate not long ago, May 4th of 2010, on the passage of a prior version of -- of -- called AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTERS FACILITIES PLAN.

I stood in -- at some length gave reasons for my opposition to that plan. You'll be pleased to know I won't restate that opposition nor will I stand in as great a length. I stand here opposed to the plan for the same reasons I opposed the prior plan.

I have to say that ironically what I like about this plan versus the other plan is the addition of the research and the technology and the incubator space and the -- and the -- the attempt to get biosciences thriving in Connecticut so Pfizer doesn't move 1,100 jobs to Cambridge in the future. And in one of my early meeting with Governor Malloy subsequent to the decision by the federal government not to grant Connecticut the $100 million, I had mentioned in a brief conversation with the Governor that I had opposed the plan, why I opposed it, what I thought we should spend our money on. He said, I agree, we should be spending money on those things and I want to look at those things. We disagree on -- on the

construction aspect of it.

Now I want to briefly mention before I -- I state why I was opposed to the plan then and now, Senator -- Senator Bye and others -- I had a chance to talk the other day with some folks who were out here lobbying in front of the bill talked about the devastation this economic recession has had on our construction industry, and she's right. But as much as I want to get them at work, I don't know if I would vote for $864 million just to get them at work. It has to be the right plan, and I think these guys want jobs and they want to get to work, they want to be able to pay their bills and feed their families, they deserve that. I just don't know if this is the right way to do it.

You know, this -- started, I believe because for years the John Dempsey Hospital faced operating deficits and for years the -- the State, the Legislature, the Governor, struggled with how we would pay off those deficits. I believe in -- in one year the deficit got as high as 20, $21 million. Obviously we've changed the rules how we look at that, but even I believe in the most recent year there was a subsidy of 12 or $13 million to balance the books at the

hospital.

So John Dempsey was losing money and what were we going to do about it. The first plan was a 595-million-dollar plan with a lot more beds than the plan that Governor Rell adopted and the plan put forward by Governor Malloy. The next plan cut down the number of beds and -- and we as a Legislature did a study. We had the Connecticut Academy of Science and Engineering do a study. We have -- Tripp Umbach did a study -- and as you looked at all of the evidence from those studies, they determined that there wasn't one medical school model that worked better than the other. There are medical schools that own their own hospitals that are very successful, and those that aren't. There are medical schools that don't own their hospitals and those that -- that are successful, and those that don't own their own hospitals that are not. There are models that have -- that have joint partnership ownerships, some that work, some that don't.

The University of Connecticut's model and the model that the university continues to adhere to is one where they own their own hospital.

When you look at the -- the Tripp Umbach study

that was done on our behalf upon which we based this entire new hospital, the evidence was overwhelming that the success of the medical school that owned its own hospital had to do with the beds at the hospital. If you look at the top 10 medical schools who own their own hospital, all of them have over 400 beds. UConn does not. If you look at the top 20 medical schools who own their own hospital, 18 of them have over 400 beds. UConn does not.

So if you look at the very studies which we've commissioned, the evidence is clear is that you cannot be a top-tier medical school and own your own hospital with as few beds as we have. That was my objection then, and it's still my objection now.

Now I -- I listened to part of the informational hearing which was a week or so ago and I listened specifically to some of the answers that Secretary Barnes provided, and critical among the questions were, is the UConn Health Center, is John Dempsey Hospital going to be profitable in the future? And he said yes, and I apologize, I've forgotten when. I don't know if he picked a date certain, it was five or six to 10 years, but it was going to be profitable.

I've tried to look at this plan and ask myself

how does -- how does John Dempsey Hospital turn the corner to profitability? Is it because of the incubator space? I believe that's all leased through the medical school.. Is it because of extra research and research grants? I think that all comes through UConn. And now I -- looking at this as a curse review, I think one of the keys to the profitability is the new ambulatory center. It has to be. It has to be.

So if the new ambulatory center is a key to John Dempsey turning its profitability, we have to ask why, and I think the answer is because as a brand new ambulatory center it's going to be attractive to patients, especially private-pay patients. Well, where are these patients going to come from? Are they miraculously going to show up? Does the Town of Farmington have enough alone? No. They're going to be people who otherwise would have gone to Hartford Hospital or Saint Francis Hospital or New Britain Hospital or Bristol Hospital or Waterbury Hospital. So we are using taxpayer dollars to compete against those hospitals that are struggling. Those hospitals, by the way, which will be subject to a new hospital tax which UConn is not subject to, so the UConn model

I don't think is the right model for the medical school.

With respect to some of the investments on research and bioscience, that's absolutely an excellent investment. I do have some issues with it. I don't understand why all the incubator space has to be on the Farmington campus. I'm sure a researcher and doctor who's doing his clinical work at John Dempsey, who does his research there, wouldn't be the world's worst hardship to get on a shuttle bus or in his car or maybe even that busway once it's built, and go 10 minutes down the road to downtown Hartford so we can make some investments in our State's Capitol city.

In talking with Dr. Laurencin, he said we have some partnerships with Hartford Hospital and they work very well. Clinical work done at Hartford Hospital, research done at John Dempsey, well that proves my point that you don't have to be in this one campus or village for it to work. The Harvard Medical School proves that you can have as good a medical school as there is in the world and not own your own hospital and not have everything done within 100 yards of each other. So I think the model -- I think the model is not the right model for the hospital and the medical

school.

I also would add, and I -- and I've heard the comments that have made by many, especially Senator Daily as Chair of the Finance Committee, that we're not adding on to our bonding. But I would also add my other frustration and I -- as others have said in this Circle, I graduated from the University of Connecticut Law School, it was a great experience for me, I consider myself a proud alumni of the University of Connecticut. Having said that, they do not have a blank check, and since 1996 the taxpayers of the State of Connecticut have given the University of Connecticut $2.7 billion.

There are still hundreds of millions of dollars left in 21st Century UConn, and I have great frustration that there's not one project, not one project during our state's worst economic recession that they're willing to say, you know what, Senator, we're willing to not do that project, or we're willing to delay that project into the future so we can take some of that money and put it towards this project.

Senator Bye said herself, and she's right because I heard it from the folks at UConn, this is 50 percent of the university, but when we were doing UConn 2000

and UConn 21st Century and giving them billions of dollars, they never asked for 50 percent for John Dempsey and the medical school. So while 50 percent of what the university is was crumbling, they were asking for billions elsewhere and they're unwilling to take any of that money away from 21st Century UConn and supplement it into this.

And I think they're unwilling to do it because too often they come up here, they ask for something, and they get it. State University System doesn't get that, our community colleges don't get that, nobody else seems to get that. So -- and that's not the current Administration because these are decisions made a long time ago, but as recently as last year they were unwilling to even commit one dollar of the hundreds of millions of dollars left on 21st Century UConn, not delay one project so 20 or 50 or $100 million could be shifted to this. This has to be all new money and even if it doesn't take -- take -- add on to our total bonding, which is good, that means it does take away from other things because they're unwilling to transfer that other money.

So when there are other economic development projects -- we heard reports today that UVS may move

as many as 3,000 jobs from Stamford. We've talked about this before. I stand ready, willing, and able to work with Governor Malloy and anyone else in this Legislature to put together a package not only to keep those jobs here but to tell UVS don't leave Connecticut, bring more people here. But if -- but if we have more of those projects, if the Governor's first five turns into a first 15 or a first 20, and I hope it does, we can't keep bonding and borrowing forever.

So while this project doesn't go over the bonding we were going to do because we're not going to do other things, at some point in the future UConn's unwillingness to even consider moving some of their projects may cost us dearly in other areas and that's something that we should -- we should revisit, I think, in another day.

So again, I'm torn on this because the new pieces of this bill I think are -- are pretty good, with the exception of the ambulatory center, and I would like to see more of the incubator space and some other research space done in downtown Hartford. You know, my constituents send a lot to Hartford, their government, State government, and get very little in

return. And -- and those are formulas that quite frankly are very fair. That's as it should be, but the best tax relief for them would be to build up the property tax bases within Hartford and New Haven and Bridgeport and Waterbury that don't have the grand list, that some of our even much smaller suburbs have. And here is one of the largest single investments we're going to be making, almost a billion dollars, $864 million, and very little of it is in our state's largest city.

And I don't say that to criticize the plan offered by Governor Malloy because it's the exact same criticism I leveled against the plan offered by Governor Rell. Her plan was as wanting in getting that research and development in downtown Hartford as this plan is, and to me that's an opportunity lost and -- and while there's some very good things here, on balance, I'm going to vote no. Thank you.

THE CHAIR:

Thank you, Senator McKinney.

Senator Williams.

SENATOR WILLIAMS:

Thank you, Madam President. Good evening.

THE CHAIR:

Good evening, sir.

SENATOR WILLIAMS:

I rise to support the bill before us here, also to thank Senator Beth Bye for her advocacy of this and her fine work on the floor here this evening. Also to Governor Malloy and all those who have been responsible for putting together this comprehensive, important plan, and as well, all of those who have worked on previous plans because, Madam President, this is not by any means a rush to judgment. This has been an issue that has been with us for many years.

We've had three full plans previously be proposed. Many of us have agreed with some parts of those plans, in some cases 100 percent of those plans, but there has always been something wanting, there's always been a particular issue where folks just felt it -- it didn't all come together in the way that we wanted so that the State could -- move forward in terms of its medical school, its health center and our commitment more broadly to health care in the state.

I think there are a couple of things that we can all agree on. The John Dempsey Hospital needs to be renovated. I don't think there's anybody in the Circle, or anybody at the Capitol here, who would

disagree with that. I think that we all agree that we want a fine medical school for our students, that we want a top-tier medical school for our students. There's agreement on that and I'm sure that we all agree that we want to use our significant State assets to help generate jobs in ways that we haven't done before. And, Madam President, the proposal here before us -- this Legislation does all three of those things.

Now it's not a rush to judgment because we have held up to the light proposals on addressing all of those issues in the past. This proposal contains many of the best aspects of those previous proposals, but it goes further. The main differences -- the main important differences are that this proposal has a new ambulatory care facility for outpatient service. It would increase enrollment in the medical and dental school by 30 percent and help us address significant deficiencies in the medical community. It would increase our bioscience research capacity very important to attracting grants and private-sector investment and ultimately job creation, and it would expand business incubator space to provide for the public-private partnerships that are critical to

creating new companies, making new advances, and creating more jobs here in the state of Connecticut.

Now my colleague, Senator McKinney, just mentioned in terms of a top-tier medical school that it's hard to rise to that level if the school owns its own hospital and relies solely on that hospital. This proposal, as some of the previous proposals, goes beyond that model, reaches out to surrounding hospitals including Hartford Hospital where it's proposed that there would be a cutting-edge training program for physicians through simulation which could be a leading-edge advantage for us to develop that technology and have it here in Connecticut, and to work with Saint Francis Hospital to help in the training of primary care doctors so we can build not only on the resources of a refurbished and rejuvenated John Dempsey Hospital, but also on the very important and critical resources the other hospitals in the larger Hartford area and beyond.

It's been said by others that this will create 300 construction jobs in the short term and more than 16,000 permanent jobs in the long term, as well as $4.6 billion in additional income in the State of

Connecticut. And I see this as a critical component to our economic future helping to place Connecticut right in the center of a dynamic economic corridor in bioscience, but also in technology generally, and that corridor includes Boston and Cambridge, Storrs at the University of Connecticut, the new facility in terms of this Legislation before us and what we'll do with our medical school and our health center, Yale and all that they have done in terms of research and development and public and private partnerships, and all the resources of New York City to the south.

We are right in the middle of one of the greatest concentration of research and development and high-tech resources in the world and we cannot afford to be left behind. We cannot afford to have our part of that corridor go dark. These are the types of investments that have to be made in tough times to create the pathways to prosperity and jobs in the future. That's exactly what this does, Madam President, and that's why I support this Legislation. Thank you.

THE CHAIR:

Thank you, Senator.

Will you remark further? Will you remark

further? If not, Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? All members voted? The machine will be locked. Mr. Clerk, will you call the tally, please.

THE CLERK:

Madam President, total number voting for Senate Bill Number 1152,

Total Number Voting	35
Those Voting Yea	24
Those Voting Nay	11
Those Absent, Not Voting	1

THE CHAIR:

The bill has been passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, I