



Appropriations Committee Testimony

Interim President Radenka Maric

February 22, 2022

Members of the Appropriations Committee, this is my first appearance before you as the Interim President of UConn. Thank you for the opportunity to speak with you today. Joining me is Lloyd Blanchard, Interim VP for Finance and Chief Financial Officer, Carl Lejuez, Provost and Executive Vice President for Academic Affairs, Nathan Fuerst, Vice President for Enrollment Planning and Management and from UConn Health, Dr. Bruce Liang, Interim CEO and Executive Vice President for Health Affairs and Jeff Geoghegan, Chief Financial Officer. Attached to my testimony is a packet of information about the University you may find useful.

As a member of the UConn family for the last twelve years, I am grateful for your leadership. While the senior team at UConn changes, our mission never has. With the support of our state government, the university community, and industry partners, alumni, and donors, we are going to continue to prepare our students for great jobs that help solve societal challenges.

UConn is a top 25 public University because of the state's continued support and investment, for this we are grateful. **UConn is a great university.** But it's even more than that, with campuses and staff across Connecticut, it is built to inspire the global community that is UConn Nation. UConn's talented students exceed expectations. Our expert researchers, faculty, and alumni drive Creativity, Innovation, and Entrepreneurship (CIE) for a better tomorrow. We fuel the State's economy and are committed to benefiting the greater good. **This is UConn.**

At your convenience, I encourage you to take a couple of minutes to view this video showcasing our amazing students and campuses [ONE UCONN](#).

Highlights and Successes

One of my highest priorities is focusing on student success at UConn – both during a student's time at the university and after they graduate. We have exceptional students doing exceptional things and I want to ensure that we continually share their stories with the General Assembly and our entire state.

For example, recently [a team of Stamford-based UConn business graduate students won the highly competitive 2021 Bloomberg Global Trading Challenge](#), beating out almost 500 teams from around the world.

We are educating, mentoring and cultivating extraordinary student entrepreneurs and innovators who are starting their own companies here in Connecticut, like Raina Jain [who is featured in the video](#)

[on UConn's Innovation Quest website](#). Innovation Quest helps UConn students develop their innovative ideas into a business.

We are announcing later today that interest in attending UConn has hit an all-time high this year, with UConn receiving a record-breaking 40,000-plus applications for undergraduate admission for fall 2022. Being able to provide a high-quality education at a comparative economic value is key to UConn's formula for success in student recruitment.

UConn is number one among major public research universities when it comes to a student's average time to graduation, at 4.1 years. We are tied for first place with four other schools. This is great for our students, because the faster they graduate, the less their education costs them.

Our faculty hit a record high \$377 million in research funding last fiscal year, doubling annual awards in just the last four years alone.

We have 72 small companies in our incubator facilities in Farmington, Stamford and Storrs – 21 more than last year. Since 2003 when the program started, these start-up companies have raised more than \$1.1B in total funding.

90% of the Class of 2021 have either already secured employment, are pursuing an advanced degree or continuing education, or have joined the military or volunteer service organization. These are very, very good student success indicators.

I am particularly proud to share that our students and faculty are engaged in ongoing community activities and engagement across our state. Efforts range from [supporting small and medium sized businesses](#), to UConn's CT Center for Entrepreneurship and Innovation (CCEI), supporting more than 500 startups and small businesses and launched more than 200 new business ventures over the past five years; to sampling and drilling more than 60 concrete foundations of CT homeowners plagued with crumbling foundations; to the College of Agriculture's Agricultural Extension Programming serving every community throughout the state.

During COVID, some of the awe inspiring activities included a University wide effort organized to donate PPE to the staff at UConn Health, collaborative efforts of medical doctors from UConn Health with engineers, scientists, and researchers from Storrs increased supply of face masks and shields using 3D printing technology, UConn employees and graduate students produced hundreds of bottles of hand sanitizer and donated them to local facilities and charities, and our students, faculty and staff from across the University assisted with immunizations and contact tracing.

These are just a sampling of highlights. I could go on all day.

Budget Priorities

Turning to the budget, we are grateful for the state support provided to UConn and UConn Health during the last biennial budget. The state's support through our block grant, CRF & ARPA funds (allocated to the state) and legacy cost support was a lifeline to our operations during the pandemic. What does concern us is that much of the support provided in FY22 & FY23 is one time support. We will continue to cut costs and raise revenue where we can. But we can't make up the difference on our own.

The Governor's proposed mid-term budget signals that higher education remains a priority to the state. We are grateful.

Our requests for mid-term budget adjustments are straightforward:

First, we are hopeful that as a starting point, you are able to maintain our **block grants** at the level approved last year. The Governor's proposal supports that.

We are asking the state to sufficiently cover the ongoing **collective bargaining increases** (both salary and fringe) negotiated by SEBAC. The Governor's proposed budget includes \$20M to support the non-block grant employee wage increases. That only covers a portion of our expected costs. We are requesting that an additional \$12.5M (salary and fringe) be added to the block grant to cover the entire amount.

We continue to ask the state to fund on an ongoing basis the **legacy costs/ retiree costs** (legacy pension and healthcare liabilities) just as it does for most other state agencies and remove the burden of supporting state retirees with tuition, research and clinical revenues. The FY23 approved budget included \$6.1M of additional support to cover these costs. The remaining request for FY23 is \$38.7M.

Finally, an event that occurs every 11 years, we are asking that the state fund the **27th payroll** (and associated fringe costs) for higher education as it does for all other state agencies. For UConn that amounts to \$15.3M. The Governor proposed funding \$8.0M of this expense, we are requesting the committee fund the entire amount.

Additional Detail

Maintain Block Grant Support: Specifically, for UConn Storrs and the regional campuses, the block grant was approved at \$208.2M in FY23. As you are aware, one hundred percent of the state block grant (state appropriation) is used to pay employee salaries; it covers 47% of UConn salaries, the rest and other University expenses are covered by non-state appropriated revenues. The state block grant and associated fringe comprise 25% of UConn's revenues; this is lower than the 39% that comes from student tuition and fees.

Legacy Costs: We ask for additional support to address the cost of the state's legacy liability, which has a significant negative impact on our students, families, research and clinical competitiveness and budgetary sustainability. Cuts have to be made across the University every year to cover these costs – these are costs we can no longer afford to cover.

This has made our faculty less competitive when applying for grant awards, as grant reviewers can see that too much of the award would be eaten up by legacy fringe costs at the expense of the actual research. It also means that research dollars go further at our competitor institutions than they do at UConn. In addition, it means that students and their families are paying for these legacy costs through their tuition dollars - this is money that is not going toward their education and they are being double taxed. The annual cost to cover this state liability is approximately \$1,050 per student.

We are appreciative that the General Assembly and Governor are taking this issue seriously and are working to address it. Along with our colleagues at the Connecticut State Colleges and Universities, the Airport Authority and Department of Transportation, we look forward to continuing to discuss this issue. Ultimately, we are in desperate need of a permanent fix to this crippling financial matter - one that is not of our making or directly attributed to UConn or UConn Health current employees costs or operations.

UConn Health

Finally, Dr. Liang, who heads UConn Health, will speak to you in a moment. I would like to make a few comments on UConn Health before he speaks. UConn Health and its healthcare heroes persevered during this pandemic. You can be proud of your state public academic medical center's accomplishments during this unprecedented time.

UConn Health offers high-quality patient care, provides support to run an outstanding school of medicine and school of dentistry that trains the next generation of health care professionals for the state, performs high-value research, and provides specialty care to indigent patients and rare disease patients that many private hospitals and medical offices do not. It is performing well in a competitive marketplace. With the transformational state capital improvements through the Bioscience Connecticut Initiative enacted in 2010, UConn Health's clinical care revenues are expected to double from \$326 million to \$681 million. This is extraordinary.

That said it is important to understand that UConn Health's finances will never, and were never intended to, mirror the finances of a private hospital or for-profit health system. We are a small 200-bed academic medical centers created more than 50 years ago to be a public agency carrying out a public mission for the state of Connecticut. Over that entire period, it has relied on the state for a portion of its operating costs, currently about 24%. We consider this historical appropriation to be an intentional investment in a valuable public mission. Not including the growth in fringe and legacy costs, the amount of state support for the operating budget and medical schools has remained basically constant over more than a decade.

In closing, I would like to leave you with this: With your support, the University has experienced dramatic progress in recent years. UConn is one of the state's most important assets – providing a first-rate and affordable education to Connecticut's students, helping the state to develop and retain a highly-skilled workforce for today's and tomorrow's jobs, and stimulating and supporting research, business development and state economic growth. In fact, UConn and UConn Health together generate about \$5.1 billion of economic activity for the state, including over 25,000 jobs and \$276 million in state and local tax revenue through industries that benefit from our enterprise. You're your

ongoing support our commitment to you is to continue to deliver on contributions to the state's economic development and fulfill our public mission to our state residents.

Thank you for your consideration and ongoing support.

Who We Are



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HUSKYPRIDE
UNIVERSITY OF CONNECTICUT

Spring 2022

UConn

Table of Contents

Who We Are: Economic Impact, Applications, Enrollment, Student Success, Cost of Attendance, Financial Aid

Research & Innovation: Research Grants, Commercialization, and Industry Support

NextGenCT: Progress, Student Growth

Operating Budget: Revenue & Expenses, State Support, Fringe Costs, Challenges

Capital Budget: Challenges, Budget Plan, Bond Status

A nighttime photograph of a large, multi-story brick building with many lit windows. In the foreground, a massive crowd of people is gathered on a lawn, illuminated by stage lights. A small stage with a torch is visible in the middle of the crowd.

Welcome to UConn

32,000+
students
including UConn Health

276,969
alumni

80+
research centers

5 campuses
plus UConn Law and UConn
Health

\$5.1 billion
in annual state economic impact

Our Students Today



76%
Connecticut residents

42%
diverse backgrounds

92%
retention rate into sophomore year

4.1 years
average time to complete degree



Our Graduates

146,000

alumni live in Connecticut

62%

of recent graduates, who attended high school in CT & who are employed, are working in the state

18%

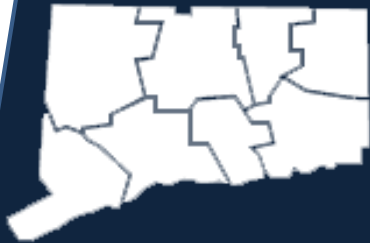
of graduates who did not attend high school in CT & who are employed, are working in the state

UConn

Who We Are

UConn Impact on Connecticut Economy

UConn contributes \$5.1 Billion annually to the state's economy



\$276M

State and Local
Tax Revenue



\$1,408

Generated for Every
CT Resident

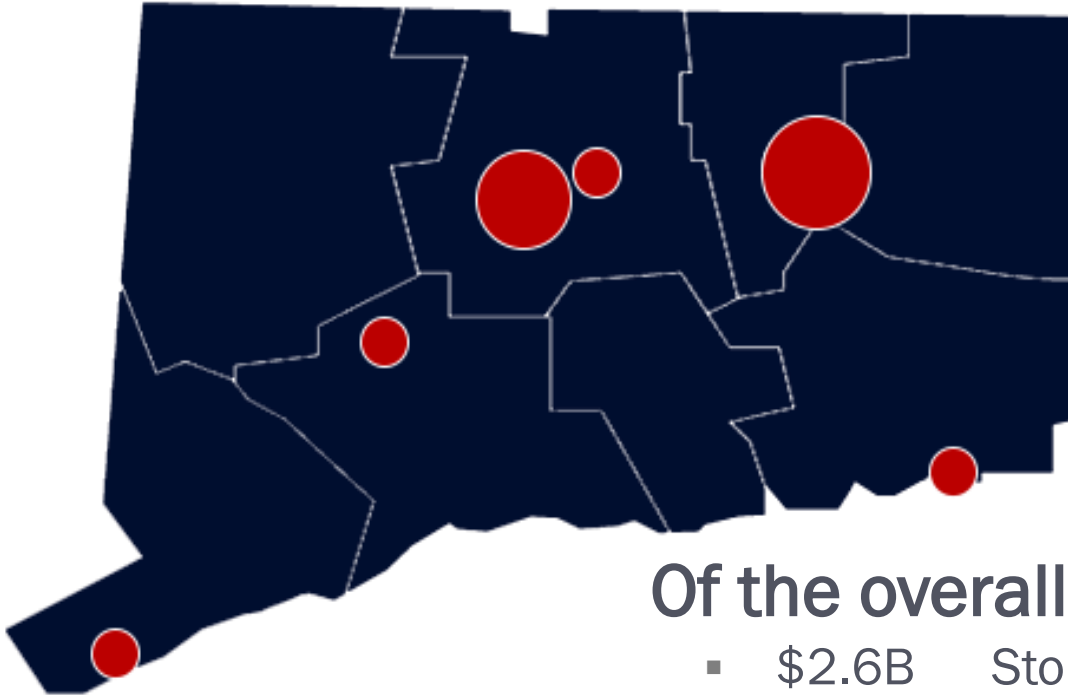


25,130

UConn-supported
Jobs

Note: Economic impacts include direct, indirect, and induced spending effect. FY 2020 data.

UConn Impact on CT Communities



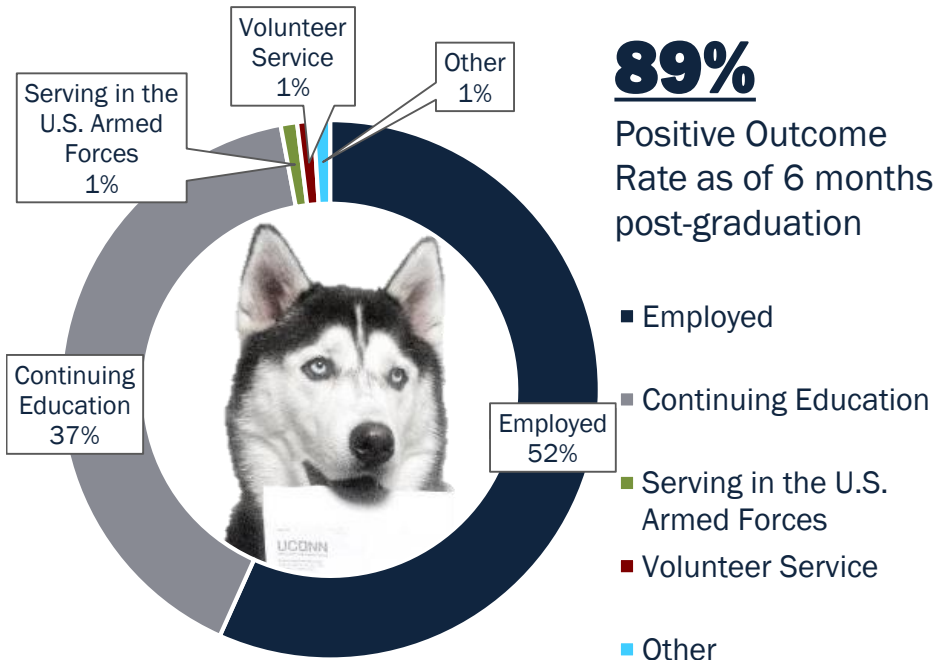
Of the overall \$5.1 billion impact:

- \$2.6B Storrs
- \$2.2B UConn Health
- \$145M Greater Hartford
- \$45M Avery Point
- \$52M Stamford
- \$23M Waterbury

UConn Graduation Impact

- In-state graduates are over 4 times more likely to work in-state after graduating from UConn than out-of-state graduates
- UConn graduates earn an average yearly starting salary of \$57,750 which is higher than the national average

2020-21 Graduates



Top Hiring Employers

Cigna
Collins Aerospace
Deloitte
Electric Boat
Hartford Hospital
Lockheed Martin
PwC
The Hartford
Travelers
Yale New Haven Health

UConn

BY THE NUMBERS



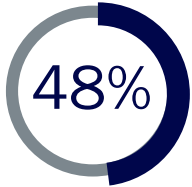
Times Higher Ed,
Best Public Universities
(US)



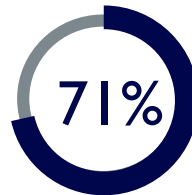
US News, Top
Public National
Universities



GreenMetric, US
Sustainability
Ranking



First Year domestic
students identify as
minority



First Year domestic
students are CT
residents

First Year Students



38,929

Incoming First Year
Applications

Undergraduate Data



One-year retention
rate @Storrs



Undergrads @Storrs
identify as minority



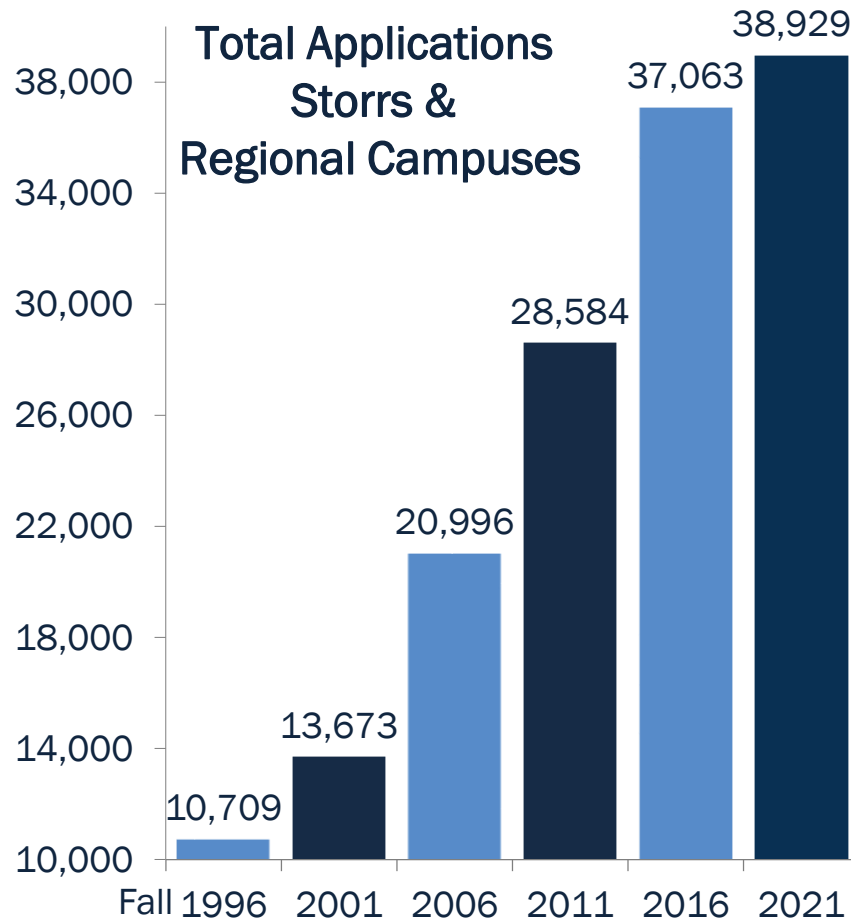
Undergrads @Storrs
are CT residents



CT towns in which
alumni live

UConn is in Demand

Demand for UConn education is strong, and quality of First Year Student class is highly competitive



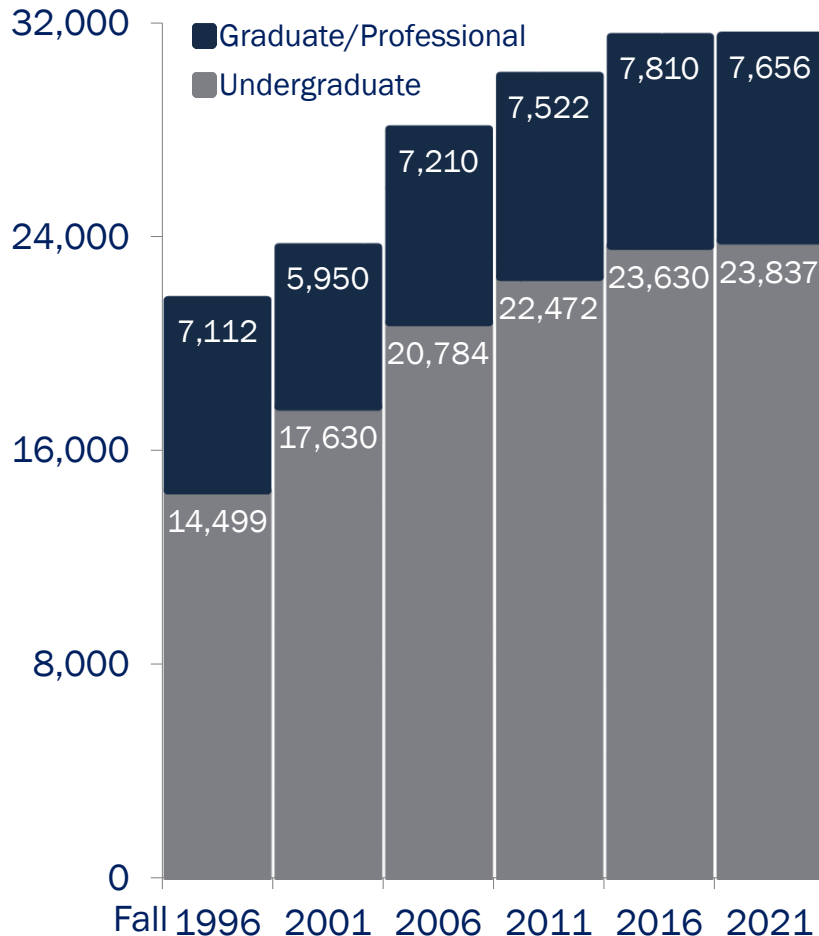
- First Year application trends continue to rise to nearly 39,000 for about 5,500 seats in 2021
- Applications at all campuses have increased 264% since Fall 1996 and 36% since 2011
- Mean SAT* scores of Storrs Campus entering First Year Student for Fall 2021 is 1318
 - National Mean SAT is 1060
 - CT Mean SAT is 1072
 - 161 Valedictorians and Salutatorians

*SAT Data: Standardized test average represents students who elected to submit test scores as part of their application materials.

Enrollment Growth

Undergraduate enrollment has increased 46% in the last 25 years

Total Enrollment



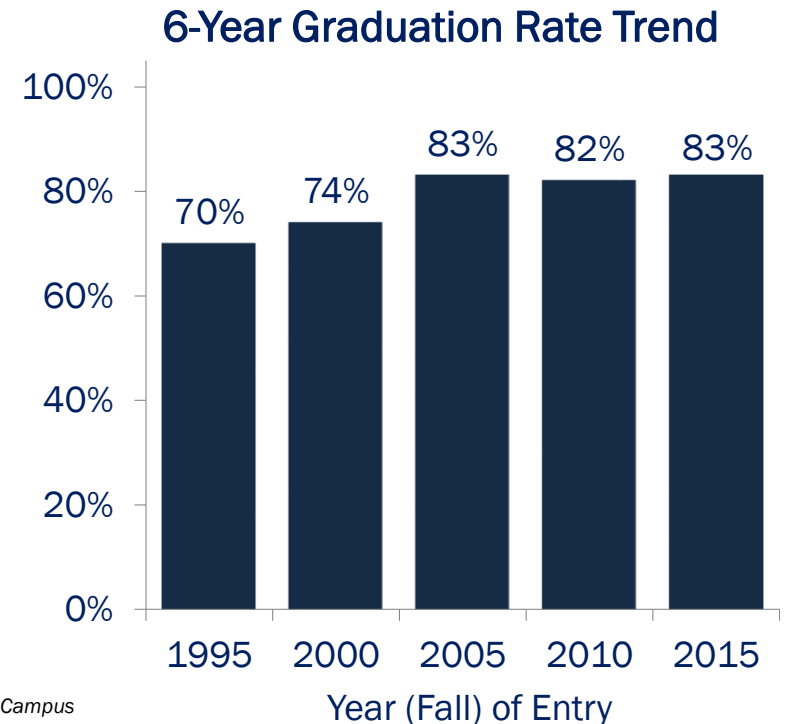
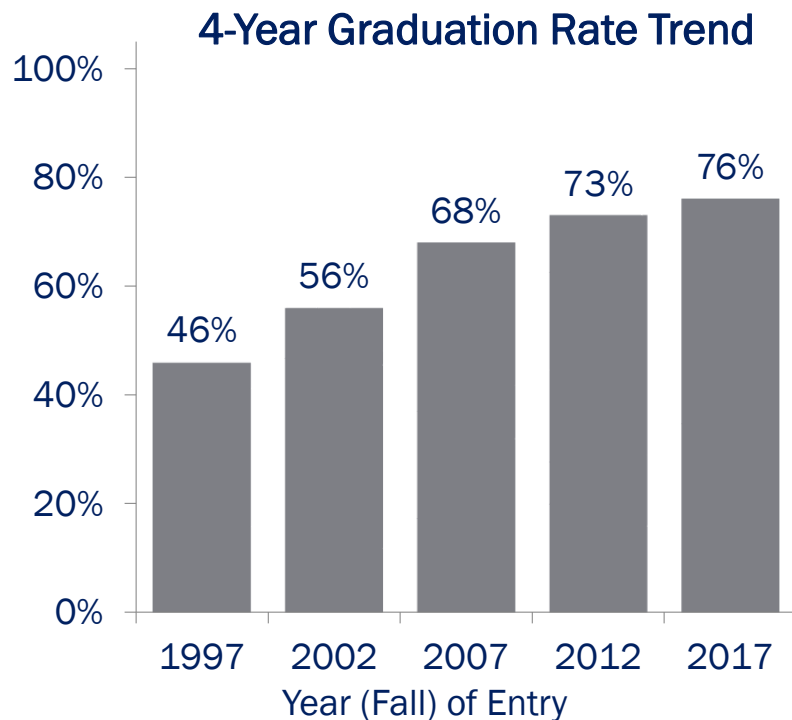
3 of every 4 students
are from CT high
schools

Residency (All Campuses)	2001	2006	2011	2016	2021
In-State First Year	74%	76%	77%	75%	72%
Out-of-State First Year	26%	24%	23%	25%	28%
In-State Undergrads	81%	80%	80%	77%	76%
Out-of-State Undergrads	19%	20%	20%	23%	24%

UConn Student Success

UConn is one of the best in the nation at graduating students in 4 years

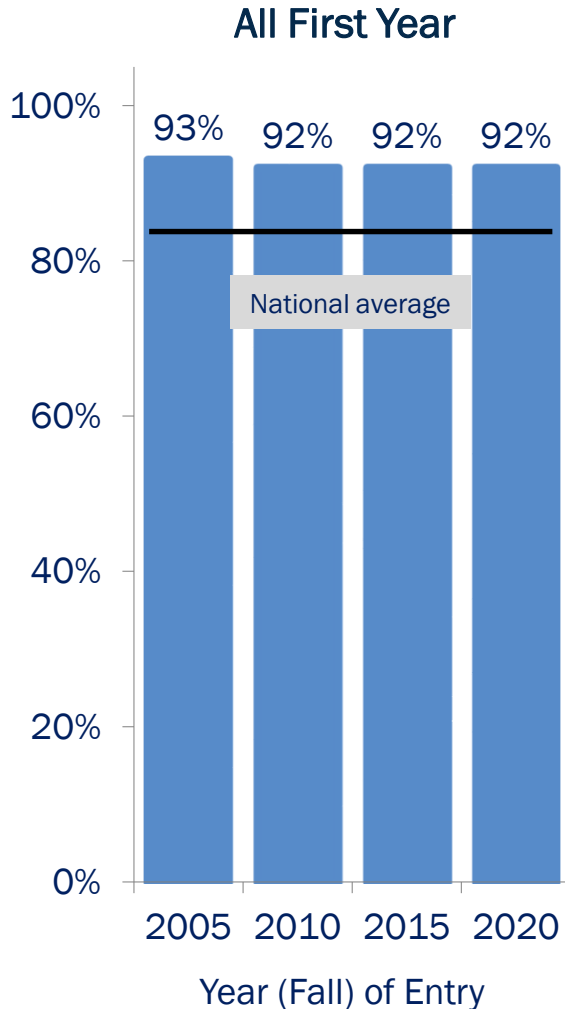
- Average time to degree of 4.1 years ranks 1st among National Public Research Universities
- Fall 2015 entering cohort had a 6-year graduation rate (in 2021) of 83%



Data: Storrs Campus

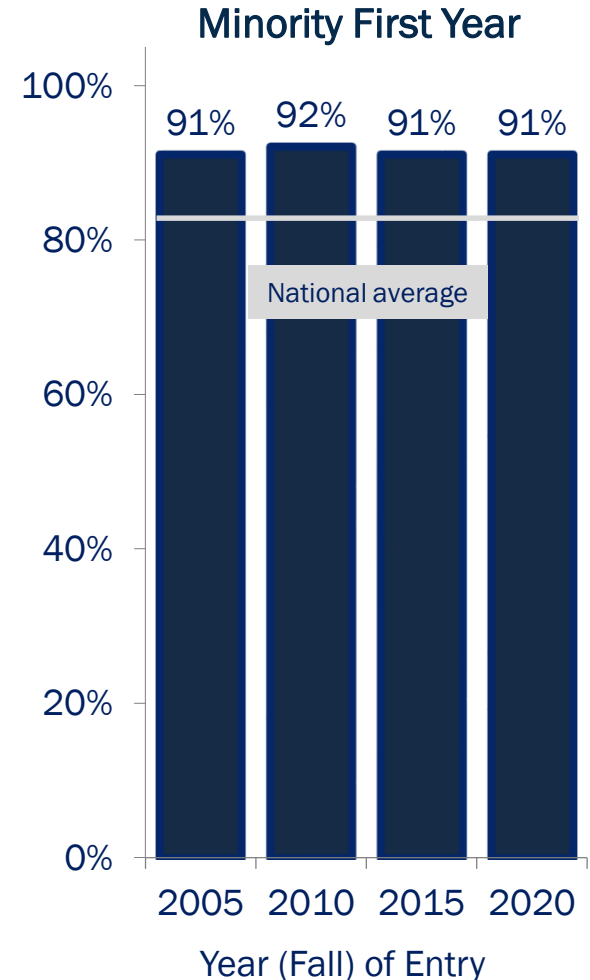
UConn Student Success

First Year Student retention rates are among the highest in the nation



- Ranks 12th among the National Public Research Universities
- Our retention rates are nearly 10% higher than the national average for all First Year and minority First Year Students

Based on national data from the Consortium for Student Retention Data Exchange (CSRDE)
Data: Storrs Campus



UConn Remains Affordable in 2021-22

UConn provides an excellent education at affordable costs, with in-state rates that are much lower than other regional alternatives

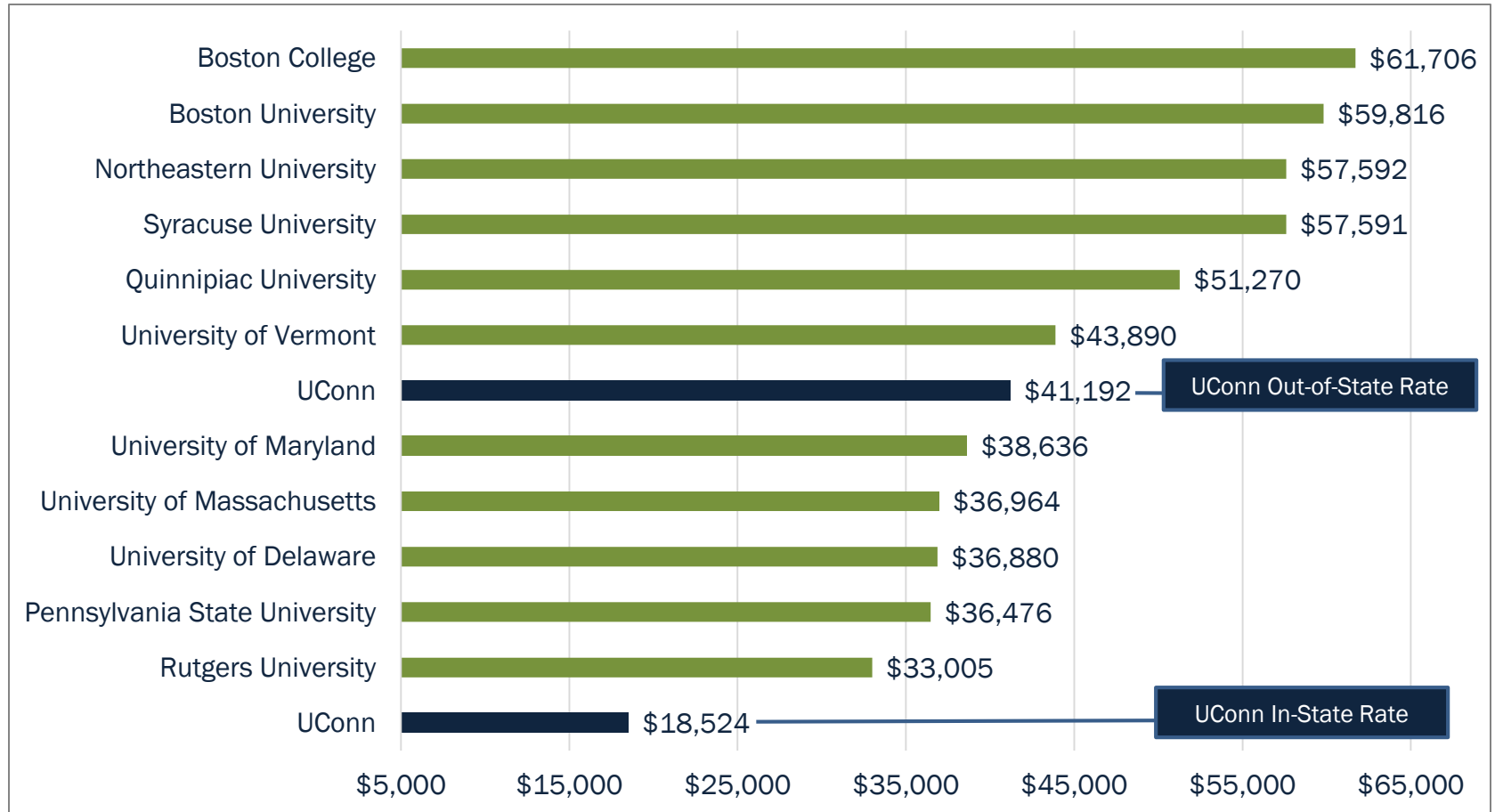
- *NICHE Best Value Colleges in America* ranked UConn 40th out of 700 public colleges
- *Princeton Review* ranked UConn in the top 50 Best Value Public Colleges for their Return-on-Investment (ROI) rating out of 200 schools

	In-State	Out-of-State
Tuition	\$15,030	\$37,698
Mandatory Fees	3,494	3,494
Subtotal	\$18,524	\$41,192
Room & Board	13,258	13,258
Direct Cost of Attendance*	\$31,782	\$54,450

*Does not include costs for books, supplies, transportation, etc.

Tuition and Fees vs Competitors

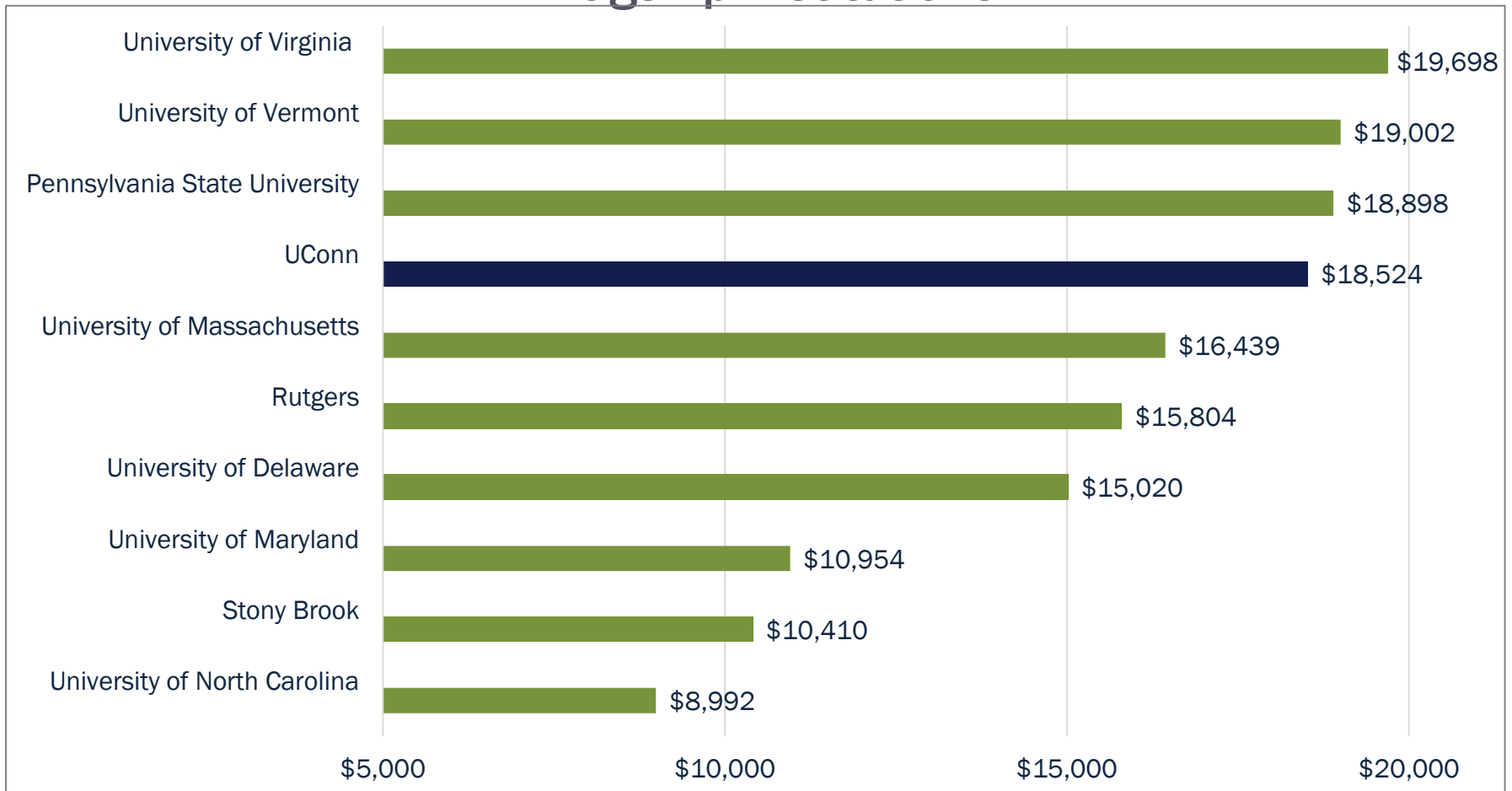
For Connecticut residents, UConn offers the best value compared to leaving the state to attend a peer university



FY22 Published Rates

Tuition and Fees vs Competitors

FY22 In-State tuition and fees at competitor public flagship institutions



FY22 Published Rates

Financial Aid

UConn is doing its part to ensure access and affordability by increasing financial aid support; the Federal relief acts provided \$50.4M of relief funding from FY20-FY22 (\$10.8M, \$11.1M and \$28.5M respectively)

- University Supported aid has increased 22% over the last 3 years
- Approximately 78% of all undergraduates are receiving some form of financial aid

Undergraduate & Graduate Aid (\$M)	FY19	FY20	FY21	FY22 Forecast	FY19-FY22 Change
University Supported*	\$129.2	\$142.8	\$150.2	\$162.8	\$33.6
State (includes R. Willis Scholarship)	9.0	9.7	10.7	10.0	1.0
Federal (Pell/SEOG)	35.3	46.2	51.4	68.8	33.5
Other**	14.8	12.9	17.5	19.8	5.0
Total Aid	\$188.3	\$211.7	\$229.8	\$261.4	\$73.1

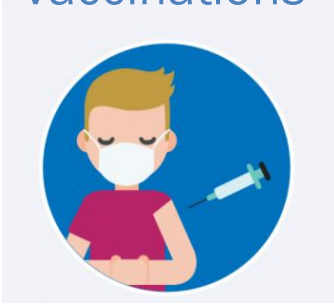
*University Supported includes undergraduate and graduate aid funded by tuition, departmental revenue, and work study

**Other funding comes from the private sources such as the Foundation and Endowments

Spring 2022 COVID-19 Status*

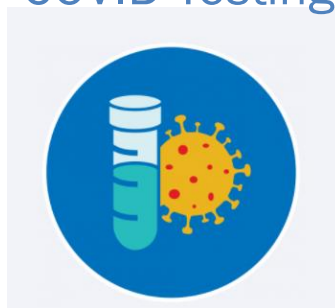
Our work is not done; we still must take precautions and follow testing, social distancing, masking and hygiene protocols

Vaccinations



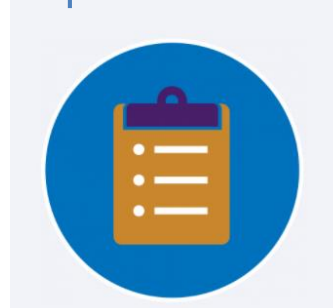
- All in-person students on campus are required to be vaccinated or granted an exemption
- All employees must be vaccinated or be granted a deferral or medical/religious exemption

COVID Testing



- Random testing on the Storrs campus to identify cases and isolate them before they spread
- Using pooled surveillance screening of both wastewater and saliva samples on the Storrs campus to identify areas of viral concentration

Campus Guidelines



- Student social distancing is not required since vaccinations are mandatory; unvaccinated students are requested to maintain 6 ft of space
- Masking is not required outside, but is required indoors

Vaccination Status**

- 96% UConn employees are fully or partially vaccinated
- On average 94% of all students on 6 campuses are fully or partially vaccinated

COVID Information Center

UConn has launched a COVID-19 Information Center to direct individuals to appropriate resources to address non-emergency questions and concerns

*Excludes UConn Health

**COVID statistics as of 11/3/21

COVID Federal Relief

UConn has received \$176.9M in COVID relief funding to date.

- \$85.7M to help offset revenue losses, which helped reduce deficits in FY20,21,22
- \$50.4M in student aid
- \$40.8M in expense reimbursements

SUMMARY - Federal COVID Relief Funding				
		Student Aid*	Institutional support	TOTAL by FY
FY20	Fed Package 1	\$10,750,423	\$10,750,422	\$21,500,845
FY21	Fed Package 2	\$11,146,598	\$21,298,081	
	State CRF/GEER		\$35,371,906	
	Provider Relief		\$3,464	\$67,820,049
FY22	Fed Package 2		\$50,000	
	Fed Package 3	\$28,569,514	\$28,448,006	
	State ARPA		\$20,000,000	
	State CRF		\$5,475,020	\$82,542,540
FY23	State ARPA		\$5,000,000	\$5,000,000
TOTAL		\$50,466,535	\$126,396,899	\$176,863,434

*An additional \$322K is expected in student aid but has not yet been received.

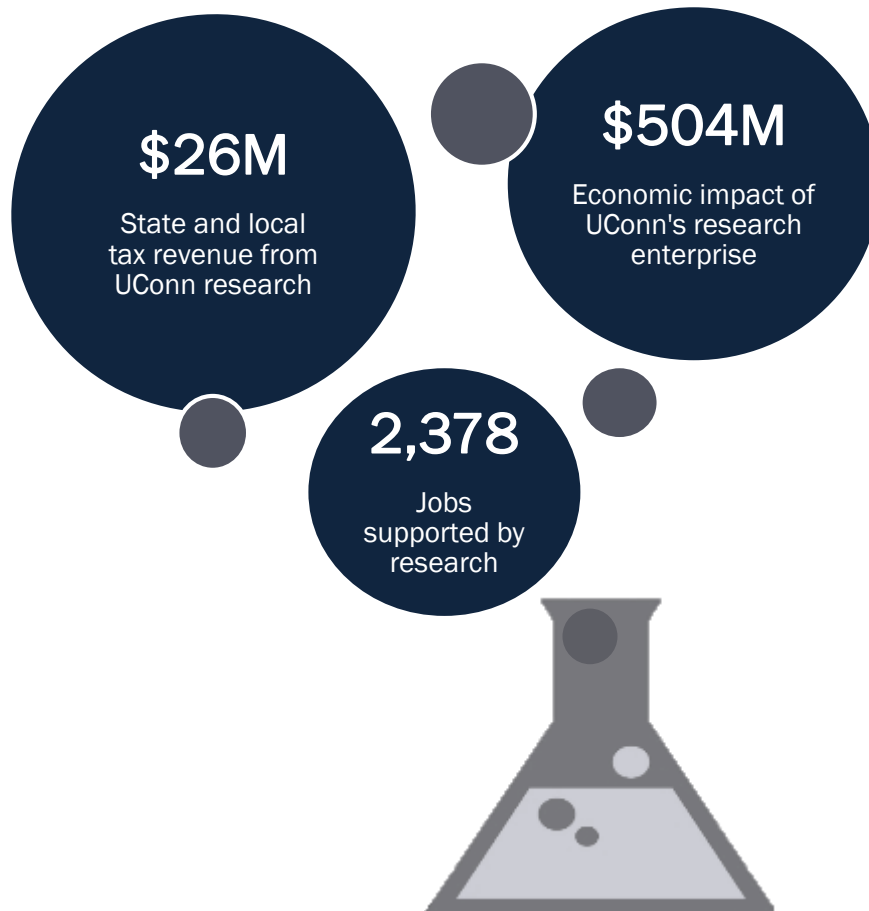
Total Federal funding through State: \$65,846,926

UConn

Research & Innovation
Economic Driver for Connecticut

UConn Research & Innovation: Economic Driver for CT

UConn's research operations make real and vital contributions to the State's economy



- Generally, every \$1,000 of research expenditure results in \$800 in value added to the state economy

UConn Research & Innovation: Economic Driver for CT

University Initiated Pipeline for an Innovation Economy

- UConn generates new discoveries that move through translational stages towards commercialization, investment, new companies, and new jobs for Connecticut

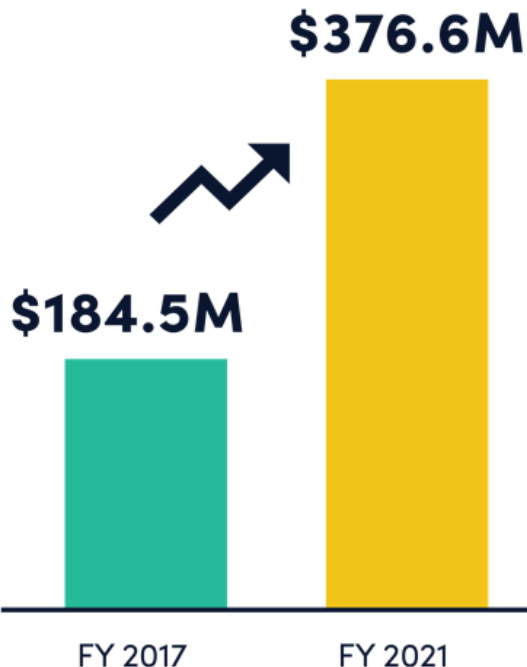


UConn Research & Innovation: Record High Research Awards in FY21

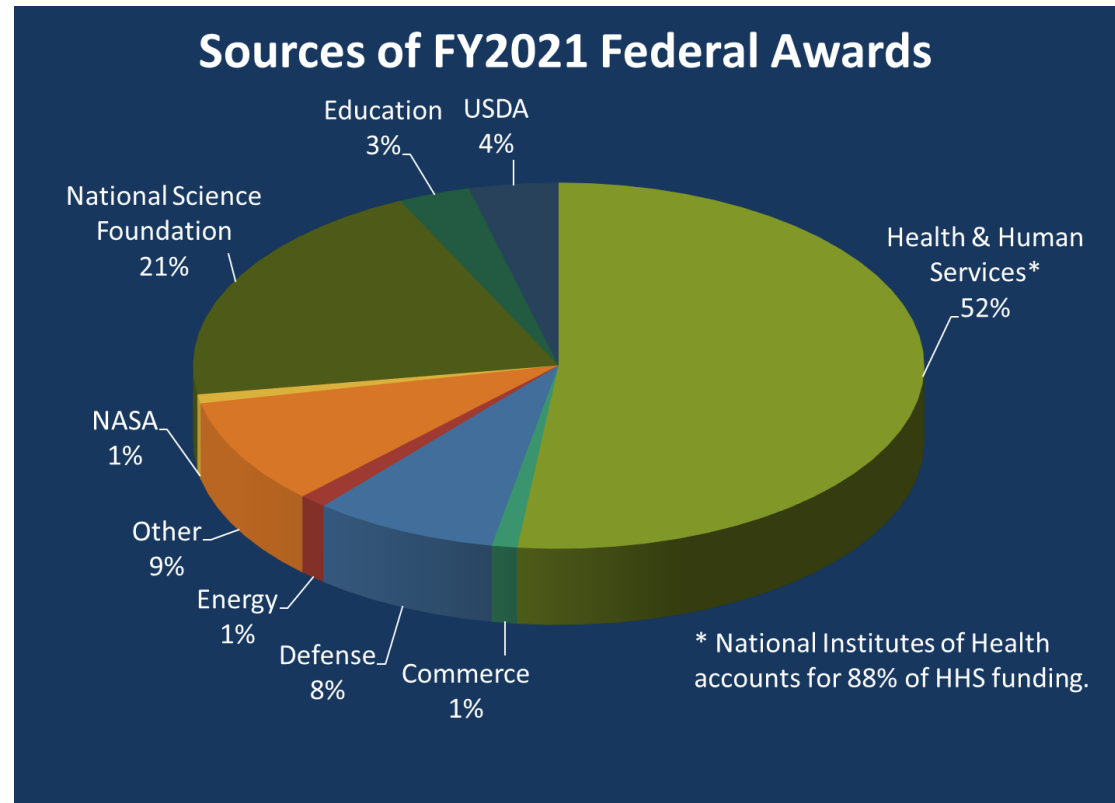
Federal and industry grants fund groundbreaking basic and applied research to fuel new discoveries and the development of promising technologies

New Awards

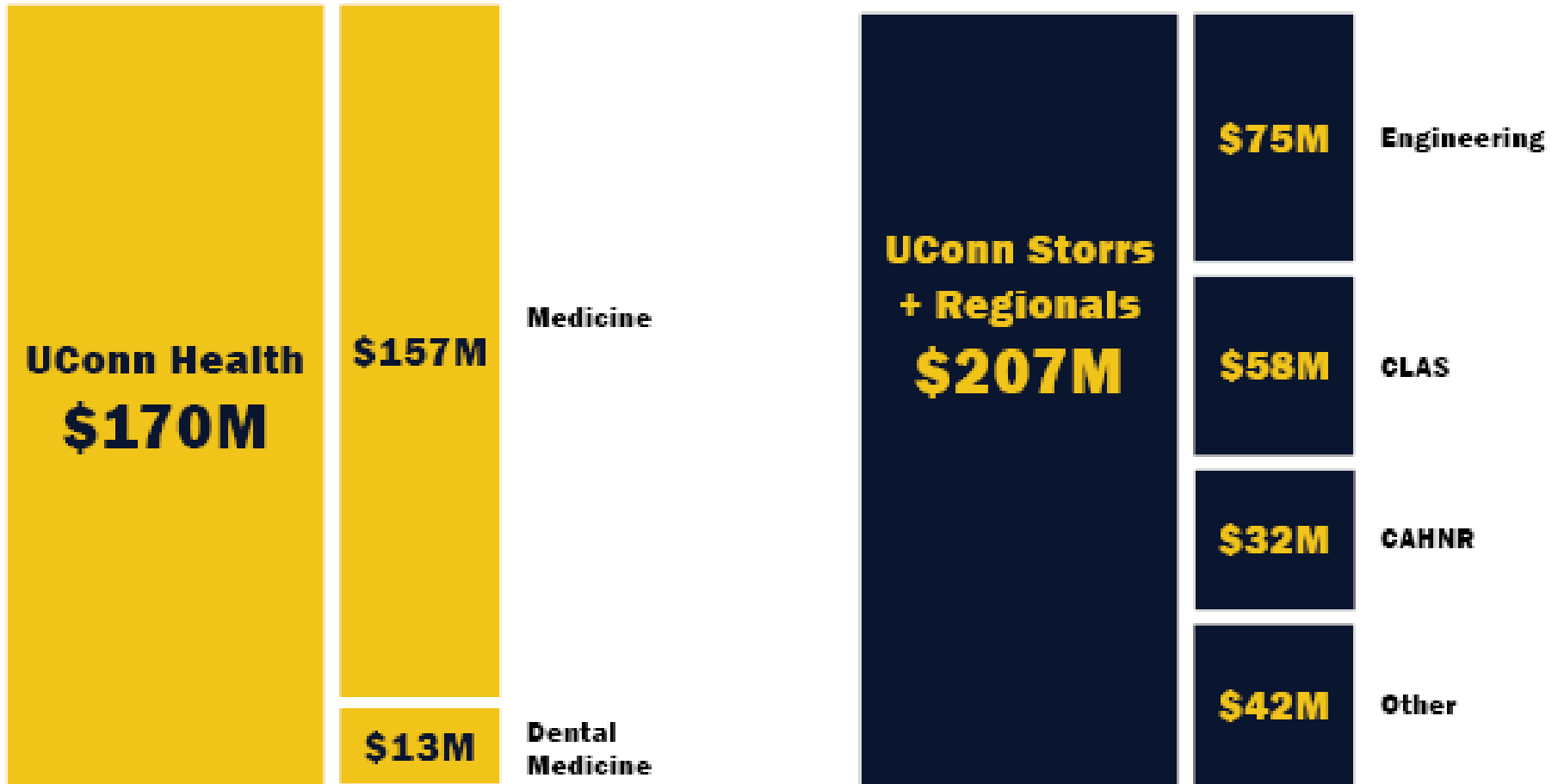
100% increase over five years



Sources of FY2021 Federal Awards



UConn Research & Innovation: New Awards by Campus



UConn Research & Innovation: Commercialization & Company Creation

FY21 Technology Commercialization

Activity:

- **91** invention disclosures received
- **102** U.S. patent applications filed
- **28** patents issued
- **10** licenses & options executed
- **\$1.2M** licensing revenue
- **5** startups formed by faculty, **2** student startups supported by UConn Research

Recent Success and Rankings:

- TIP was the 2021 winner International Business Innovation Association (InBIA) Randall M. Whaley Award
- 141 companies have participated since 2003 with \$956 million raised



Research & Innovation success leads to technology commercialization, creates new companies, new jobs, and positions Connecticut for economic growth

UConn Research & Innovation: Technology Incubation Program (TIP)

Moving technology from the lab to the market at UConn and
UConn Health

	TIP UConn and UConn Health Total FY21	TIP UConn Health Total FY21	TIP Stamford Total FY21	TIP Storrs Total FY21
Raised in debt & equity funding	\$57M	\$53M	\$3M	\$227k
Raised in revenue from sales and grants	\$14M	\$10M	\$2M	\$2M
Companies located at the incubator	58	36	11	11
Full-time (FT) and part-time (PT) Jobs	204 (FT) 80 (PT)	172 (FT) 49 (PT)	14 (FT) 7 (PT)	18 (FT) 24 (PT)
Incubator space occupied	94%	93%	NA	97%
Taxes paid	\$3,384,920	\$3,179,893	\$29,657	\$175,370

UConn Research & Innovation: Commercialization & Company Creation

What Do We Need to Accelerate Growth?

To build on current strengths, gain momentum and see faster returns, we need:

Dollars

- Proof of concept funds to more quickly and substantially transform ideas into products

People

- More researchers to grow UConn's Research & Innovation pipeline and encourage student inventors and entrepreneurs
- More venture development expertise to generate innovation activities, venture development, etc.



Continued investments to grow UConn's innovation pipeline drive the growth of CT's economy

UConn Research & Innovation: Support & Grow Existing Industries

Types of University-Industry Partnerships:



When UConn's world-class researchers collaborate with industry, economic growth and competitiveness of CT is increased

- Industry Contracts
- Joint Research Grants
- Student Internships
- Scientific/Engineering Support
- Clinical Trials
- Technology Development
- Shared Equipment
- Proof of Concept Resources (money & facilities)
- Partner and Startup Co-location (e.g. Innovation Partnership Building)

UConn Research & Innovation: Support & Grow Existing Industries

Innovation Partnership Building (IPB) at UConn Tech Park



Energy



Cyber



Materials



Manufacturing



Data Science



AI/Robotics

PARTNER WITH INDUSTRY

- Innovations that will define the future of their businesses
- Develop joint research grants
- Attract large corporations and SMEs in supply chain
- Shared equipment
- Advanced modeling
- Faculty expertise across disciplines

PARTNERSHIP OPPORTUNITIES

- Industry contracts
- Joint research grants
- Internships for students
- Scientific/engineering support
- Proof of Concept space

The IPB connects small and large businesses with faculty experts in state-of-the-art labs to fuel scientific breakthroughs, advance innovative products, and provide economic benefit to the State of Connecticut



UConn Tech Park – Innovation Partnership Building

UConn Tech Park serves as the main gateway for industry engagement with the University, building collaborative partnerships with industry and federal government to drive economic competitiveness across Connecticut’s core sectors

\$120M+ Current federal and industry partnerships funding



\$7.5M

Pratt & Whitney Additive Manufacturing Center (PW AMC)



\$25M

UConn - Thermo Fisher Scientific Center for Advanced Microscopy and Materials Analysis (CAMMA)



\$2.2M

Collins Aerospace Center for Advanced Materials



\$7.5M

Comcast Center of Excellence for Security Innovation (CSI)

\$17.5M

Eversource Energy Center



\$18.1M

Daedalus Air Force Advanced Manufacturing Initiative




\$19.9M

National Institute for Undersea Vehicle Technology



\$10M

UTC Institute for Advanced Systems Engineering (UTC-IASE)

\$9M

Reverse Engineering Fabrication Inspection & Non-destructive Evaluation (REFINE)



\$3.2M

Synchrony Financial Center of Excellence in Cybersecurity



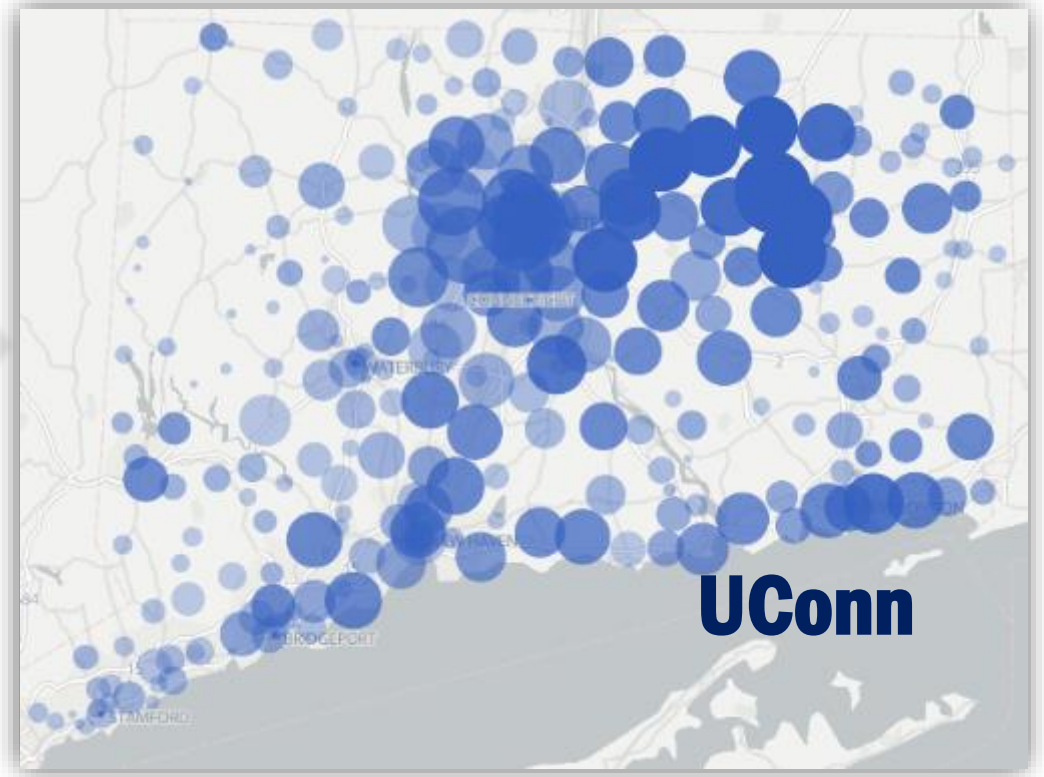
\$12.2M

Connecticut Center for Applied Separations Technologies (CCAST)

Grant Trails

Grant Trails (<https://granttrails.uconn.edu/CT>) interactively shows you where research grants awarded to UConn faculty are spent throughout our state

Federal, state, and corporate grants support researchers at an institution. But their contribution to local economies is often overlooked. Grant dollars are used to pay for equipment, reagents, consumables, salaries, etc. throughout the state that are required to carry out research at UConn



Note: Grant Trails is an open source project, conceived and built at UConn (with talented undergraduates), and available for any institution wishing to visualize their grant expenditures geographically

COVID-19 Research at UConn/UConn Health

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From the development of emergency ventilators to diagnostics and behavioral health interventions, researchers at UConn and UConn Health are producing invaluable research to address the COVID-19 pandemic

Storrs/Regionals

- Economic Effects of COVID-19 on the Dairy Industry, College of Agriculture, Health & Natural Resources
- Compact Field Portable Biophotonics Instrument for Real-Time Automated Analysis and Identification of Blood Cells Impacted by COVID-19
- An integrated surveillance program for improved detection, containment and mitigation of COVID-19
- Effects of COVID-19 on Domestic Violence
- Single-Administration Microneedle Skin Patch for Novel Vaccination Technology

UConn Health

- UConn, Local Company Commercialize Custom-Fit COVID-19 Mask
- Rapid and Ultrasensitive SARS-CoV-2 Detection in Wastewater by Smartphone
- Nuclear Magnetic Resonance Facility To Study SARS-CoV-2 Protein, Protein Domains

UConn

Next Generation Connecticut

Next Generation Connecticut Overview

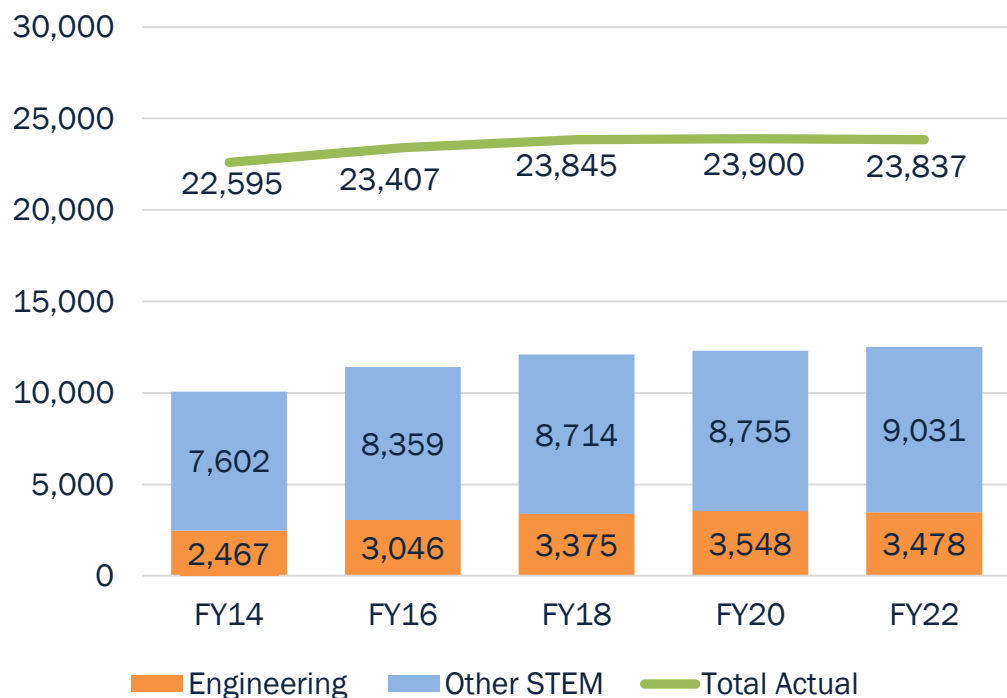
UConn continues the transformation of modernizing, rehabilitating and expanding the physical plant of the University through the NextGenCT initiative

- Approved in 2013, NextGenCT is an ambitious plan (FY15-FY27) to improve UConn's **STEM** capabilities. Specifically, the initiative is designed to:
 - Build STEM facilities including classrooms, equipment and laboratories
 - Upgrade aging infrastructure to accommodate faculty and students
 - Hire new faculty & enroll more undergraduates primarily in STEM areas (dependent on new State operating funds)
 - Increase research and innovation

NextGenCT Progress - Student Growth

Since FY13, total undergraduate enrollment has increased by 1,536 students or 7% despite NextGenCT operating fund shortages – growth at Storrs is more than the planned amount

Undergraduate Enrollment



- Undergraduate STEM enrollment increased by 35% since FY13 (all campuses)
- Engineering enrollment increased 64% to 3,478 (all campuses)

*Note: Original NGC planed enrollment by FY27 was 28,881

NextGenCT: CT's Tech Talent Pipeline

UConn is the primary engine that feeds the tech talent pipeline in the State to support innovation and economic growth

	Fall 2021 Actual	Change from FY13	
First Year Applications: Total	38,929	7,566	+24%
Storrs Undergraduates: STEM	10,791	2,665	+33%
Storrs Undergraduates: Total	18,917	1,389	+8%
Undergraduates: Total	24,371	2,070	+9%
Graduate: Total	6,928	315	+5%
Bachelor's Degrees: STEM (FY21)	3,176	789	+33%
Bachelor's Degrees: Total (FY21)	5,623	501	+10%
Masters & Doctoral Degrees: STEM (FY21)	656	64	+11%
Masters & Doctoral Degrees: Total (FY21)	2,294	427	+23%

NextGenCT and Engineering Industry

The Connecticut Department of Labor expects a 17% overall increase in engineering employment between 2016 and 2026

Why do we need more engineering students?

- Engineers are needed within many sectors of the Connecticut economy including aerospace, naval, healthcare and insurance
- Connecticut is home to Electric Boat, Sikorsky, Pratt and Whitney and their ecosystem of more than 1,000 suppliers throughout the state
 - Pratt and Whitney is expected to double their current production, requiring an additional 8,000 new employees
 - Sikorsky is expected to double in size
 - Electric Boat will hire 18,000 new workers
- UConn produces over 53% of all the engineering graduates in Connecticut
- A recent survey shows 91% of UConn Engineering graduates are either employed or continuing their education within 6 months of their graduation



NextGenCT: STEM Success

UConn is a major supplier of talent in the Connecticut workforce

Examples

Aerospace & Naval

- Pratt & Whitney, a Raytheon Technologies Company (RTX) ~1200
- General Dynamics Electric Boat ~800
- Collins Aerospace, a Raytheon Company ~ 520

Insurance

- Travelers ~950
- The Hartford~900
- CVS Health Aetna ~880
- Connecticut consistently ranks in the highest category nationally for education of its workforce



UConn

Operating Budget

Overview

- The FY22 budget is forecasted to be balanced, however projected out-year deficits reveal continued fiscal challenges
- While the COVID threat will subside, unfunded legacy fringe costs remain, and collective bargaining increases (CBI) are unknown or unsettled.
- Tuition level already at a competitive peak, meaning we may lose students beyond certain levels.
- Options remaining to reduce costs/spending will erode academic excellence or diminish student services.

Budget Framework: FY22

This is how UConn will pay for its \$1.6 billion in FY22 costs

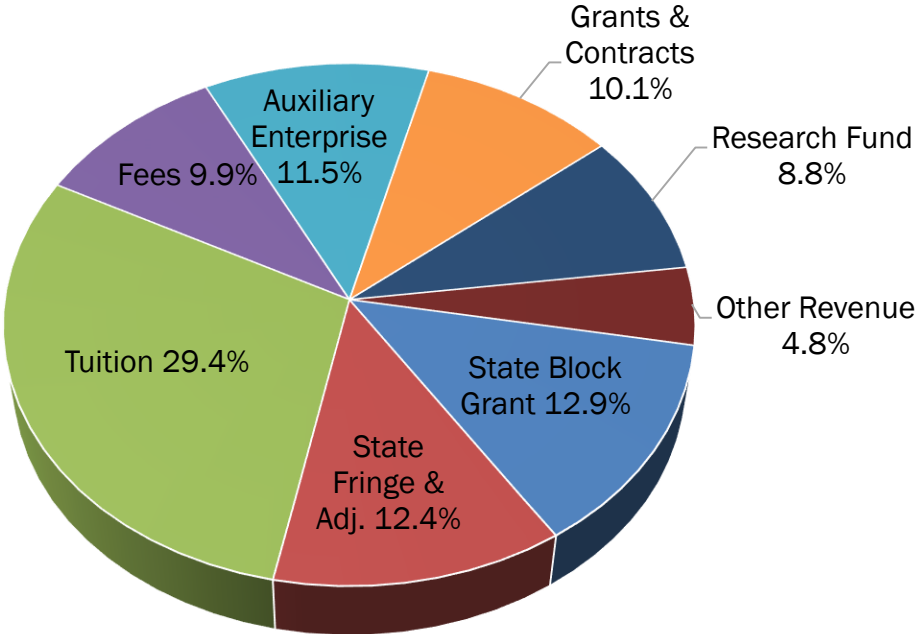
Source of funds		FY22 Amount	Share of budget	Use of funds
State	Block grant	\$208M	13%	Salaries for 47% of employees
	Fringe reimbursement	\$201M	13%	Fringe for 47% of employees
Students	Tuition	\$473M	29%	Instructional costs
	Fees	\$298M	18%	Housing, dining, academic support, student service costs
University	Grants, contracts, gifts	\$307M	19%	Research and public service; includes federal COVID relief funding
	Sales, auxiliary, other	\$122M	8%	Commercial activities, programmatic maintenance, etc.

FY22 Revenue by Category

The University relies more on tuition than any other revenue source at almost 30%; State support in the form of the block grant is only 12.9% of total revenues, and when combined with the State fringe reimbursement, only accounts for 26% from the State

FY22 Budget

Revenues (\$M)	
State Block Grant	208.2
State Fringe Benefits & Adjustments	200.3
Total State Support	\$ 408.5
Tuition	472.6
Mandatory/Course Fees	158.6
Grants & Contracts	162.3
Auxiliary Enterprise	185.5
Other Revenue	77.1
Total Operating Fund	\$ 1464.5
Research Fund	144.7
Total Revenues	\$ 1609.2



Note: Use of decimals may result in rounding differences

Auxiliary revenue includes student fees such as room/board/parking/health services, as well as revenue from Athletics, Jorgensen and other student-related activities

State Budget FY23

UConn is grateful for the significant support provided in the Governor's budget proposal. We will continue to request funding for FY23 of \$58.5M for salary increases, fringe and legacy costs.

UConn - Storrs & Regionals				
	State Budget FY23	Request FY23	Governor's Budget FY23	Remaining Request
Operating Expenses	\$207,784,065	\$207,784,065	\$207,784,065	\$0
CBI non-block grant employees		\$32,487,867	\$20,000,000	\$12,487,867
Institute of Municipal and Regional Policy	\$400,000	\$400,000	\$400,000	\$0
SUBTOTAL	\$208,184,065	\$240,671,932	\$228,184,065	\$12,487,867
Carryforward support (CIRCA/Vets program)	\$2,750,000	\$2,750,000	\$2,750,000	\$0
Carryforward - 27th payroll (one-time)		\$15,344,054	\$7,991,695	\$7,352,359
Legacy fringe costs	\$6,087,251	\$44,759,611	\$6,087,251	\$38,672,360
TOTAL STATE SUPPORT	\$217,021,316	\$303,525,597	\$245,013,011	\$58,512,586
Other items:				
ARPA	\$5,000,000	\$5,000,000	\$5,000,000	\$0

***Note about CBI funding proposal:**

FY22: Non-block grant - \$25.3M is being allocated one-time through a deficiency bill, fully covering non-block grant CBI's (salary & fringe).

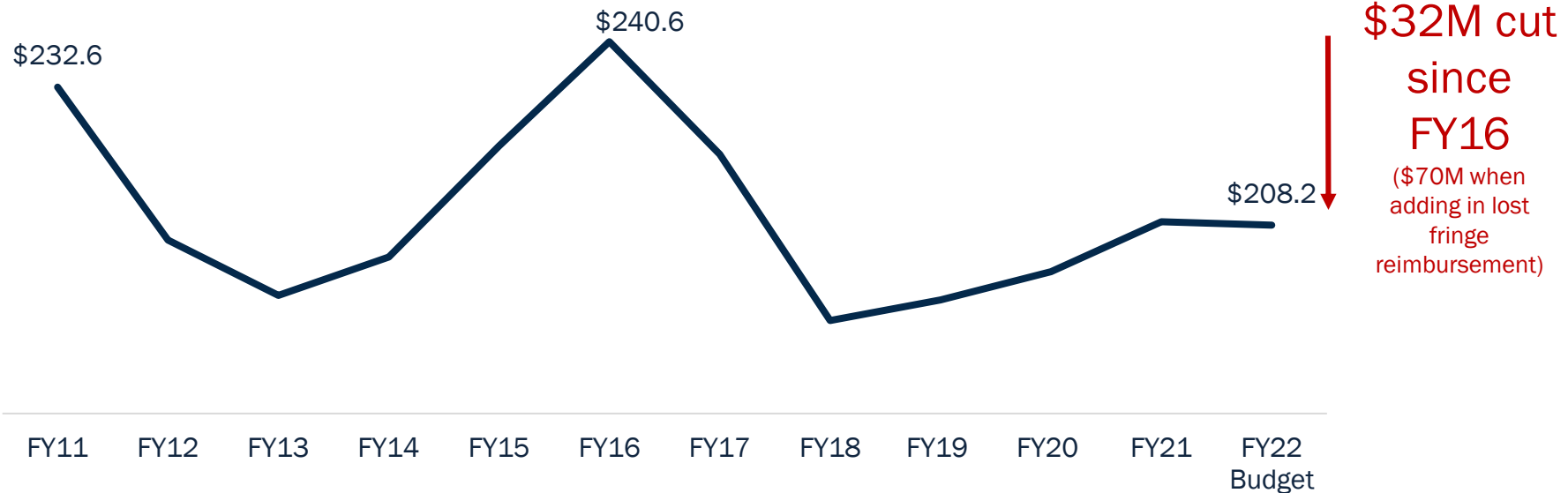
Block grant - CBI's will be fully funded through the RSA allocation.

FY23: Non-block grant - Due to the one-time funding in FY22 not carrying forward, the non-block grant CBI funding of \$20M is short by \$12.5M (salary & fringe).

Block grant - CBI's will be fully funded through the RSA allocation in the Governor's budget.

Budget Trends: State Block Grant - Allotment

The State Block Grant is only used for salaries of University employees and only covers 47% of our employees; since FY10, the State Block Grant has averaged ~\$212M per year



Cuts in State Support

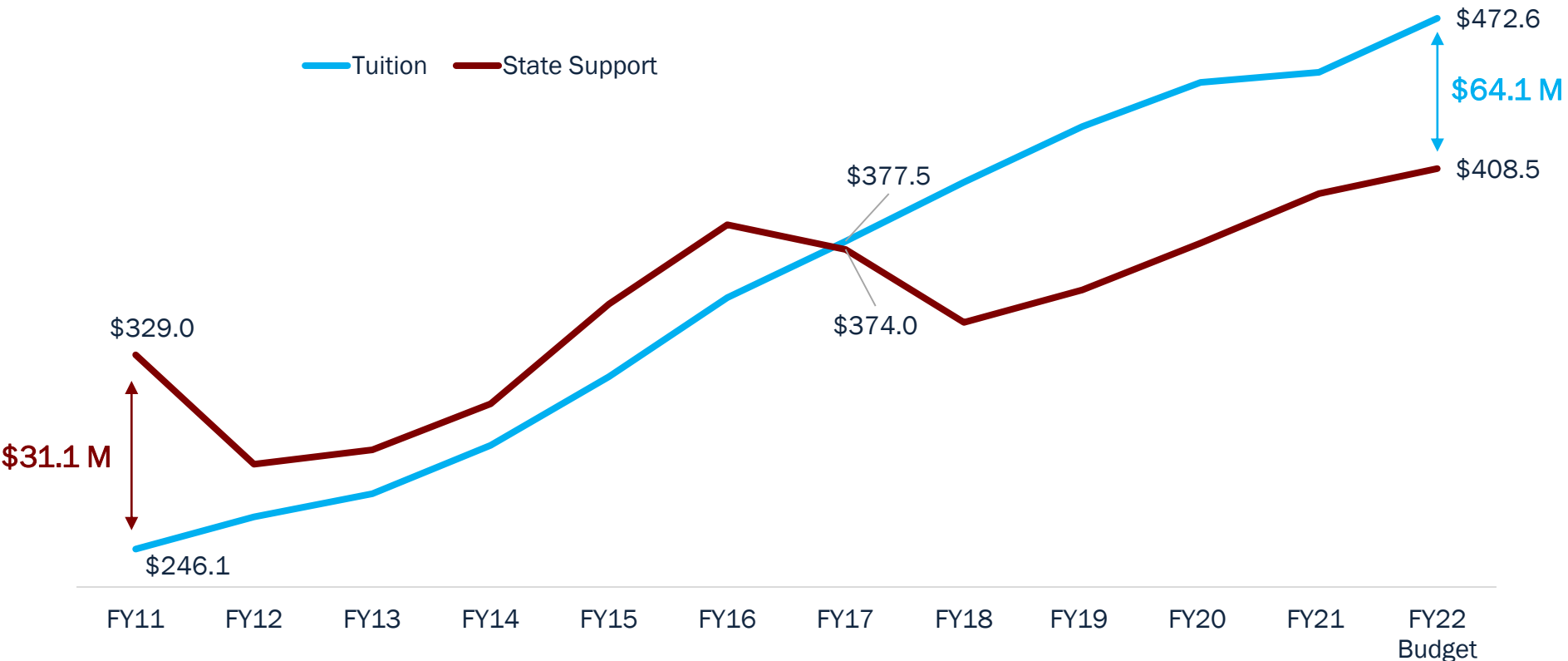
Since FY12, UConn has sustained \$90.2M in reductions* after each annual State budget was approved

UConn Storrs - Reductions, Fringe (Lost) and Fund Sweeps (\$M)						
	Appropriation	Reduction	Actual Allotment	Lost Fringe due to Reduction	Fund Sweeps	Total Cut
FY12	207.7	(2.1)	205.6	(1.1)	-	(3.2)
FY13	206.1	(10.3)	195.8	(5.2)	-	(15.5)
FY14	203.4	(0.8)	202.6	(0.4)	-	(1.2)
FY15	229.6	(7.4)	222.2	(3.7)	-	(11.1)
FY16	243.2	(2.6)	240.6	(1.6)	(13.2)	(17.4)
FY17	229.9	(9.2)	220.7	(6.3)	-	(15.5)
FY18	199.3	(7.9)	191.4	(5.5)	-	(13.4)
FY19	190.6	(0.9)	189.7	(0.7)	-	(1.6)
FY20	200.4	(1.0)	199.4	(0.8)	-	(1.8)
FY21	211.3	(2.5)	208.8	(2.2)	-	(4.7)
FY22	210.9	(2.5)	208.4	(2.3)	-	(4.8)
TOTAL		\$ (47.2)		\$ (29.8)	\$ (13.2)	\$ (90.2)

*Reductions = lapses, rescissions, lost fringe reimbursements, fund sweeps and deficit mitigation

Budget Trends: Tuition Replaces Lost State Support

As total State support declines, UConn must rely more on tuition revenues to cover more of its expenses, which shifts the cost burden onto students and their families



FY22 Expense by Category

Salary and fringe benefit costs, primarily due to the state's unfunded legacy costs, are growing at a significant pace and account for nearly 55% of the University's operating budget

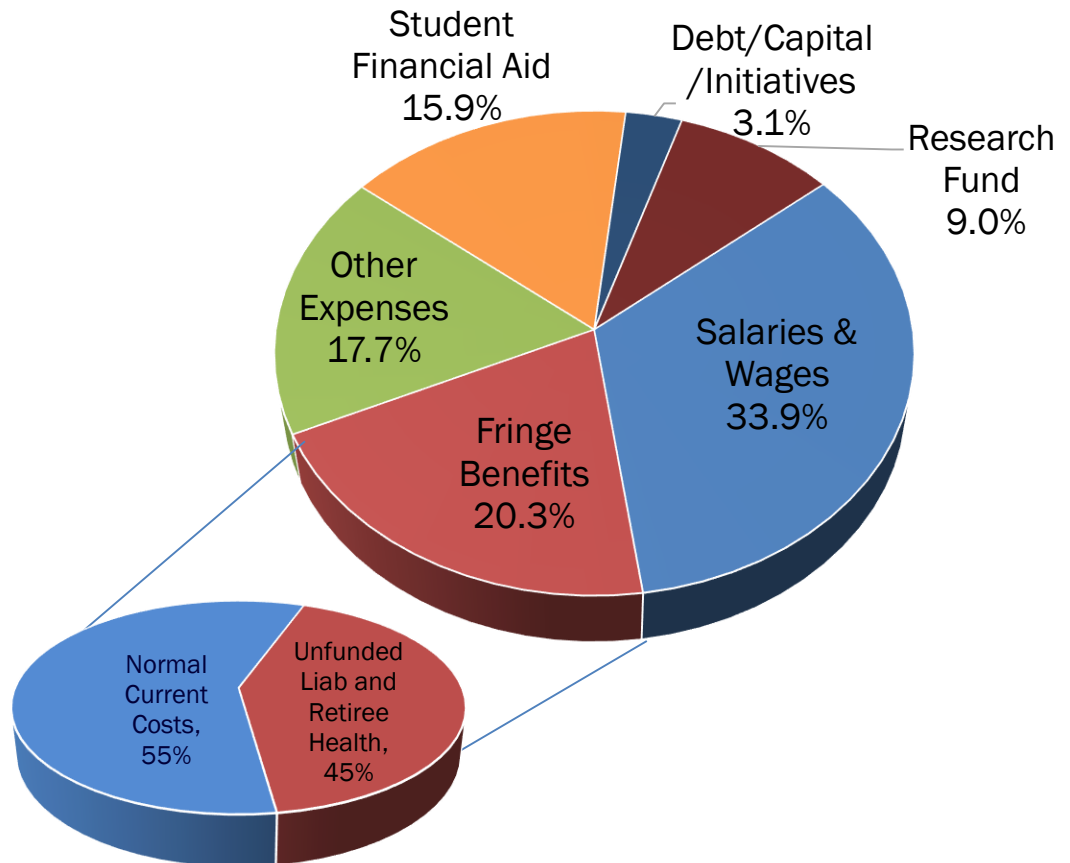
FY22 Budget

Expenditures (\$M)

Salaries & Wages	545.5
Fringe Benefits	327.3
Student Financial Aid	255.6
Other Expenses	285.3
Debt/Capital/Initiatives	50.5
Total Operating Fund	\$ 1464.2
Research Fund	145.0
Total Expenditures	\$ 1609.2

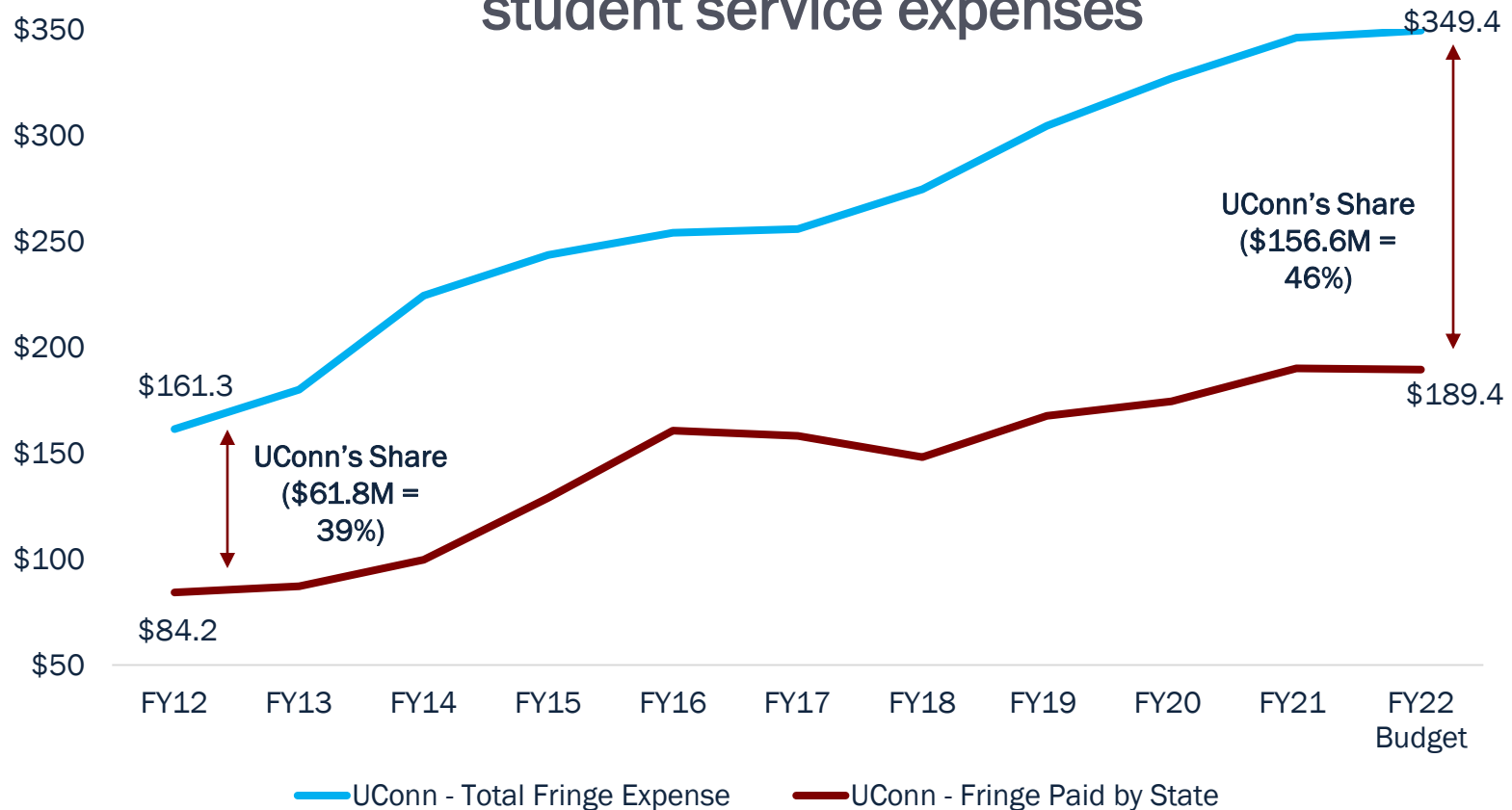
Note: Use of decimals may result in rounding differences

Other Expenses includes dining services food and labor, lab supplies, janitorial services, facilities contracts, dues and memberships, travel, etc.



Rising Fringe Costs

As fringe costs rise, and the State covers a smaller share of the expenses, UConn pays more for fringe expenses and less for student service expenses



Fringe rates are determined by the State Comptroller's Office

Budget Risks

Future outstanding budget risks include:

- Collective Bargaining Negotiation – Unsettled Contracts
 - Potential cost = \$7.2M per 1% CBI
- Unfunded Legacy Fringe Costs
 - UConn will pay ~\$38.7M in unfunded legacy fringe costs in FY23 and it will continue to grow in the out-years. The full cost is \$44.8M in FY23 however the State has allocated \$6.1M in carryforward fund support.
- 27th Payroll in FY23
 - Lack of additional state funding will cost us \$15M

UConn Budget Impacts Excellence

Threats to UConn's budget will impact student success, affordability, and national reputation

- With strong State support, UConn climbed its way to become a top 20 public research university – reaching as high as #18 in *US News* in 2018 out of 190 major public research universities nationwide
- While UConn is currently ranked as #23 in *US News*, continued reductions in State support will have negative impacts on UConn students and the State's economy
 - Students pay more tuition & fees to offset declining State support
 - Class sizes increase while class offerings decrease, resulting in diminished educational quality and longer times to graduation
 - Student services will be limited, including fewer academic advisors, mental health counseling, and other support services
 - Competition for and retention rates of best faculty decline, leading to fewer research grants and industry partnerships

UConn

Capital Budget

Capital Program Challenges

Instability in economy is contributing to workforce, supply chain and funding uncertainty

- COVID has created capital program risks and challenges that could result in project delays
 - Potential for workforce limitations, interruptions or unavailability – job site safety is highest priority
 - Unknown impact to supply chain for select materials – timing and cost
- Future State funding is not guaranteed
- Project delays result in increased costs and reduced project scopes; current construction cost annual escalation estimated @ 0.5% per month or 6% per year

Capital Budget Plan

UCONN 2000 Bond Funded Projects (in millions)		Prior Auth	FY22	FY23-FY27	Budget	Status for FY22
Academic /Research	NW Quad: Gant Science Building Renovation	\$169.8		\$78.2	\$248.0	Construction
	NW Quad: STEM Research Center Science 1	147.0	\$73.0	0.0	220.0	Construction
	NW Quad: Electrical Infrastructure Upgrades	0.3	24.8	0.0	25.0	Design
	Academic Renovations - Engineering	4.0	1.0	0.0	5.0	Design/Construction
	Academic Renovations - PharmBio			20.0	20.0	Planning
	Academic Renovations -Research Labs & Classrooms	41.4	16.0	11.0	68.4	Design/Construction
	Major Equipment (Faculty Start-up)	34.5	5.3	25.5	65.3	Ongoing
	Total Academic/Research Priorities		\$120.0	\$134.7		
DM	Code Corrections - Stamford	8.0	14.0	0.0	22.0	Construction
	Other Repairs, Replacements & Improvements		26.7	118.6	145.3	Design
	Major Equipment - Information Technology	25.3	5.8	3.5	34.5	Construction
	Major Equipment - Replacement	4.5	2.5	2.5	9.5	Ongoing
	Total Deferred Maintenance		\$48.9	\$124.6		
Other	Major Equipment - Other	41.9	2.5	17.9	62.3	Ongoing
	Residential Life Facilities	5.6	15.0	3.8	24.4	Design
	Contingency		4.1	7.9	12.0	
UCONN 2000 Bond Funded Projects for NextGenCT			\$190.5	\$288.8		
UCH	Deferred Maintenance		25.0		25.0	Design/Construction
UCONN 2000 Bond Funded Projects for UCH			\$25.0	\$0.0		
Total UCONN 2000 Bond Funded Projects			\$215.5	\$288.8		
Other Funded Projects (University, Gifts, State GO Bond)						
Academic	Programmatic Renovations		5.0	25.0	30.0	Design/Construction
	Faculty Innovators		6.5	39.6	46.1	Ongoing
DM	Facilities Repairs & Improvements	108.9	17.0	44.0	169.9	Design/Construction
Other	Hockey	20.0	25.0	25.0	70.0	Construction
	Contingency		2.5	12.5	15.0	
Total University Funded Projects			\$56.0	\$146.1		
Grand Total Capital Budget			\$271.5	\$435.0		

The long-term capital budget plan is continuously reviewed to ensure funding for our highest priorities

UCONN 2000 State General Obligation Bonds

Bonding Schedule (\$M)		Current Statute	Status
Phase I	FY96-FY99	\$382.0	Complete
Phase II	FY00-FY05	580.0	
Phase III	FY05-FY19	2,384.4	
Phase III	FY20-FY21	457.2	Active
	FY22	215.5	
	FY23	125.1	
	FY24	84.7	
	FY25	56.0	
	FY26	14.0	
	FY27	9.0	
Total		\$4,307	

UCONN 2000 State supported GO bonds fund the majority of the capital budget

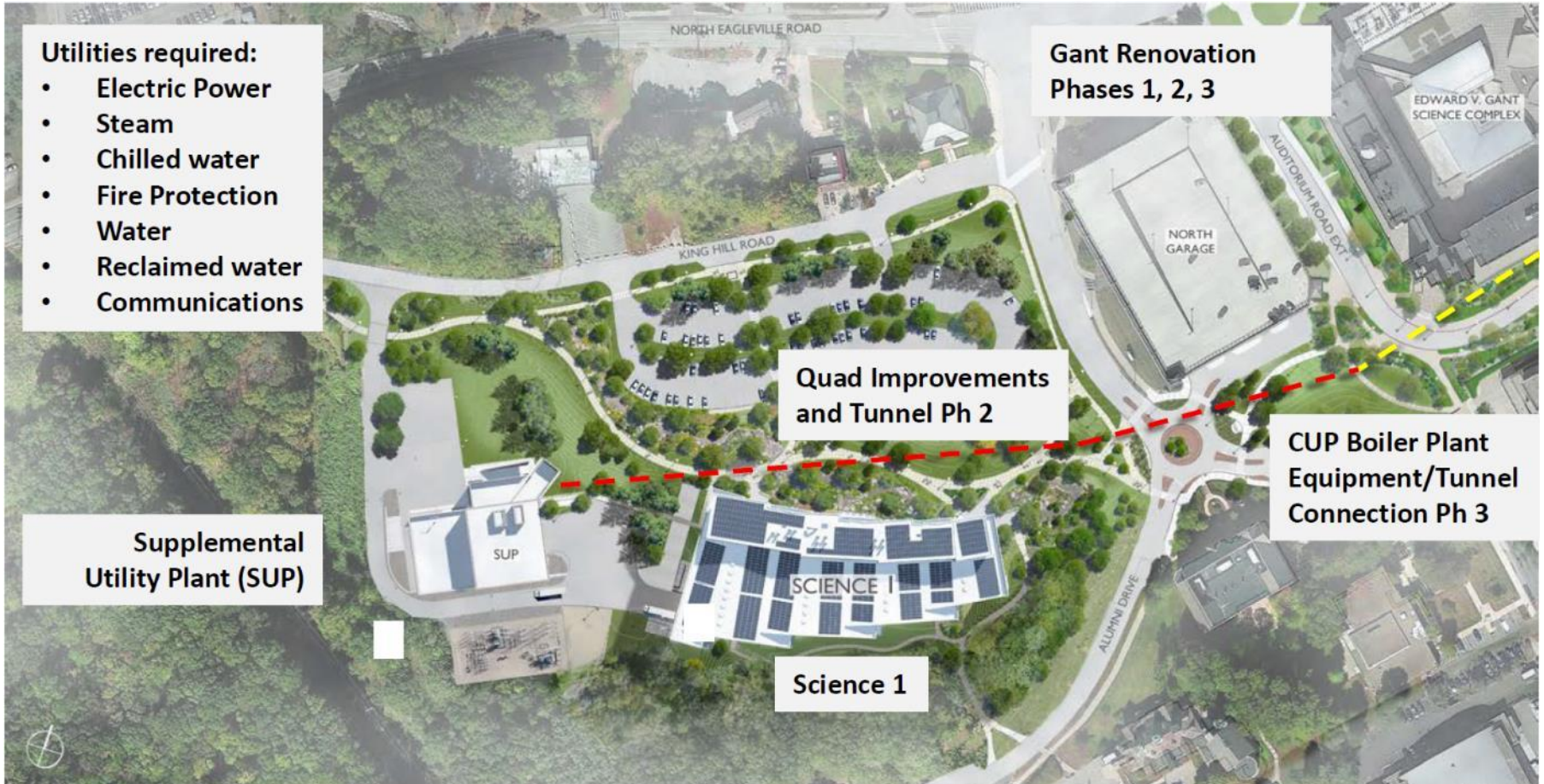
- UCH has requested additional funds for Deferred Maintenance in FY23

FY22 Capital Budget by Fund Source

61% of the capital budget is funding active construction projects, with the remaining 39% dedicated to planning and design

Academic & Research Facilities	\$73.0	STEM Science 1 Building
Infrastructure DM	24.8	Science Program Utilities
Other DM	61.7	Academic Renovations, Code Corrections, Other, Contingency
Equipment	16.0	Faculty start-up/research, IT network, Other
Residential Life	15.0	Housing Renovations
UCH DM	25.0	Critical deferred maintenance
UCONN 2000 State Bonds	\$215.5	
Other Funds	56.0	Faculty Innovators, Facilities Repairs, Academic Renovations, Hockey
Total Capital Budget	\$271.5	All capital projects costing \$500K or more are submitted for Board action on a project-by-project basis

NW Science Quad – 5 Projects in Construction



As Gant Renovation Phase 2 is completed, Phase 3 design is underway along with construction of Science 1 and the enabling infrastructure projects

Major NextGenCT Buildings Opened



UConn Hartford Campus

\$139M

3 bldgs & 215,000 sqft
Completed August 2017



Werth Residence Hall

\$95.8M

212,000 sqft & 730 beds
Completed August 2016



Engineering & Science Building

~\$92.5M

115,000 sqft
Completed October 2017



Fine Arts Production Facility

~\$35.7M

30,000 sqft
Completed April 2020



Monteith Building Renovation

\$23.7M

73,000 sqft
Completed August 2016



Gant Building Renovation Phase I -II

~\$170M

200,000 sqft
Completed August 2019, May 2021



Putnam Refectory Renovation

\$18.7M

42,000 sqft
Completed August 2016



Student Recreation Center

~\$100M

191,000 sqft
Completed August 2019

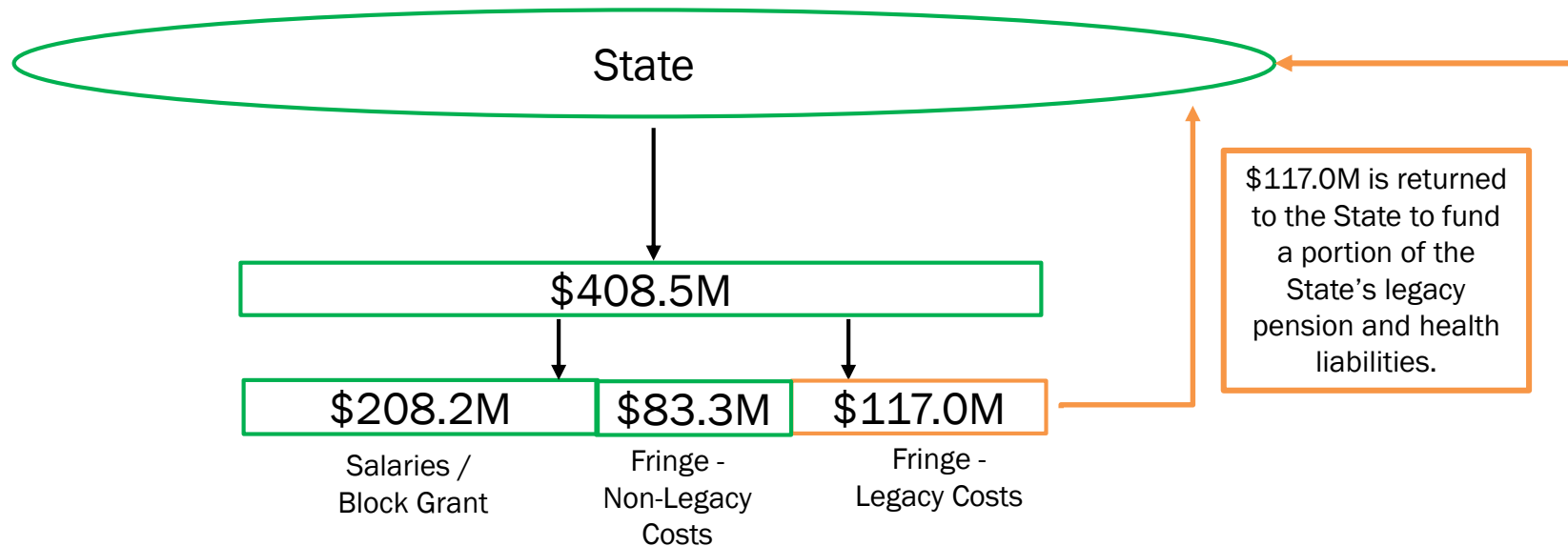
Capital Program Summary

In spite of the negative COVID impacts, UConn continues to complete projects within the capital program

- State bond funding currently in statute will support the academic and research priorities as well as other priority projects for Storrs and UCH
- Construction began on the NW Quad Science projects which accomplishes the simultaneous goals of assisting in the State's economic recovery from the COVID crisis, as the construction value of these projects supports the creation and/or preservation of thousands of jobs, as well as working towards the University's goal of doubling research
- While future year State bond funding is not guaranteed, UConn continues to work with the State to communicate project funding requirements

Appendix

State Funds Flow and Legacy Costs



The total legacy cost to UConn is estimated ~\$160.5M and the State covers \$117.0M which means UConn is required to provide the remaining **\$43.5M** from its self-generated revenues to cover a portion of the State legacy costs.

The total legacy cost to UConn is estimated ~\$160.5M.

\$43.5M

\$160.5M

Note: Numbers represent FY22 budget

State Support FY22

The final FY22 budget resulted in a \$5M cut in the operating line.

Details FY22

FY22 State Appropriation			
	Request	Actual Allotment	Variance from Request
Appropriation - Operating	\$210,273,856	\$205,294,274	(\$4,979,582)
Institute of Municipal & Regional Policy (from CSCU)		\$360,000	\$360,000
CT Institute for Resil. & Climate Adapt. (surplus funds)		\$2,500,000	\$2,500,000
Vets Program (surplus funds)		\$250,000	\$250,000
	\$210,273,856	\$208,404,274	(\$1,869,582)

In addition to the appropriation, UConn anticipates receiving \$194M in fringe benefit reimbursements and adjustments for a total State support of \$402.3M