

University of Connecticut

Appropriations Committee Hearing

February 21, 2007



Storrs & Regionals Priorities

Faculty Hiring Plan

Eminent Faculty & Center for Entrepreneurship

Health Center Priorities

Academic Gap

Fringe Benefits

Indicators of Success



- UConn rated the top public university in New England for the past 8 years (U.S. News & World Report)
- UConn ranked in the top 30 best value public colleges for in-state costs (Kiplinger's Personal Finance)
- 94% of recent graduates are either employed or are in graduate/professional schools
- Undergraduate alumni rank 7th in the nation among public universities for alumni giving with an annual giving rate of 24% (U.S. News & World Report)

Indicators of Success



- UCONN 2000 construction program has created more than 9.2 million square feet of new and renovated space

- UConn Health Center's John Dempsey Hospital named a Solucient 100 Top Hospitals Performance Improvement Leader for the 2nd consecutive year



- Athletic teams have won 8 NCAA Division I national championships, 32 Big East tournaments and 40 Big East regular season titles since 1995

- UConn Health Center's School of Dental Medicine is consistently #1 or #2 in the country in the National Dental Board



UConn's Contribution to Connecticut



- Faculty Research, Training & Service:
 - Contributes to Connecticut's economic growth
 - Enhances health, technological advancement and quality of life across the state, the nation and beyond
 - External funding increased 71% from FY97 to FY07



- Innovative Technologies:
 - Faculty awarded more than 175 patents in the past ten years and incubated 16 new businesses



- Stem Cells:
 - UConn faculty won 15 of 21 grants awarded by Connecticut's Stem Cell Research Advisory Committee in 2006 (\$12M)



- Fuel Cells:
 - Connecticut Global Fuel Cell Center-supported by federal government and major Connecticut and other firms
 - Involves 40 faculty in vital cutting-edge research



UConn adds \$3.1 billion annually to Connecticut's gross state product

Student Quality & Diversity

Health Center



- Over the last 5 years (fall 2002-2006):
 - School of Medicine applications increased by 52% (1,776 to 2,699)
 - School of Dental Medicine applications increased by 57% (870 to 1,362)
 - School of Medicine passing rates on National Exams have averaged 98% or above
 - School of Dental Medicine passing rates on National Exams have been at 100%



- Total Minority Enrollment has increased from 19.8% in Fall 1997 to 26.9% in Fall 2006
- Approximately 35% of School of Medicine graduates practice in the state while 46% of School of Dental Medicine graduates practice in the state

Student Quality & Diversity

Storrs & Regionals



Compared to Fall 1995 at Storrs campus:

- Applications increased by 100% (9,874 to 19,778)
- Freshman enrollment increased by 60% (2,021 to 3,241)
- Freshman minority enrollment increased by 95% (308 to 600)
- SAT scores increased by 82 points from fall 96-06 (1113 to 1195)
- Valedictorians and salutatorians increased by 58 students (40 to 98) bringing the total since 1995 to 785 at all campuses

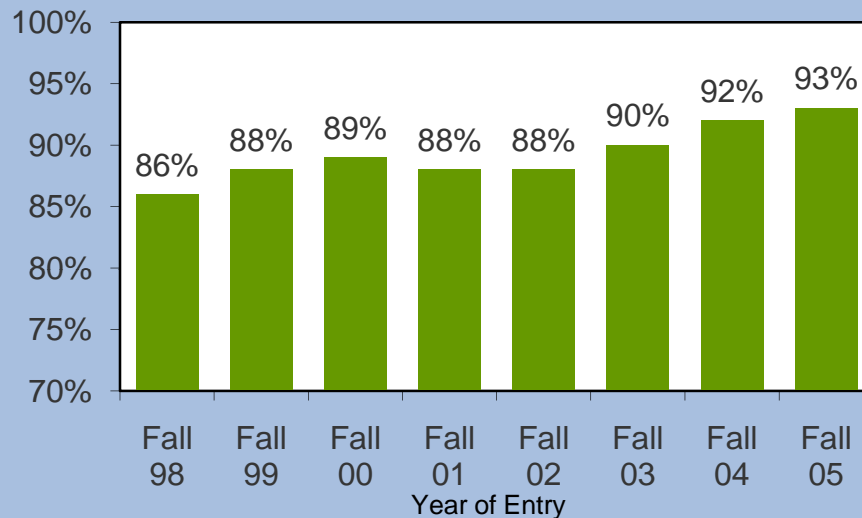


Retention Trends

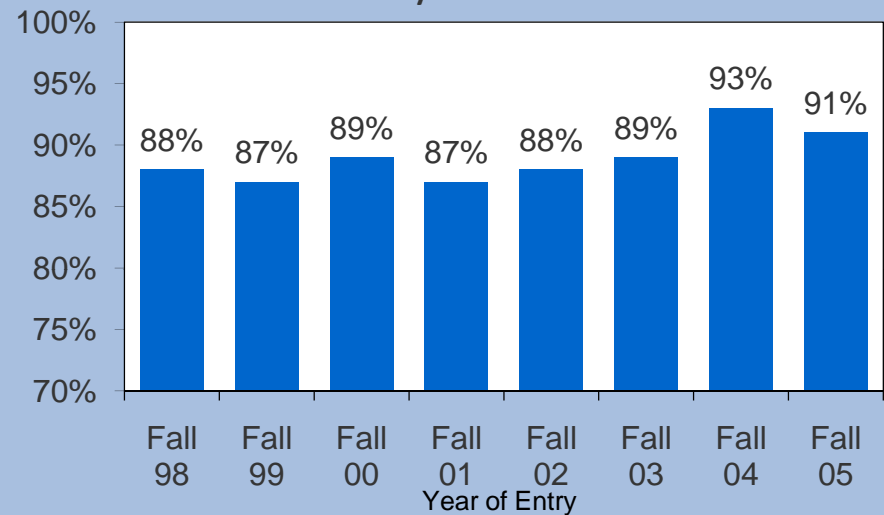
Storrs Campus



All Freshmen



Minority Freshmen



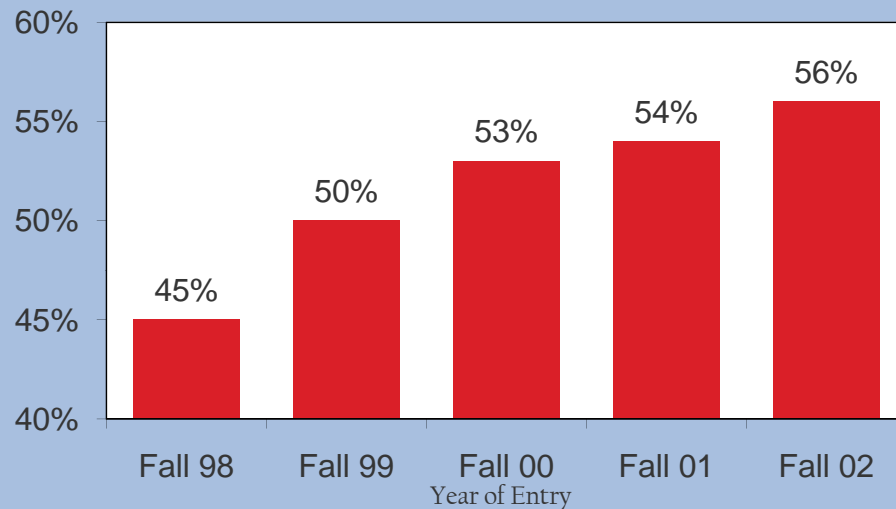
- Freshman retention rate (Fall 04 entry) is substantially higher than the 80% average for 440 colleges & universities in the national Consortium for Student Retention Data Exchange (CSRDE)
- The minority freshman retention rate (Fall 04 entry) is also substantially higher than the national 79% average (CSRDE)

Graduation Trends

Storrs Campus



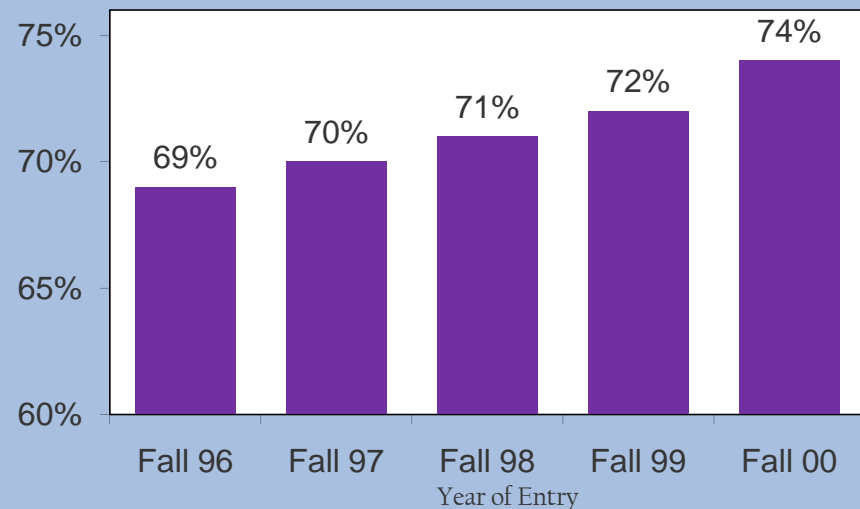
4-Year Graduation Rate



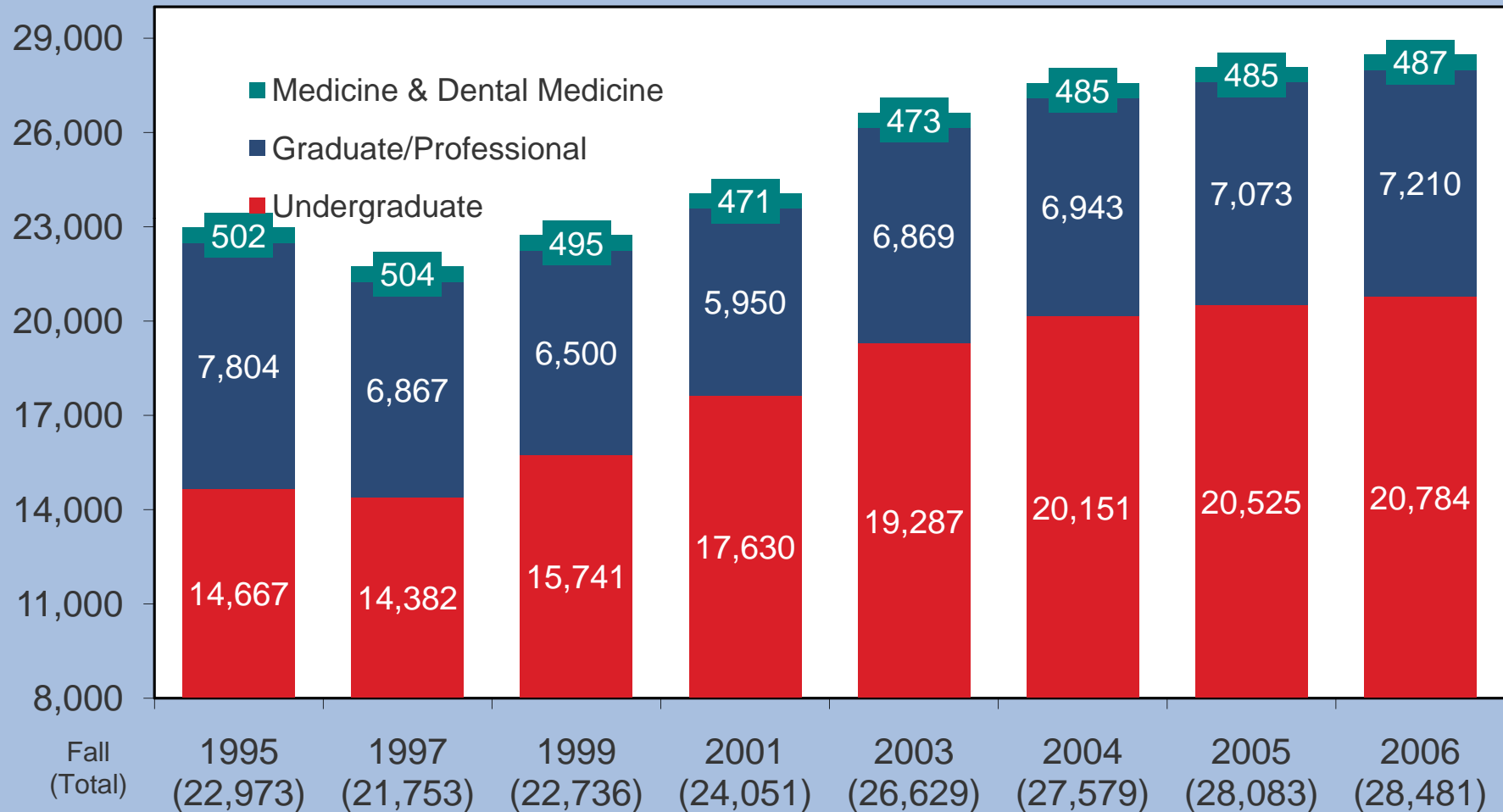
- UConn average time to graduate is 4.3 years (Fall 00 year of entry graduates)
- The UConn average of 4.4 years compares to a peer average of 4.6 years (Fall 99 year of entry graduates)

- UConn ranks 7th among the top 50 national public universities on U.S. News & World Report 6-year graduation rate performance

6-Year Graduation Rate



Student Enrollment

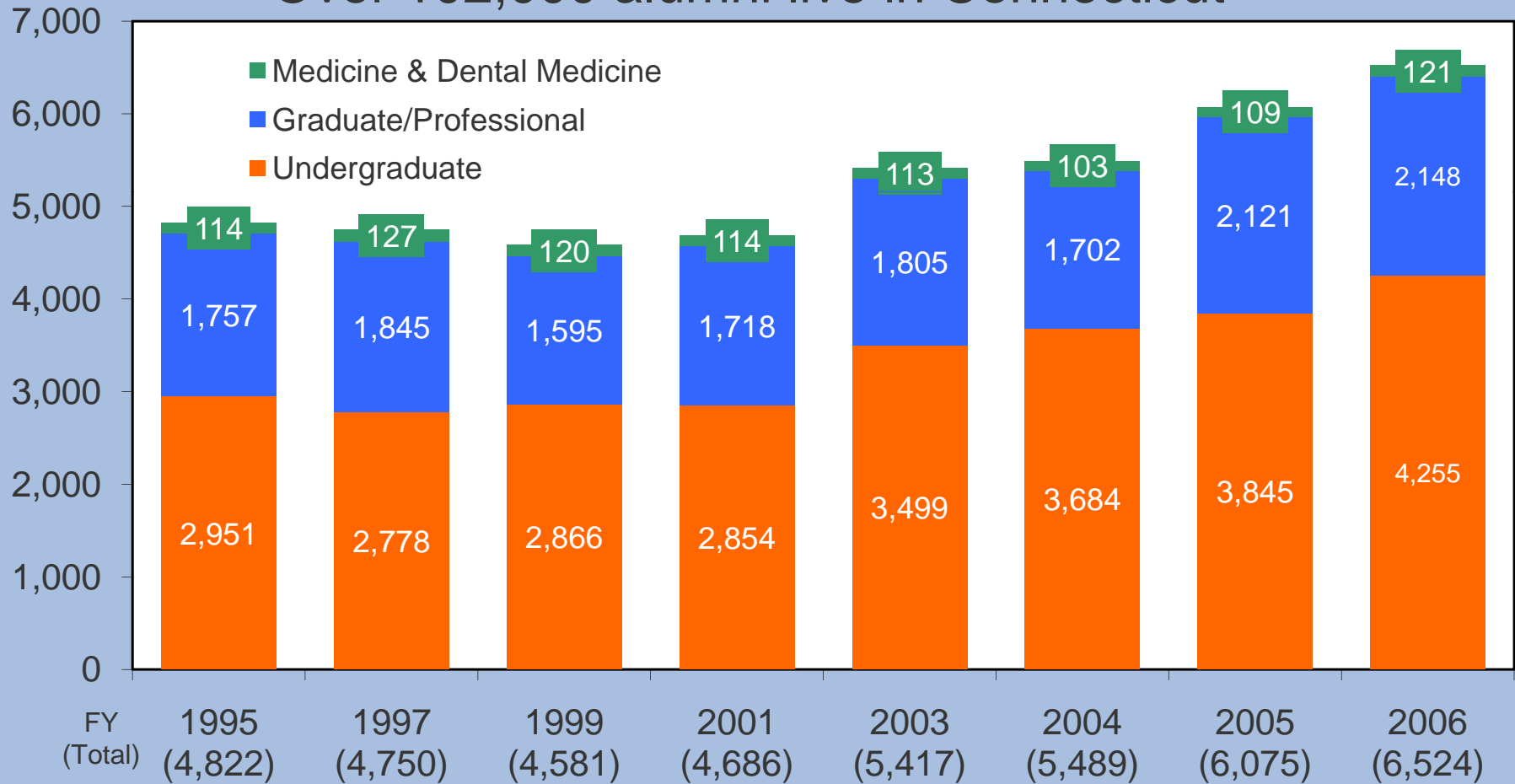


Undergraduate enrollment has grown 42% since 1995

Degrees Awarded



Over 102,000 alumni live in Connecticut



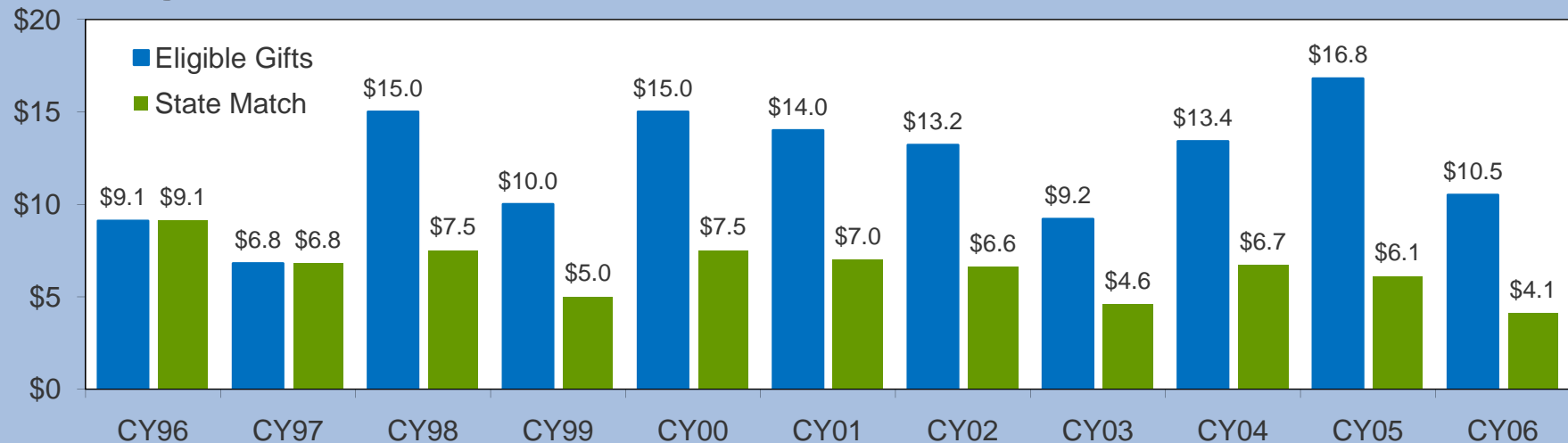
Undergraduate degrees awarded have increased 49% since 2001

Matching Grant Program



- Program Summary:

- 1996 – 1:1 state to private match
- 1998 – 1:2 state to private match
- 2005 – 1:4 state to private match, no state funds released until Rainy Day Fund is 10% of General Fund



- \$55.6M received from the state through Program from 1996 to 2004
- \$15.4M due to University for 2003-2006

Matching Grant Program



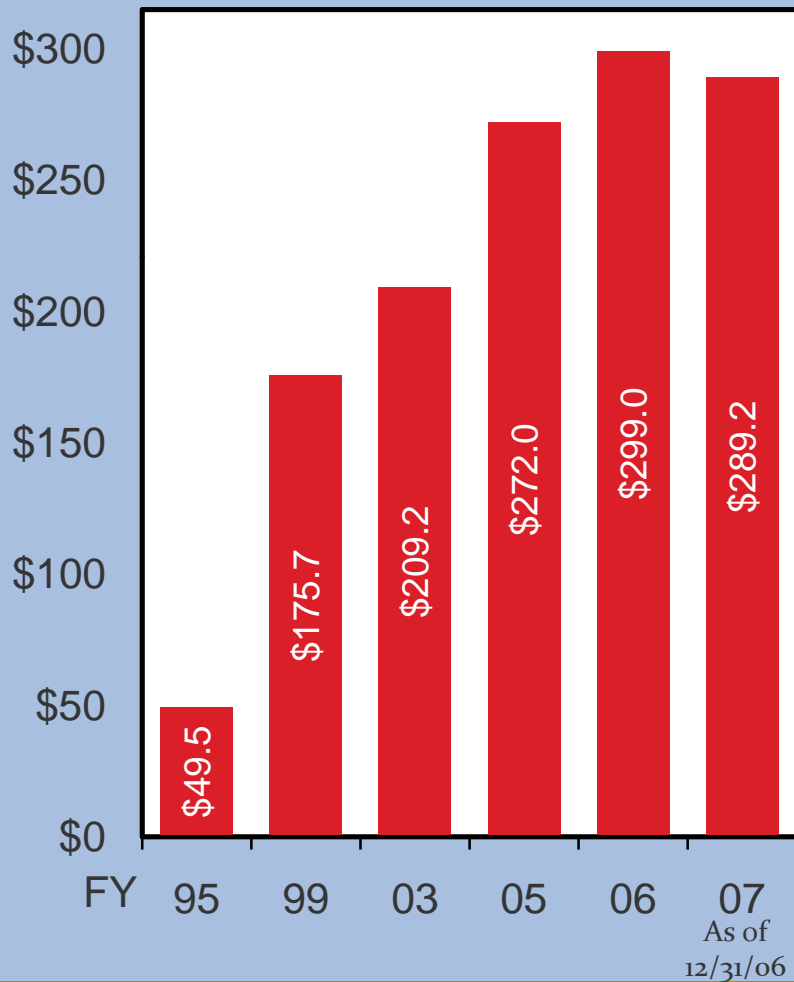
- 2005 Rainy Day Fund trigger has left the Program in limbo
- Lack of state commitment undermines donor commitment
- Ray Neag's significant gift of \$21M, the largest in UConn history, was made possible through the Program
 - “When I was approached in the late 1990’s for a major gift, the match at that time was one state dollar for every private dollar contributed, and you can believe I was extremely pleased that my gift would have far greater reach because of this. The match is somewhat less generous now, but no less an inducement for donors who under most circumstances have many options for their philanthropy, yet who appreciate that their generosity will be augmented to support University initiatives they deeply care about. “

– Ray Neag ‘56

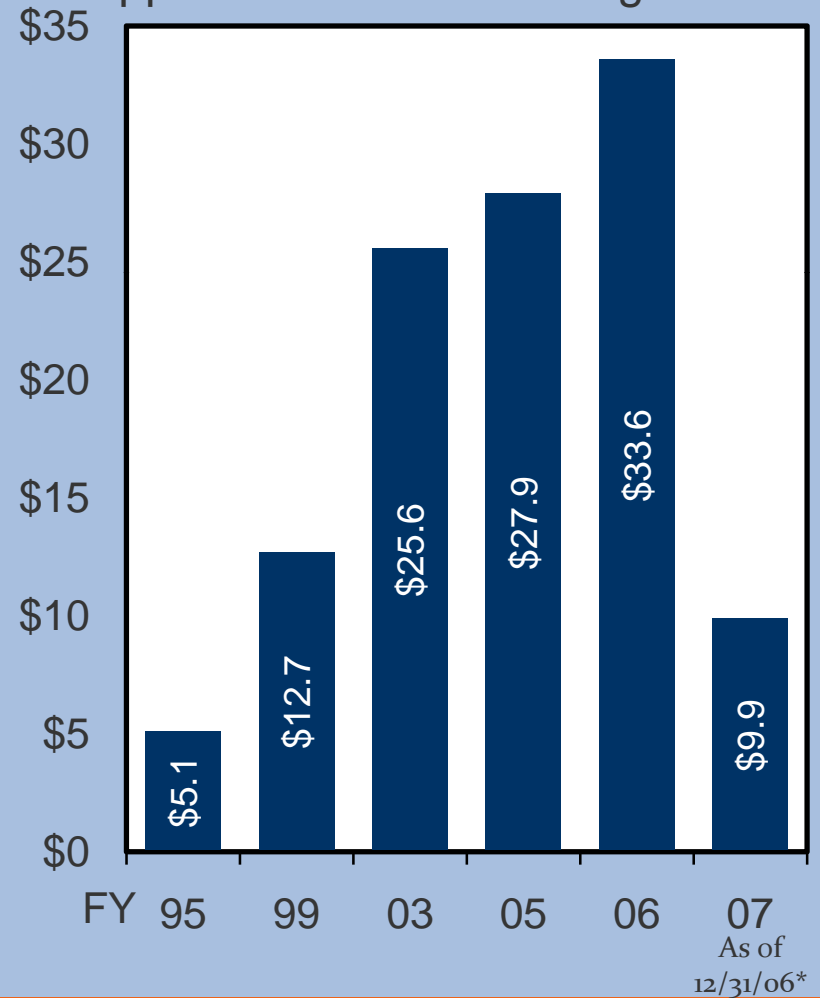
UConn Foundation (\$M)



Endowment Assets

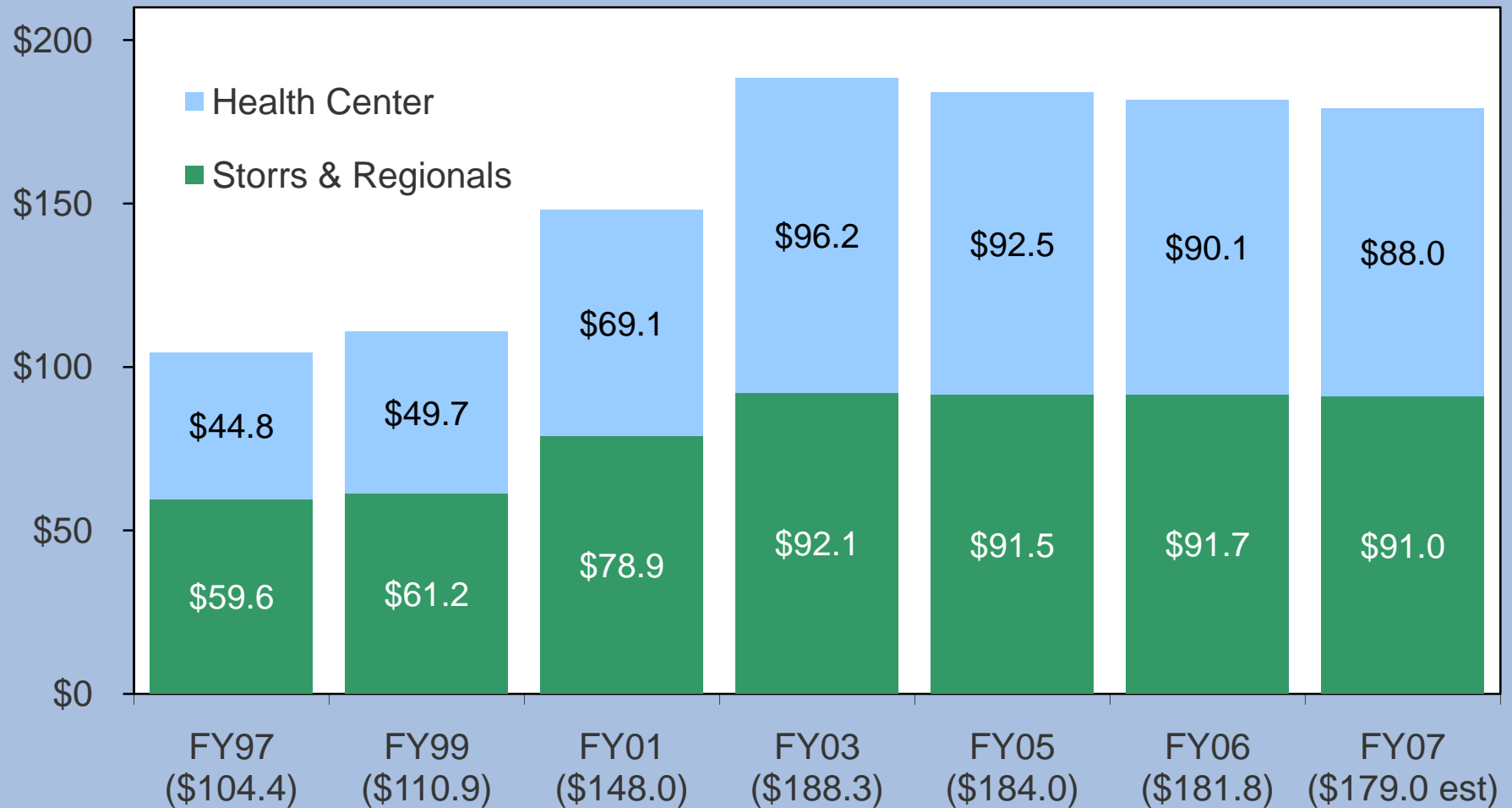


Support of Students & Programs



*Distributions to date are consistent with historical trends

Research, Training & Service External Awards (\$M)



Federal funding is projected to be flat

Budget Priorities



- State Support Requests

- Storrs & Regionals: increase faculty to match enrollment demands
- Health Center: reduce reliance on clinical revenues to support academic & research programs; address low patient care reimbursement rates

- Programmatic imperatives

- Record enrollment, retention and graduation rates
- Increased expectations of students
- Enriched educational experiences
- Response to changing workforce demands
- Signature Program investment



- FY07 increased funding for operational needs university-wide

- Fire safety/building inspection/construction management & oversight: \$1.9M
- Audit & compliance: \$2.1M
- Energy costs (14.5% budgeted increase)

Budget (\$M)



FYo6 Actual FYo7 Budget FYo7 Forecast

Storrs & Regionals

Revenues	\$806.1	\$855.0	\$857.5
Expenditures	<u>807.1</u>	<u>856.0</u>	<u>857.5</u>
Net Loss	(\$1.0)	(\$1.0)	\$0.0

Health Center

Revenues	\$627.5	\$660.3	\$643.5
Expenditures	<u>634.4</u>	<u>660.3</u>	<u>664.3</u>
Net Gain/Loss	(\$6.9)	\$0.0	(\$20.8)

State Appropriation (\$M)



	FY07 <u>Approp</u>	FY08 <u>Request</u>	FY08 Gov <u>Recommend</u>	FY09 <u>Request</u>	FY09 Gov <u>Recommend</u>
<u>Storrs & Regionals</u>					
Current Services*	\$221.5	\$226.1	\$221.9**	\$228.2	\$224.4**
Faculty Hiring Plan & Eminent Faculty Program		\$6.6	\$0	\$11.1	\$0
<u>Health Center</u>					
Shortfall (Academic Gap)		\$13.5	\$0	\$20.0	\$0
Current Services	\$77.4	\$80.0	\$80.6	\$83.2	\$81.9
Remaining Academic Gap			(\$12.9)		(\$21.3)

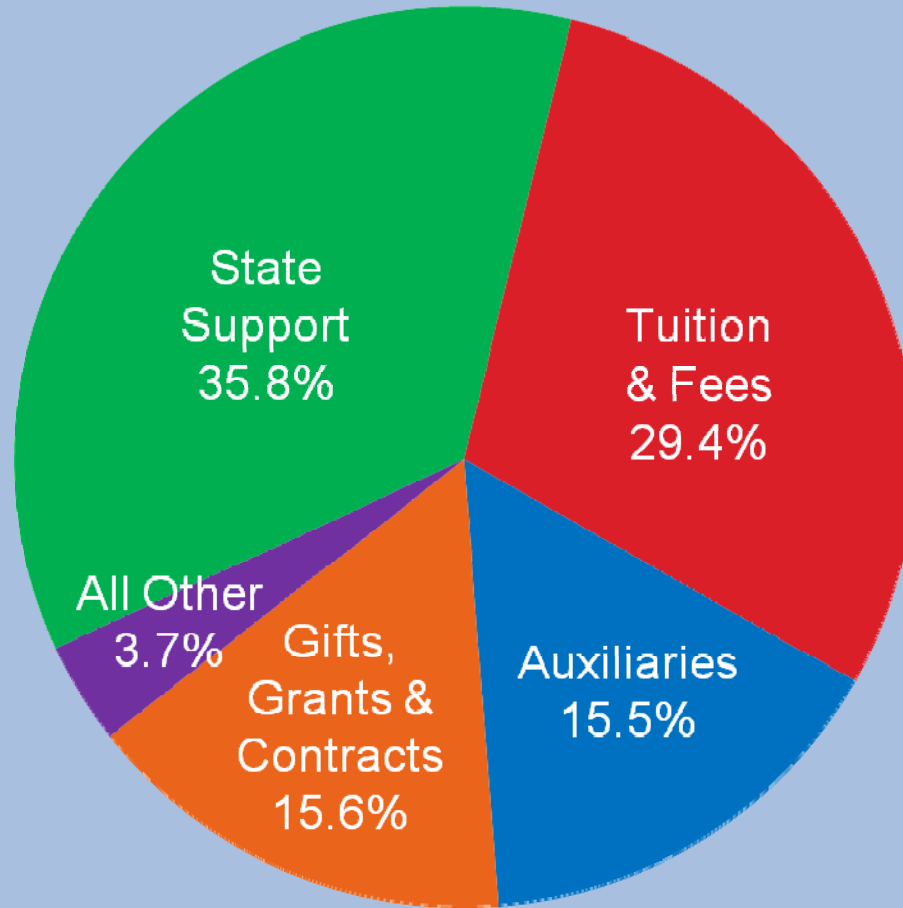
*Current Services excludes the state's share of unsettled contracts.

**Eliminates funding for Eminent Faculty Program and Center for Entrepreneurship.

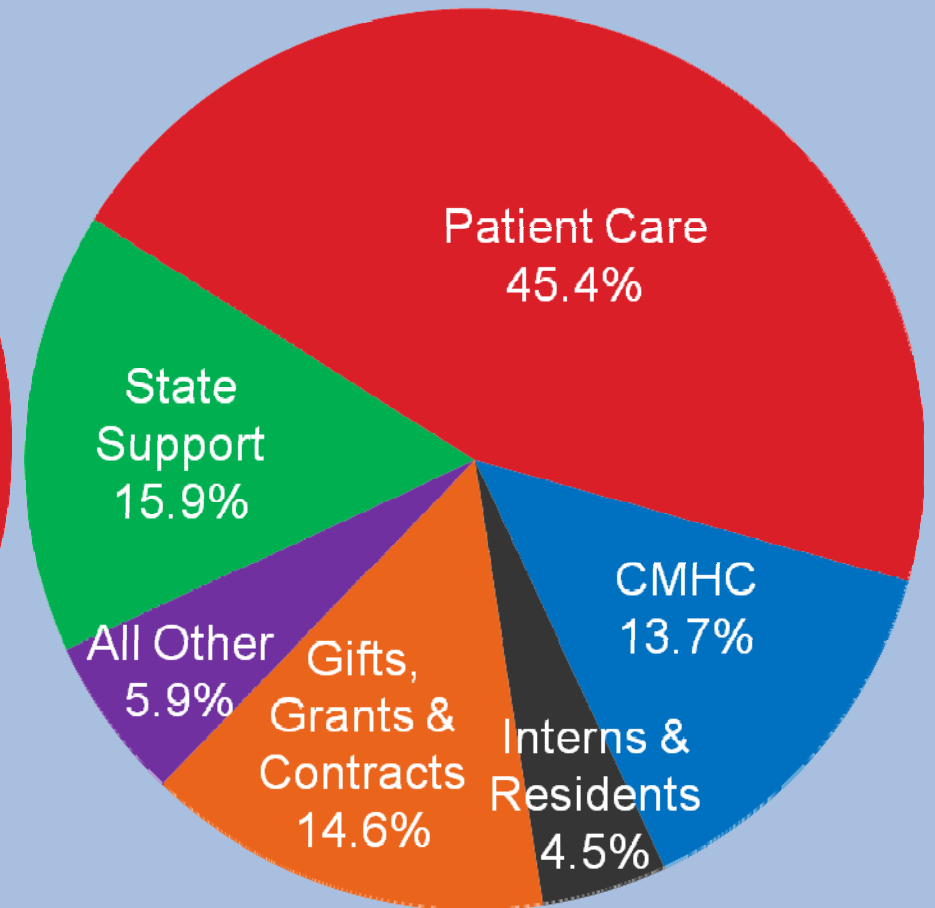
FY07 Key Revenue Drivers



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Health Center



Faculty Hiring Plan

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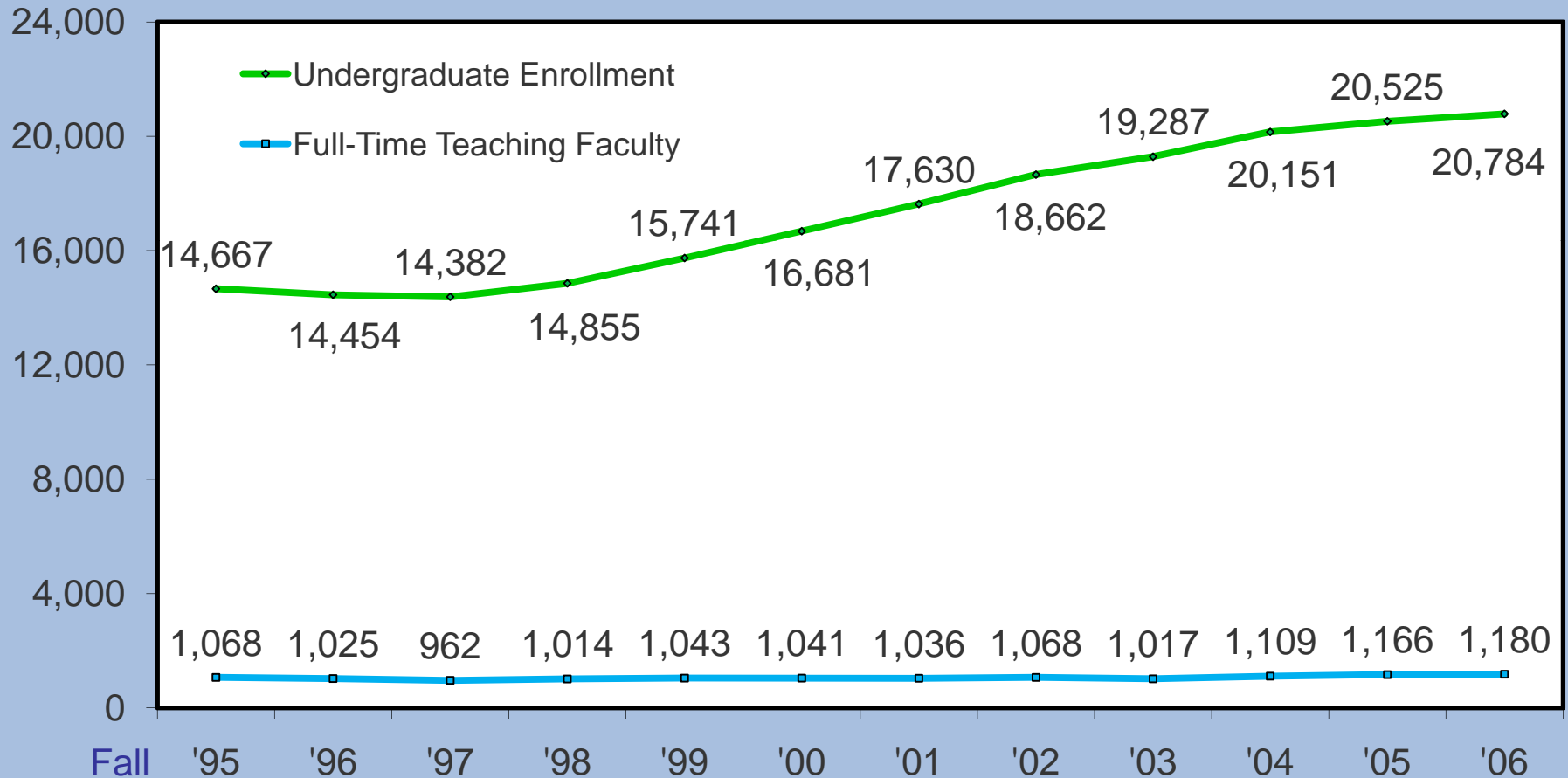
- Inadequate number of faculty
 - Deters academic planning through lack of choice
 - Delays starting a major
 - Prevents rational writing programs
 - Undermines quality advising
 - Prohibits sufficient undergraduate research opportunities



- Faculty Hiring Plan
 - 175 new instructional faculty
 - Reduce student : faculty ratio
 - Address workforce development issues
 - Support research priorities in Academic Plan

Growth: Faculty vs Enrollment

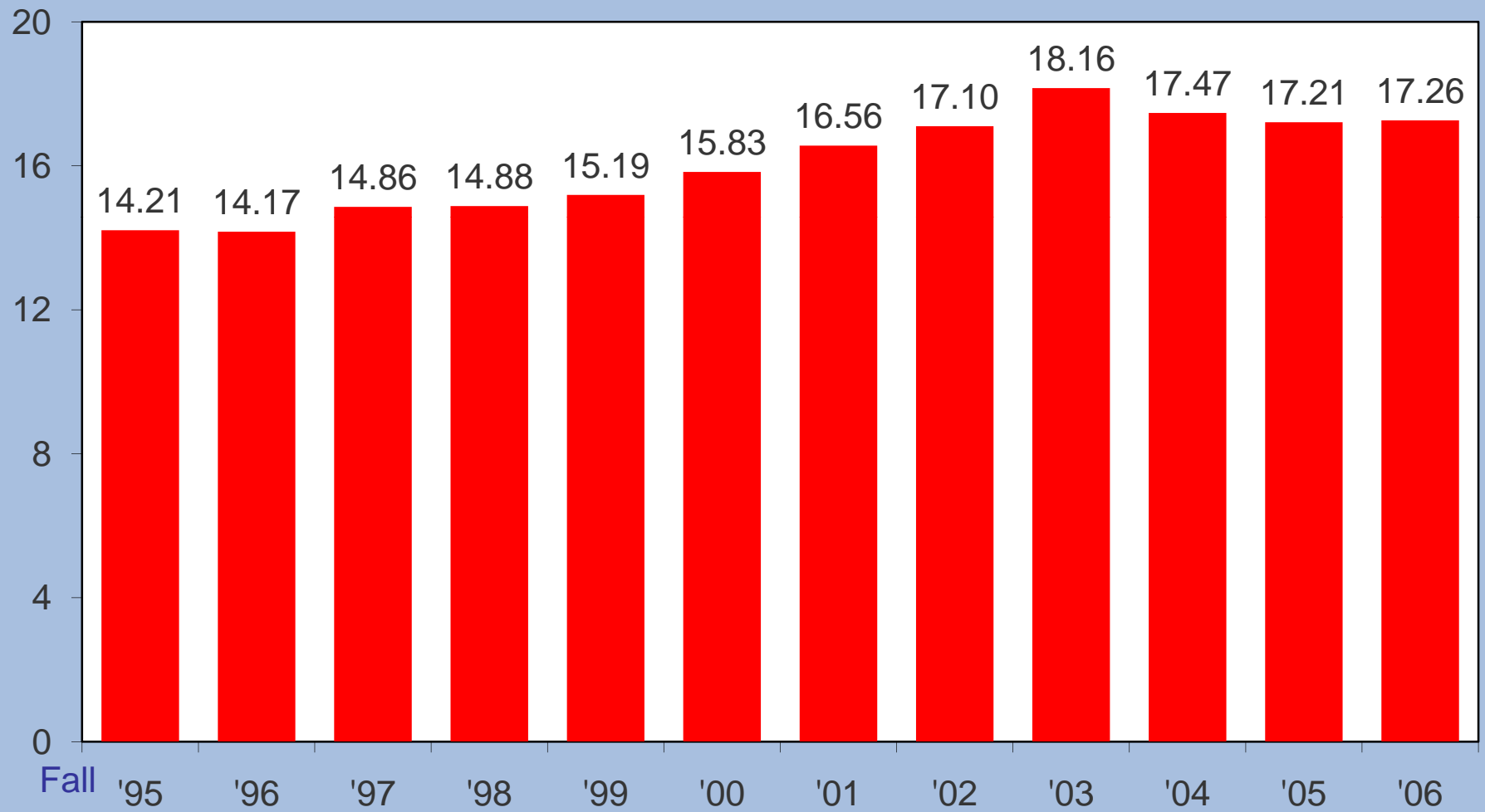
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Undergraduate enrollment has increased 42% while Full-Time Teaching Faculty have increased only 10% from Fall '95 to Fall '06

Student : Faculty Ratio

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Undergraduate Education

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- Criteria used to allocate resources

- Programmatic need
- Programmatic excellence
- Enrollment demand
- Interdisciplinary impact



- Internal reallocations have supported the hiring of 51 new full-time faculty in fall 2005 and 13 in fall 2006
- High Student : Faculty Ratio remains a challenge
- Significant enrollment increases in nursing, pharmacy, biological sciences and engineering
 - Disciplines that address critical workforce shortage areas are more expensive to support (labs & equipment; market-competitive salaries for clinical faculty)
 - All of these students take general education courses in Liberal Arts & Sciences
- \$6.85 million flexible budget for changing course coverage needs / extra sections in FY07

Academic Plan

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Development of Priorities and Setting Academic Direction

- Building upon institutional strengths to meet state needs within the framework of our mission as a publicly funded research extensive land grant university
- UConn is indeed Connecticut's knowledge resource
 - Our World: The Environment
 - Our People: Health & Human Behavior
 - Our Future: Education & Workforce Development
 - Our Resources: Metrics



- Research - hire faculty who will:
 - ✦ Be involved with applied R&D
 - ✦ Support state's economic development
 - ✦ Promote core competency areas

New Initiatives



- Eminent Faculty

- \$2M funding from state in FY07 (additional \$2M requested for FY08)
- Requires a match from industry or other sources
- Major areas of focus:
 - ✦ Fuel Cells (year 1)
 - ✦ Nanotechnology
 - ✦ Cancer Chemoprevention and Control
 - ✦ Bioactive Foods



- Center for Entrepreneurship

- \$2M funding from state in FY07
- School of Business and School of Law
- The program:
 - ✦ Supports inventors in commercialization and generation of business opportunities
 - ✦ Assists technology based programs in finding real-time solutions to business problems
 - ✦ Already opened an intellectual property law clinic (faculty hired)

Governor's recommended budget eliminates funding for the Eminent Faculty Program and the Center for Entrepreneurship

Tuition, Fees, Room & Board

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<u>In-State</u>	<u>FYo8 Amount</u>	<u>Increase Over FYo7</u>		<u>FYo9 Amount</u>	<u>Increase Over FYo8</u>	
Undergraduate						
Tuition	\$6,816	5.58%	\$360	\$7,200	5.63%	\$384
Room	\$4,698	8.00%	\$348	\$5,090	8.34%	\$392
Board*	\$3,960	6.00%	\$224	\$4,210	6.31%	\$250
Undergraduate Total	\$17,500	6.40%	\$1,052	\$18,618	6.39%	\$1,118
Graduate Total	\$19,356	6.39%	\$1,162	\$20,592	6.39%	\$1,236
<u>Out-of-State</u>						
Undergraduate Total	\$31,444	6.06%	\$1,796	\$33,330	6.00%	\$1,886
Graduate Total	\$32,838	6.02%	\$1,864	\$34,812	6.01%	\$1,974

* Board rates reflect the Value meal plan which is the most popular plan available.

UConn's Affordability

FY 2007 Tuition, Fees, Room & Board*

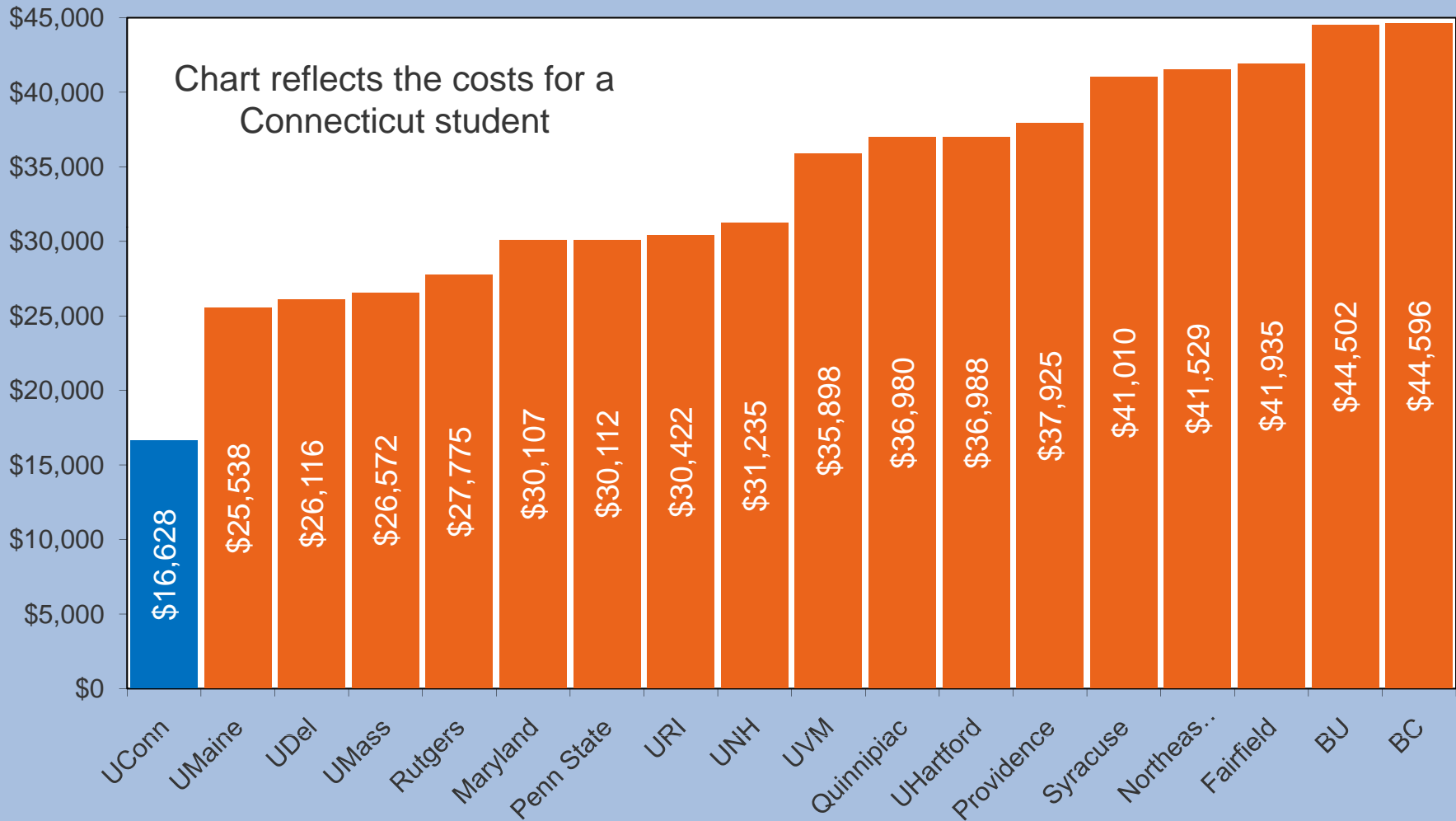


<u>Private Schools</u>	<u>In & Out Of State</u>	<u>Public Schools</u>	<u>In State</u>	<u>Out of State</u>
Boston College	\$44,596	Univ Vermont	\$20,914	\$35,898
Boston Univ	\$44,502	Penn State	\$19,564	\$30,112
Fairfield	\$41,935	Rutgers	\$19,270	\$27,775
Northeastern	\$41,529	Univ New Hampshire	\$18,785	\$31,235
Syracuse	\$41,010	Univ Massachusetts	\$16,850	\$26,572
Providence	\$37,925	Univ Rhode Island	\$16,722	\$30,422
Univ Hartford	\$36,988	Univ Maryland	\$16,668	\$30,107
Quinnipiac	\$36,980	Univ Connecticut	\$16,628	\$29,828
		Univ Delaware	\$15,406	\$26,116
		Univ Maine	\$14,588	\$25,538

*Board rates reflect the most expensive meal plan available.

UConn's Affordability

FY 2007 Tuition, Fees, Room & Board*



*Board rates reflect the most expensive meal plan available.

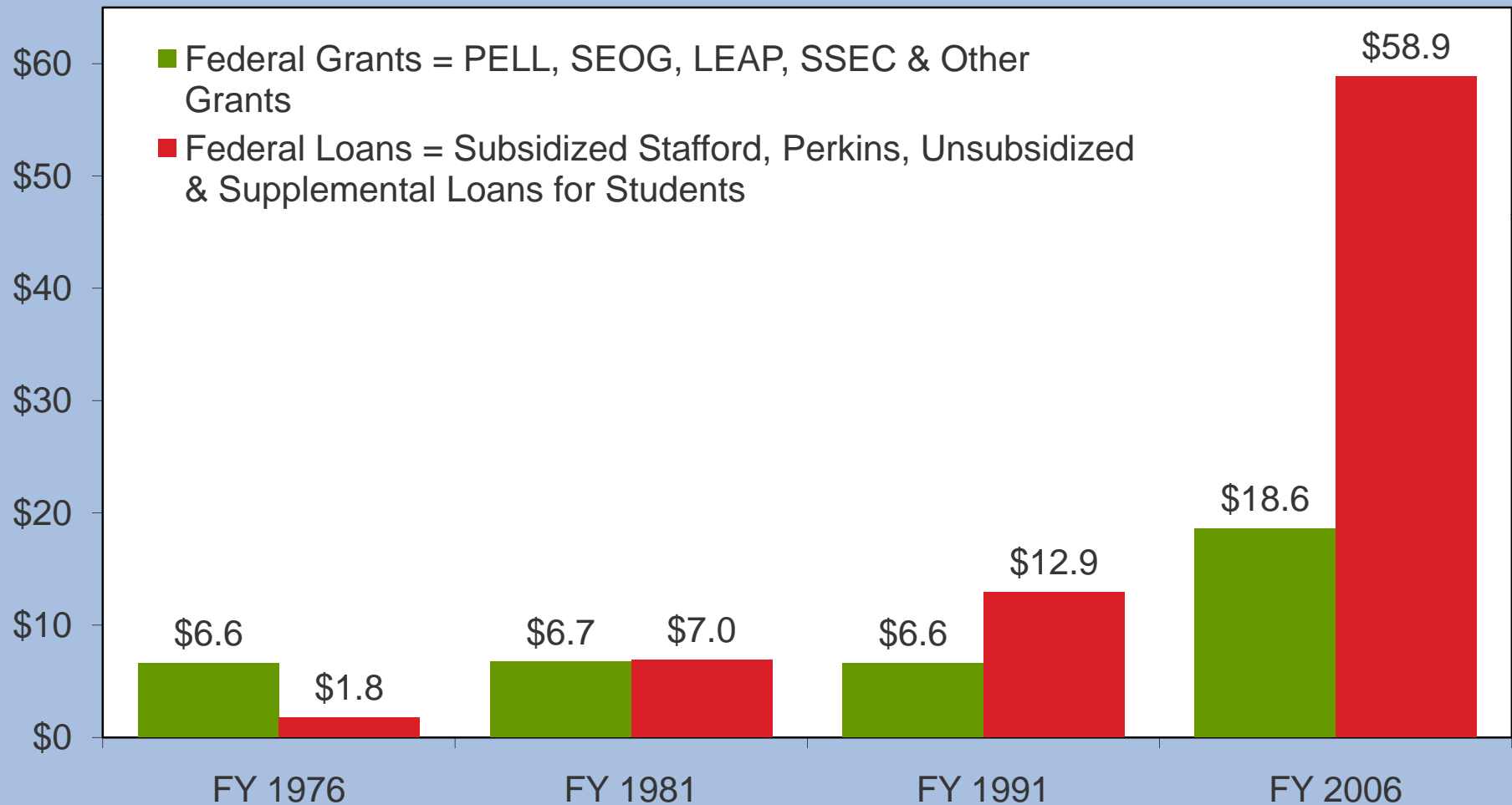
National Trends in College Pricing at 4-Year Public Institutions



- Tuition & Fees:
 - National rates 6.3% higher in FY 2007 than FY 2006
 - ✦ (UConn 5.69%)
 - National increase of 108% from FY 1996 - FY 2007
 - ✦ (UConn 74%)
- Tuition, Fees, Room & Board:
 - National increase of 90% from FY 1996 - FY 2007
 - ✦ (UConn 67%)

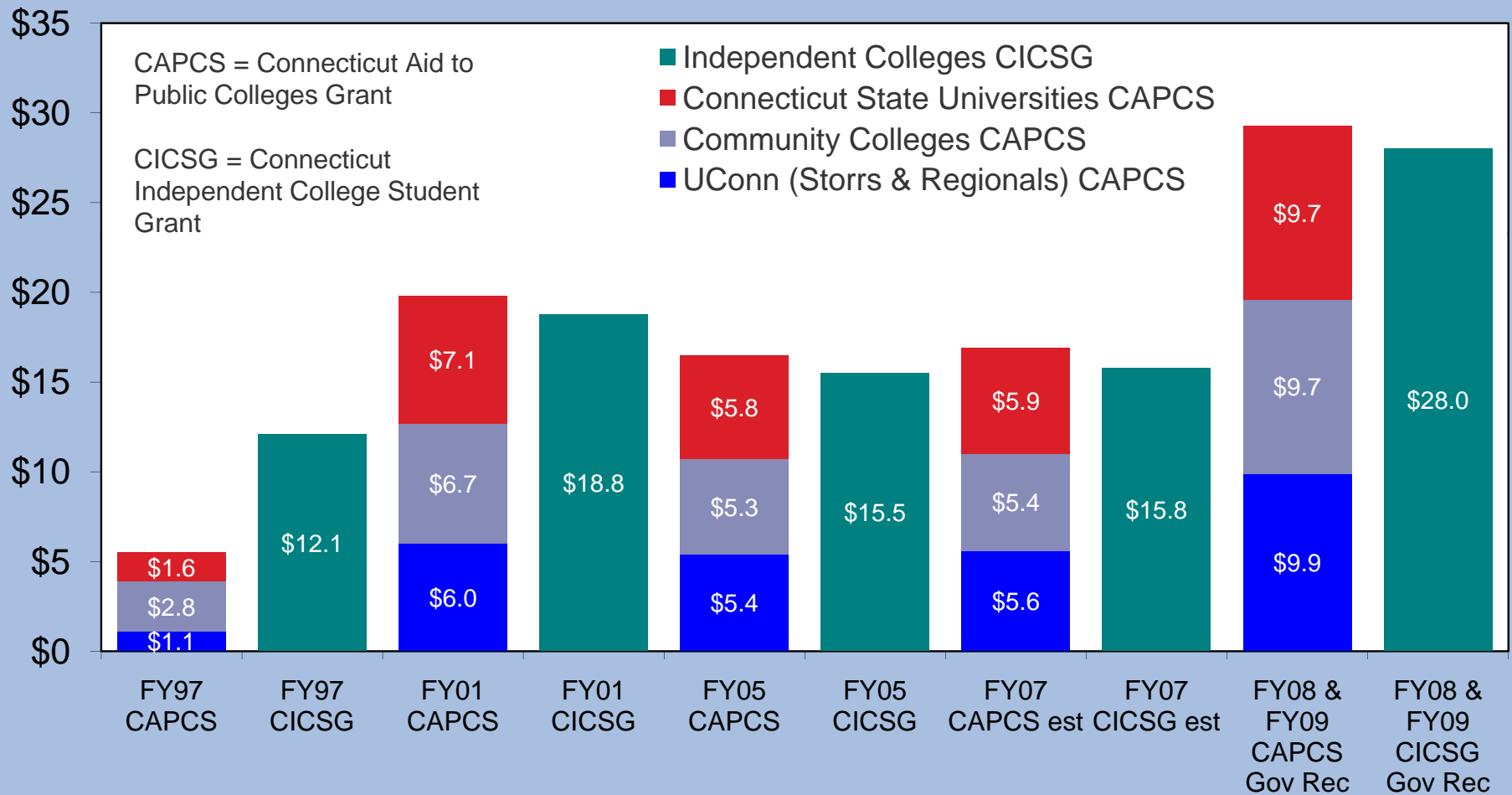
National Trends for Federal Grants & Loans

Used to Fund Educational Expenses in Current Dollars (\$B)



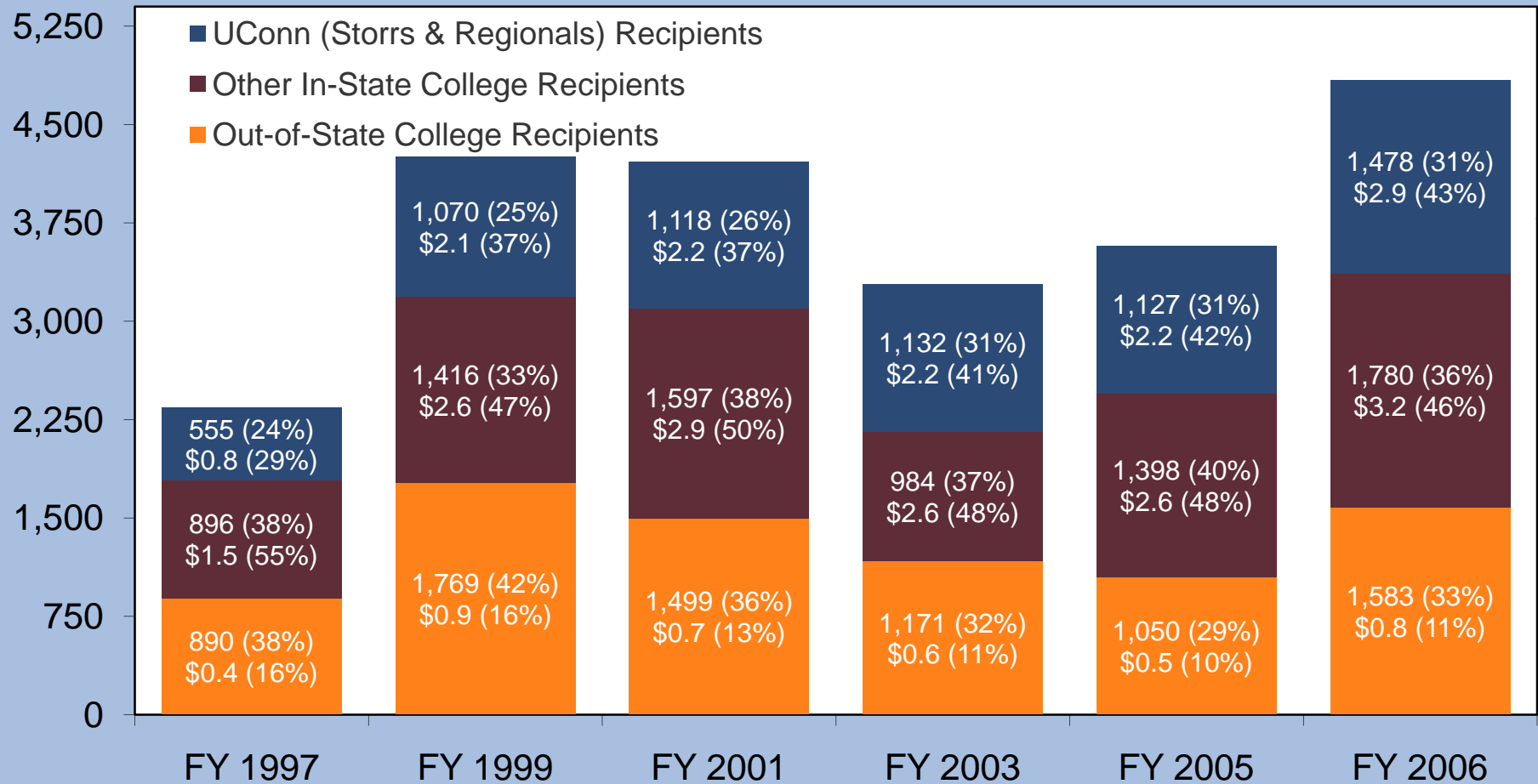
Source: 2006 Trends in College Pricing, College Board

Connecticut State Need-Based Programs (\$M)



Award criteria = CT State Resident, Attend a Public Institution in CT & Award up to Amount of Financial Need

Capitol Scholarships (\$M)



Award criteria = US citizen or permanent resident alien, high school senior or graduate, family income, and ranked in top 20% of class or SAT score of at least 600 critical reading, 600 math & 600 writing.

Total Financial Aid (\$M)

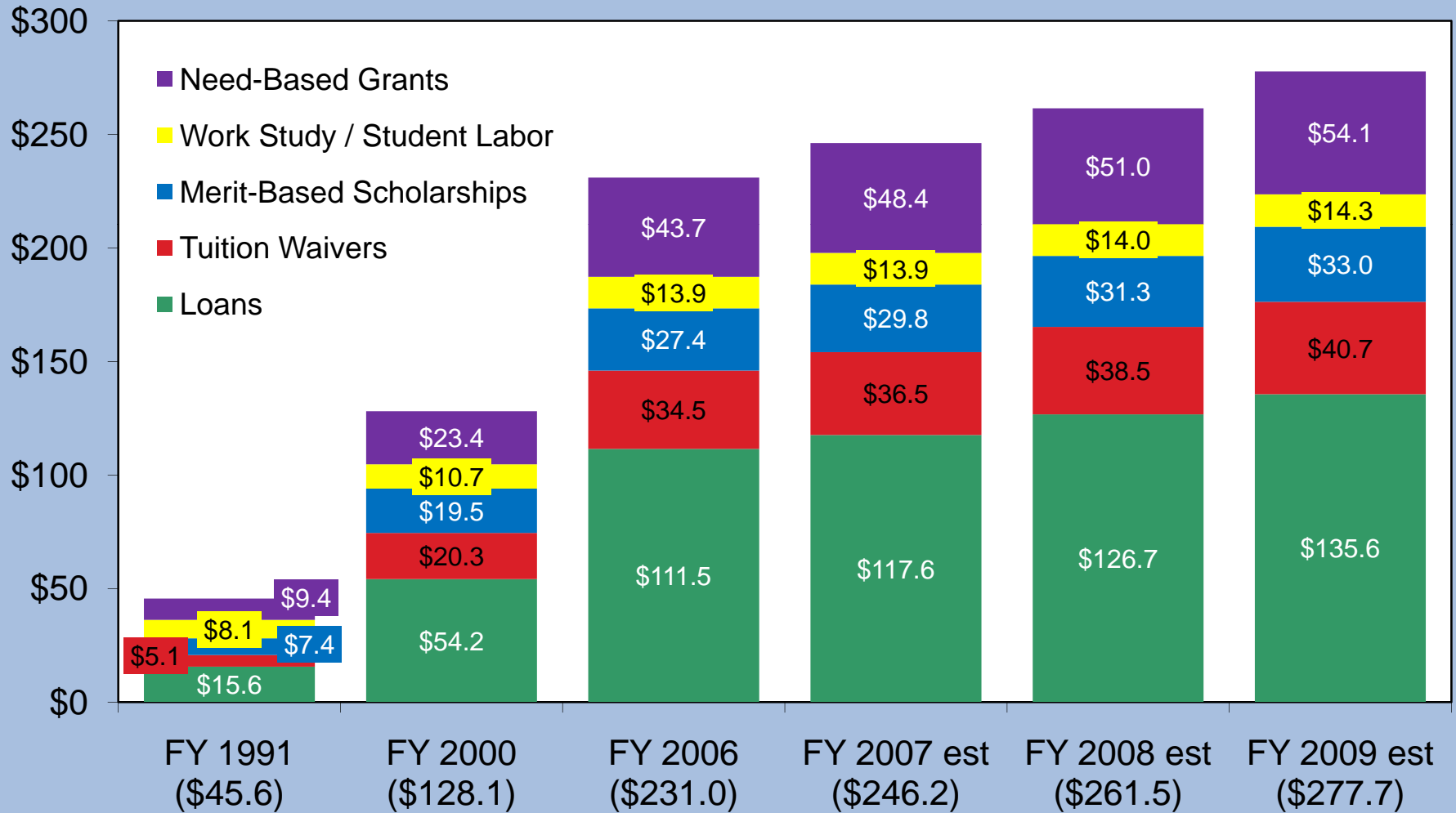
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	<u>FYo7 est.</u>	<u>FYo8 est.</u>	<u>FYo9 est.</u>
Need-Based Grants	\$48.4	\$51.0	\$54.1
University Scholarships	24.2	25.5	27.1
Non-University Scholarships	5.6	5.7	5.9
Loans	117.6	126.7	135.6
Tuition Waivers	<u>36.5</u>	<u>38.5</u>	<u>40.7</u>
Subtotal	\$232.3	\$247.5	\$263.4
Work Study/Student Labor	<u>13.9</u>	<u>14.0</u>	<u>14.3</u>
Total Financial Aid	\$246.2	\$261.5	\$277.7

Total Financial Aid by Type (\$M)

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Indebtedness by Residency



Graduating Borrowers

All Graduates

	<u>FY 2003</u>	<u>FY 2005</u>	<u>Increase</u>	<u>FY 2003</u>	<u>FY 2005</u>	<u>Increase</u>
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National Student Average Debt upon Graduation	\$18,900	\$22,697	\$3,797	unavailable	unavailable	
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UConn Student Average Debt upon Graduation

Total Students	\$17,185	\$19,410	\$2,225	\$9,704	\$11,562	\$1,858
In-State Students	\$15,811	\$18,292	\$2,481	\$9,468	\$10,710	\$1,242
Out-of-State Students	\$17,859	\$24,224	\$6,365	\$11,393	\$14,618	\$3,225
Total Students upon Graduation in 4 Years	\$15,986	\$17,253	\$1,267	\$9,206	\$10,755	\$1,549

Default Rates



	<u>FY 2000</u>	<u>FY 2002</u>	<u>FY 2004</u>
National Default Rate	5.9%	5.2%	5.1%
UConn Default Rate (Storrs & Regionals)	2.9%	2.2%	2.2%

Tuition Funded Financial Aid (\$M)

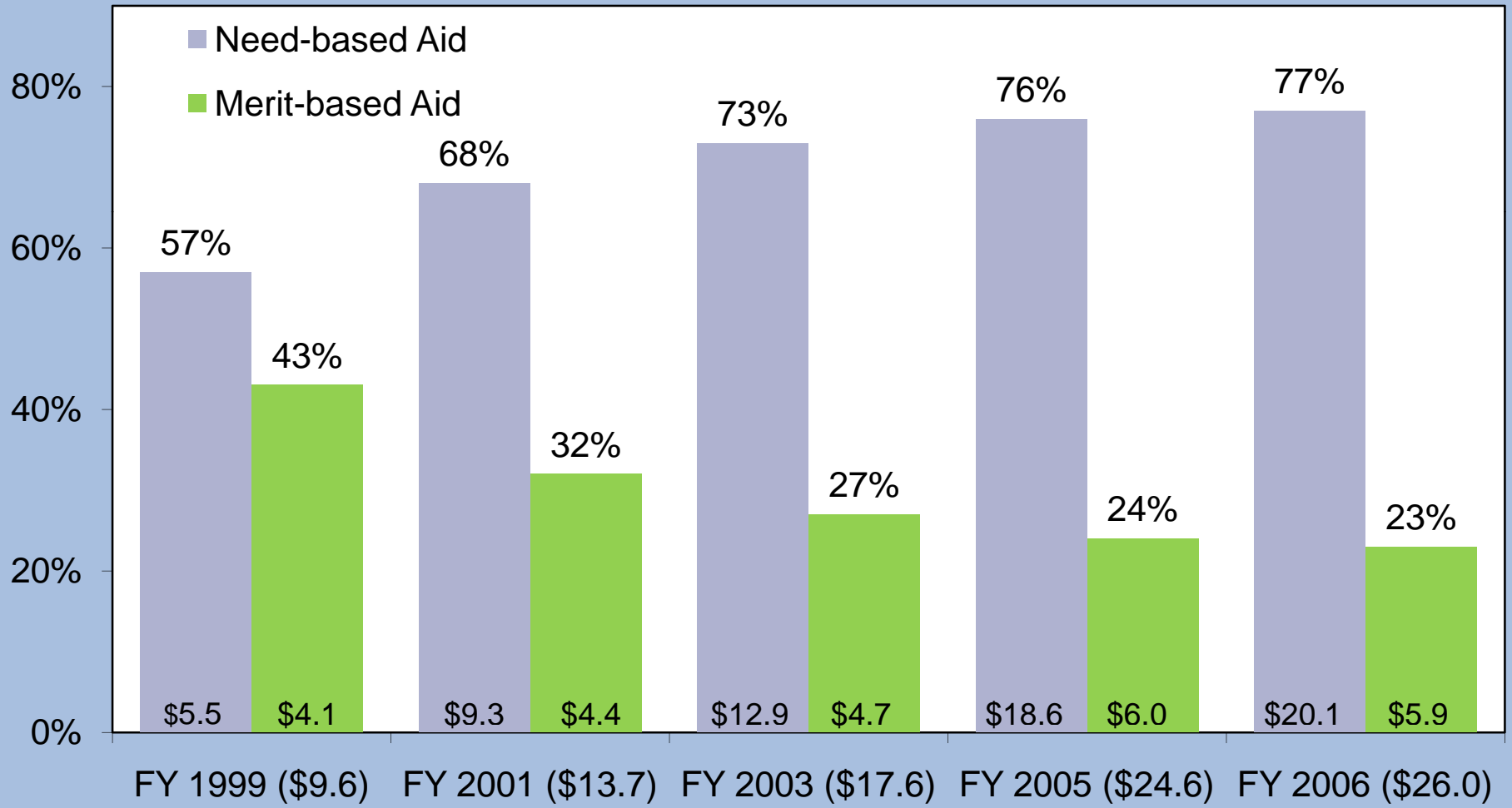
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	<u>FY07 est</u>	<u>FY08 est</u>	<u>FY09 est</u>
Total Tuition Funded Financial Aid	\$82.3	\$87.2	\$92.6
Total Tuition Funded as a % of Gross Tuition Revenue	38.1%	38.1%	38.3%
Tuition Funded Need-Based as a % of Net Tuition Revenue	18.0%	18.3%	18.6%
DHE Need-Based Set Aside Policy	15.0%	15.0%	15.0%

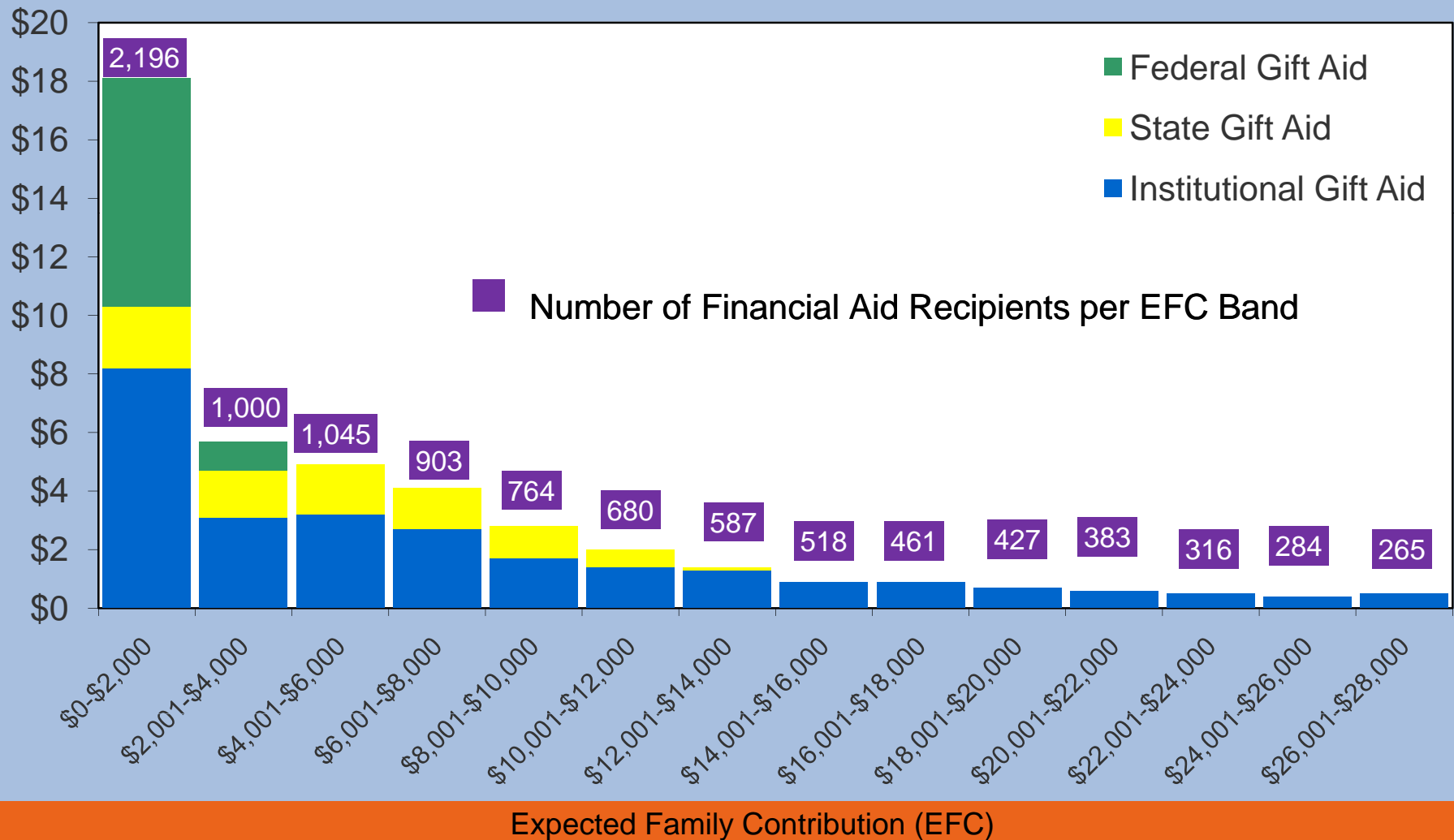
Institutional Tuition Funded Aid for Undergraduate Students (\$M)

Storrs & Regionals



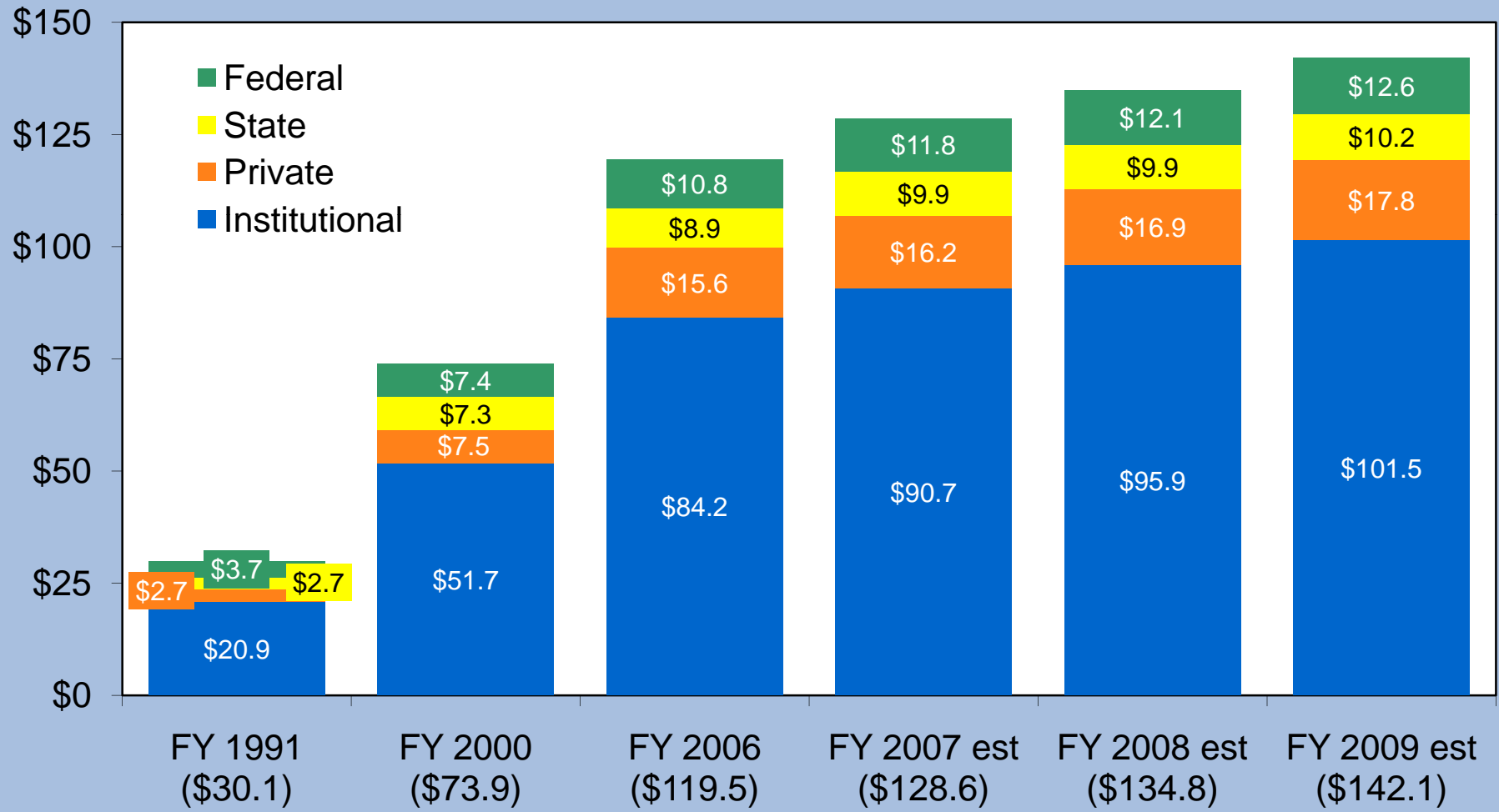
FY 2006 Gift Aid for Undergraduate Students (\$M)

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Financial Aid by Source Excluding Loans (\$M)

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Financial Aid Summary

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- All tuition, fees, room & board increases have been accompanied by an off-setting increase in financial aid to ensure that any qualified student can attend the University regardless of financial means
- For FY 2008, total financial aid will increase by 6.2% (weighted average of 6.4% in-state and 6.0% out-of-state)
- Need-based tuition funded grants will increase 8.1% (\$2.4M) in FY 2008 and 7.8% (\$2.4M) in FY 2009
- Eliminated the un-met need gap for the neediest in-state students
- 77% of students (undergraduate and graduate) received aid in FY 2006