
University of Connecticut (Storrs & Regional Campuses)

Quarterly Overview of the Operating and Research Funds for the Six Months Ended December 31, 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 second quarter are compared to the revised Spending Plan.

During the first six months of Fiscal Year 2018, actual revenue totaled \$674.7 million and actual expenditures totaled \$647.5 million resulting in a \$27.2 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 fiscal year.

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

Revenues

Operating Fund

Total **Operating Fund** revenue collections through the second quarter of Fiscal Year 2018 were \$615.9 million which represented 50.5% of the annual budget. Revenues at this point last year represented 50.7% of the annual budget. A major source of revenue, **State Support**, was \$171.7 million and represented 27.9% of the total operating fund received for the first six 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 \$206.8 million, which represented 33.6% 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 six months of Fee collections totaled \$66.7 million or 48.9% of the amount budgeted.

University of Connecticut (Storrs & Regional Campuses)

Auxiliary Enterprise Revenue through the second quarter of Fiscal Year 2018 was \$111.7 million which represented 50.7% of the annual budgeted amount. The largest portion of Auxiliary Enterprise revenue consists of Room and Board Fees, which totaled \$87.0 million through the first six months.

Grants and Contracts revenue consists of non-research restricted revenues from a granting agency (e.g. Pell Grants). For the first six months of Fiscal Year 2018, Grants and Contracts revenue was \$37.0 million or 44.8% of the amount budgeted.

Foundation/Endowment revenue consists of gift funds transferred from the UConn Foundation and investment income on endowments. Through the second quarter of Fiscal Year 2018, the total received was \$5.9 million or 28.1% of the amount budgeted. The low total is not reflective of year end results as the majority of deposits historically occur during the second half of the year. This category is expected to end the year on budget.

Sales and Services of Educational Activities and Other Sources revenue totaled \$16.2 million or 47.8% of budget for the second 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 six months, Research Fund revenues were \$58.7 million and represented 55.1% of the amount budgeted.

Expenditures

Operating Fund

Total **Operating Fund** expenditures for the second quarter of Fiscal Year 2018 were \$597.0 million or 49.0% of the annual budgeted amount. Operating expenditures at this point last year were 47.8% of the annual budget.

Personal Services/Fringe Benefit expenditures totaled \$365.3 million and represented 49.0% of the budgeted amount of \$746.0 million. These categories represent 61.2% 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 \$118.2 million for the first six months. This represents 50.6% of the amount budgeted. The biggest components of this category are utilities, food service, lab supplies, and janitorial costs.

University of Connecticut (Storrs & Regional Campuses)

Equipment expenditures of \$11.5 million were 56.1% of the amount budgeted.

Student Aid expenditures were \$84.4 million and represented 48.9% 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 six months were \$17.7 million or 39.4% of the amount budgeted.

Research Fund

Finally, **Research Fund** expenditures totaled \$50.5 million and represented 46.8% of the budgeted amount. Due to the variability of research expenditures, quarterly comparisons are not necessarily indicative of annual results.

Summary

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 second quarter, both revenues and expenditures are coming in as expected. As previously stated, the large net gains through the first six 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 2018 slightly under 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.

University of Connecticut
Storrs & Regional Campuses
Statement of Operating Budget Revenues and Expenses
For the Month Ending
12/31/2017

	Budget			Actual as of 12/31/2017		
	Operating	Research	Total	Operating	Research	Total
Revenues						
State Appropriation	\$191,330,933	-	\$ 191,330,933	\$101,030,634	-	\$ 101,030,634
State Fringe Benefits	135,844,962	-	135,844,962	70,633,946	-	70,633,946
Total State Support	\$327,175,895	-	327,175,895	171,664,580	-	171,664,580
Tuition	398,369,028	-	398,369,028	206,799,028	-	206,799,028
Fees	136,457,852	-	136,457,852	66,706,176	(1,625)	66,704,551
Grants & Contracts	82,500,200	105,044,502	187,544,702	36,966,150	58,827,763	95,793,913
Foundation	21,000,106	-	21,000,106	5,885,493	-	5,885,493
Sales and Services of Ed Activities	19,943,491	-	19,943,491	8,174,910	22,854	8,197,764
Auxiliary Enterprise	220,057,626	-	220,057,626	111,675,654	-	111,675,654
All Other Sources	13,928,662	1,592,377	15,521,039	8,062,326	(123,286)	7,939,040
Total Revenues	\$1,219,432,860	\$ 106,636,879	\$ 1,326,069,739	\$ 615,934,317	\$ 58,725,706	\$ 674,660,023
Expenses						
Personal Services	\$ 494,676,134	\$ 48,837,343	\$ 543,513,477	\$ 243,064,069	\$ 23,805,643	\$ 266,869,712
Fringe Benefits	251,295,476	15,432,163	266,727,639	122,196,923	7,190,354	129,387,277
Other Expenses	233,385,693	30,430,428	263,816,121	118,183,241	15,003,697	133,186,938
Equipment	20,486,387	3,533,092	24,019,479	11,466,123	1,894,098	13,360,221
Student Aid	172,684,180	7,659,303	180,343,483	84,351,219	2,226,064	86,577,283
Debt/Other Transfers	44,939,631	2,130,000	47,069,631	17,726,831	341,635	18,068,466
Total Expenses	\$ 1,217,467,501	\$ 108,022,329	\$ 1,325,489,830	\$ 596,988,406	\$ 50,461,491	\$ 647,449,897
Net Gain (Loss)	\$ 1,965,359	\$ (1,385,450)	\$ 579,909	\$ 18,945,911	\$ 8,264,215	\$ 27,210,126