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# University of Connecticut (Storrs & Regional Campuses)

## Quarterly Overview of the Operating and Research Funds for the Three Months Ended September 30, 2017

On June 28, 2017, the Board of Trustees approved an initial Spending Plan for Fiscal Year 2018 but after the State budget was passed in late October, the Board of Trustees approved a revised Spending Plan for FY 2018 on December 13, 2017, which included \$1,326.1 million of revenue to cover \$1,325.5 million in expenses. The financial results for the first quarter are compared to the revised Spending Plan.

During the first three months of Fiscal Year 2018, actual revenue totaled \$476.2 million and actual expenditures totaled \$294.4 million resulting in a \$181.9 million net gain for the quarter. The large gains at this point in the year are due to the tuition and room and board fees collected at the beginning of the semester, yet expended throughout the remainder of the semester and fiscal year.

A more detailed review of the activity through the end of the first quarter is presented below.

<b>Revenues</b>
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### **Operating Fund**

Total **Operating Fund** revenue collections through the first quarter of Fiscal Year 2018 were \$450.2 million which represented 36.9% of the annual budget. Revenues at this point last year represented 35.6% of the annual budget. A major source of revenue, **State Support**, was \$51.2 million and represented 11.4% of the total operating fund received for the first three months. On November 17, 2017, a lapse of \$7.9 million (\$13.4 million with fringe benefits) was reduced from the University's overall State Support.

**Tuition** collections were the largest source of revenue, totaling \$200.4 million, which represented 44.5% of total operating fund receipts. Tuition revenue collections reflected a \$775 rate increase coupled with a small increase in the number of undergraduate students. This category will end the year ahead of budget due to a higher number of international students.

**Fee** revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off-campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which primarily supports four Auxiliary Enterprise programs. Various other fees such as the Infrastructure Maintenance Fee, Application Fees and Late Payment Fees are included here as well. The three months of Fee collections totaled \$56.0 million or 41.0% of the amount budgeted.

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**Auxiliary Enterprise Revenue** through the first quarter of Fiscal Year 2018 was \$93.9 million which represented 42.7% of the annual budgeted amount. The largest portion of Auxiliary Enterprise revenue consists of Room and Board Fees, which totaled \$69.7M through the first three months.

**Grants and Contracts** revenue consists of non-research restricted revenues from a granting agency (e.g. Pell Grants). For the first three months of Fiscal Year 2018, Grants and Contracts revenue was \$32.5 million or 39.4% of the amount budgeted.

**Foundation/Endowment** revenue consists of gift funds transferred from the UConn Foundation and investment income on endowments. Through the first quarter of Fiscal Year 2018, the total received was \$0.7 million or 3.3% of the amount budgeted. The low total is not reflective of year end results as the timing of the deposits is lagging behind last year. This category is expected to end the year on budget.

**Sales and Services of Educational Activities and Other Sources** revenue totaled \$15.5 million or 45.7% of budget for the first quarter. This category includes revenues from the sales of goods or services that are incidental to the conduct of instruction, research, or public service.

### Research Fund

With respect to the **Research Fund**, the granting agency or donor restricts most of the revenues. For the first three months, Research Fund revenues were \$26.1 million and represented 24.5% of the amount budgeted.

<b>Expenditures</b>
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### Operating Fund

Total **Operating Fund** expenditures for the first quarter of Fiscal Year 2018 were \$269.8 million or 22.2% of the annual budgeted amount. Operating expenditures at this point last year were 21.0% of the annual budget.

**Personal Services/Fringe Benefit** expenditures totaled \$122.4 million and represented 16.4% of the budgeted amount of \$746.0 million. These categories represent 45.4% of the total Operating Fund expenditures. The University continues to closely watch spending in these categories considering the current fiscal environment.

**Other Expenses** (including energy costs) were \$50.8 million for the first three months. This represents 21.8% of the amount budgeted. The biggest components of this category are utilities, food service, lab supplies, and janitorial costs.

**Equipment** expenditures of \$6.2 million were 30.4% of the amount budgeted.

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**Student Aid** expenditures were \$82.9 million and represented 48.0% of the amount budgeted. Despite overall State cuts, UConn is committed to providing financial aid to students based on both need and merit.

**Net Debt/Other Transfers** for the first three months were \$7.6 million or 16.9% of the amount budgeted.

### **Research Fund**

Finally, **Research Fund** expenditures totaled \$24.5 million and represented 41.4% of the budgeted amount. Due to the variability of research expenditures, quarterly comparisons are not necessarily indicative of annual results.

<b>Summary</b>
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### **Enrollment**

Total undergraduate enrollment at UConn is 23,845 while another 7,745 were enrolled in graduate or professional programs (excluding UConn Health). Total University enrollment for fall 2017 (excluding UConn Health) was up .5% from fall 2016.

### **Overview**

So far through the first quarter, both revenues and expenditures are coming in as expected. As previously stated, the large net gain through the first three months are not representative of expected year end results. Tuition, room and board fees are collected at the beginning of the semester, and are then expended throughout the remainder of the semester and fiscal year.

The University expects to end Fiscal Year 2017 on budget, and continues to monitor spending, make judicious hiring decisions, and create operational efficiencies where possible. As always, maintaining quality and high standards, while encouraging efficiency and cost reduction, continues to be the financial goal of the University.

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