I am Dr. Bruce Liang, the Interim Chief Executive Officer and Executive Vice President for Health Affairs of UConn Health, and Dean of the UConn School of Medicine. Joining me today is Jeff Geoghegan, Executive Vice President for Finance and Chief Financial Officer for UConn and UConn Health.

I would like to start by thanking each of you for your leadership, dedication and support. I would also like to thank the Governor, Secretary Beckham, and others in the administration who continue to work closely with UConn Health.

Attached to my testimony is a packet of information about UConn Health for your review – it will provide you information on who we are and our budget requests.

I would like to take the time to provide you with an overview of UConn Health, the state’s only public academic medical center: UConn Health is a vibrant, high-performing public asset for the state of Connecticut. Thanks in large part to your leadership and investment, UConn Health generates $3.3 billion in overall economic benefit to the state. In addition to this economic impact in dollars, UConn Health contributes over 13,000 jobs to the state economy and is the single largest source of physicians, surgeons, and dentists in the state. UConn Health has a unique interdependent tripartite public mission-Education, Research/Innovation, and Clinical care, and I appreciate the opportunity to share this with you today.

**Education:** UConn Health ensures access to top-quality health care services for Connecticut citizens by training the state’s future physicians, dentists, and scientists. UConn Schools of Medicine and Dental Medicine are affordable top-rated options for
the sons and daughters of Connecticut. At 653 students, we have maintained the 30% increase in class sizes delivering on the promise of the Bioscience Connecticut Initiative - our programs and our students are thriving.

UConn Health is the single largest source of medical and dental professionals in this state. 63% of the Dental School trainees and 70% of the Medical School trainees stay in the state after graduating from the Schools and their residency programs.

The School of Medicine is a state leader in building and developing a diverse healthcare provider pipeline for Connecticut through the Department of Health Career Opportunity Programs, the Aetna Health Professions Partnership Initiative and the Visiting Students for Underrepresented Minorities program. The School of Medicine ranks 27 and 33 among public medical schools for research and diversity, respectively by the US News and World report. The School of Dental Medicine has been recognized by the American Dental Education Association for achievements in the recruitment and matriculation of underrepresented minority students.

We are the home to 840 Resident physicians and dentists- these are medical and dental trainees who have graduated and are now in specialty training - providing patient care in local hospitals in over 29 communities across the state. The medical residency program brings in $159 million in federal funds to the area hospitals in the State to support their salaries and training.

We also have 378 PhD, Masters and graduate certificate degree students in our Graduate school - individuals who graduate and contribute to research, science, public health service, and the Connecticut economy.

UConn Health’s inpatient and outpatient medical and dental clinics are not only the principal places for educating and training our students, but they are also necessary for the accreditation of the medical and dental schools. As the state’s only public medical school, UConn Medical School and UConn Health perform their public missions like other states’ academic medical systems. The level of state support for our missions, at 13.3 percent of total revenues, is on par with or even lower than that at public health systems in other states.

Given these critical and far-reaching roles, it is absolutely vital that we focus on building on successes to ensure that UConn Health can grow and thrive in the decades ahead, serving our patients, our students, and our state as effectively, but also as efficiently as possible.

**Research, Innovation and Start-Ups:** The state, through Bioscience Connecticut, made strategic investments in UConn Health and the region to generate long-term, sustainable economic growth based on bioscience research, innovation,
entrepreneurship and commercialization. As a result, UConn Health federal research awards are strong at a record-breaking $129 million, including committed external awards in 2023.

Our Center on Aging recently received a $7 million National Institute on Aging (NIA) Claude D. Pepper Older Americans Independence Center award solidifying our standing in the field as now being part of a nationwide network of just 15 Pepper Centers in the country to help older Americans maintain or restore their independence. The Center also received a $1.4 million award to serve as a lead institution to establish an NIA Geoscience Education and Training Network as a complementary “sister” network to the NIA Translational Geroscience Network.

The research and innovation being conducted on our campus not only impacts the state economy, but importantly, it has the potential to help thousands and eventually millions of people. Among the highlights are UConn Health researchers in our world-renowned Glycogen Storage Disease Program are testing gene therapy and mRNA technology as a cure for patients born with the rare, life-threatening liver disorder; our experimental medication therapy could help heal the brain after being damaged by a stroke; newly invented synthetic artificial stem cells could someday heal and regenerate injured joints and tissue; and even an innovative 3-D printed breast prosthetic for breast cancer patients is already benefitting cancer survivors.

Further, our collaboration with Jackson Laboratory-Genomic Medicine is strong with joint grant submissions that have resulted in $128 million in awards with another $47 million pending. Our biotechnology startup incubator in Farmington is at capacity with 59 companies that raised $106 million in equity and other funding last year, and paid $4.2 million in taxes. Our faculty are developing new therapies for brain and heart attacks, spine and bone disorders, precision-guided neurosurgery, and new vaccine therapies for triple negative breast cancer, to name a few.

**State-of-the-Art Clinical Care:** I urge anyone who has not seen and experienced care at UConn Health to visit us. Our clinical services have continued to gain national recognition for providing care with new approaches and technologies that other hospital facilities are not able to provide in the state or region. Our faculty teach and mentor students and resident doctors for not only their clinical but also scholarly and research training. This is what academic medical centers do. Without them the Schools would be at risk.

Clinical revenue at UConn Health has had unprecedented growth for more than a decade with sustained annual increases in patient volumes even during the pandemic. This means, since the state’s investment in Bioscience CT in 2010 to this current fiscal year, UConn Health’s clinical care revenue is on target to triple from $326 million to $919 million in FY24.
UConn Health’s workforce needs to be substantial enough to meet the very large and rapidly growing volume of patients who choose to receive care here, who come from all of Connecticut’s 169 cities and towns. Inpatient and outpatient medical and dental care at UConn Health had a record 1.5 million outpatient visits last year, and our hospital’s Emergency Department saw over 51,000 patients. In fact, since 2013, UConn Health outpatient care visits have close to doubled. Last fiscal year alone clinical care net revenue increased by $98.3 million to total $841.8 million and from 2022 to 2024, we expect the clinical net revenue to increase by nearly $180M. From 2014-2024, UConn Health has grown its net patient care revenue by 141%.

What is important to know is that UConn Health’s top 10 earners for the past fiscal year collectively generated nearly $46 million in 2023 in clinical care and research revenue for UConn Health — this is more than quadruple their total combined salaries. Cumulatively, from 2016 to 2023, UConn Health’s 10 highest-paid faculty brought in more than $281 million in clinical and research revenue. This revenue is critical to UConn Health, since state support accounts for about 13% in FY24. Not only are they providing exemplary, compassionate cutting edge care to our patients, they contribute to generating 59% of our self-generated total revenues, largely from our clinical operations, which is the largest source of UConn Health’s revenue.

Public Mission: As the state’s only public academic medical center, part of UConn Health’s responsibility and mission is to leverage our workforce, research, and clinical knowledge to be a key resource to the state when needed. This is a responsibility we take very seriously.

UConn Health is the major safety-net care facility providing equal access and the same quality of care for under-served populations who depend on us for treatments for both inpatient and outpatient services that are provided at levels not supported by most other private entities. These services include specialty surgery (spine, orthopedic surgery, neurosurgery, cardiac surgery and vascular surgery), painful-inherited red blood cell disorder sickle cell disease, childbirth, dental health, and mental health care and operation of the state’s Poison Control Center. As a result, we have patients from every one of the 169 cities and towns in the state. Of these patients, one in four are Medicaid recipients. The School of Dental Medicine is the single largest provider of dental care to the uninsured and underinsured in the state. Due to the under-reimbursement nature of safety net care, UConn Health clinical operation loses $104M each year.

Most recently, our very own, UConn Health practitioner, Marina Creed, led the construction and distribution of “Corsi-Rosenthal Boxes”, which remove virus-carrying aerosols from the air, into public school classrooms across central Connecticut. The boxes are an uncomplicated combination of easily obtained supplies that can be assembled in minutes. The components- a box fan, pleated air filter panels, cardboard
and duct tape; add up to less than it costs to travel to Washington, D.C., where Creed presented members of the Biden administration’s Office of Science and Technology Policy (OSTP) a Do it Yourself (DIY) air purifier by the UConn Health team.

**Strong Fiscal Stewardship:** With extensive cost reductions, revenue enhancements and strategic growth initiatives, unlike other state agencies who receive 100% of their funding from the state, UConn Health receives only 13% of its revenues from the state to support its public missions of education, research, and caring for the citizens of Connecticut, including that for the underserved.

**2024 Legislative Requests:**

With respect to UConn Health’s appropriation, if enacted as written, the proposed budget makes one reduction to UConn Health. It reduces $4.3M in fringe support for the UConn Health Fringe Benefit Cost Differential. Overall, the budget shortfall remains at $29 million in the next fiscal year. The projected deficit is largely due to rising salary and fringe costs.

The proposed budget includes a FY25 recommended appropriation for UConn Health that is $45.3 million less than our FY24 appropriation. **During this session of the General Assembly, we are seeking an additional $16.9 million ($12.6 million appropriation and $4.3 million for the UConn Health Fringe Benefit Cost Differential),** that CGS 3-123i be restored and the differential be funded on an ongoing basis at $4.5 million annually). The fringe benefit cost differential recognizes the higher state fringe benefit rates for active and current employees as compared to private hospitals’ rates (~35% vs~26%). That difference is approximately $23M in FY24 and FY25.

We have internal revenue gains and spending reductions already in place for FY25 but need this additional support from the state to balance the budget.

Over the last six years, UConn Health has implemented $143.3 million in cost savings and spending reductions while simultaneously increasing clinical revenues by $335 million during this timeframe.

With regard to the wage reopener for all state employees that is currently being negotiated, any salary increases will require additional permanent state support. To be clear: the university supports our workforce being paid fairly and competitively; our request is that the state fund the full cost of any pay increases it negotiates, as it does for nearly every other state agency rather than passing most of these costs on to the university, and, by extension, our students. **We will be asking the state to cover those increases for all our employees on a permanent basis. For context, the value of a 1% increase in salary for all our employees is $6.4 million.**
It is important to note that state financial support to UConn Health is 13% of our total budget. Every dollar in state support is spent on employee salaries, 19% of our workforce is supported by state appropriated funding, while the remaining 81% are funded by UConn Health. This data illustrates that we are doing more than our fair share of absorbing the costs of running the state’s public academic medical center that benefits our entire state. It also means that even when the state funds the cost of pay increases for a percentage of the salaries of our employees, the university is still in the position of having to fund the bulk of our employees’ salaries.

**Cannabis Regulatory Fund Fix:** UConn Health receives funds from the state for two positions at the State’s Poison Control Center, which is operated on UConn Health’s campus. In the Governor’s proposed budget, 178,385 is budgeted to UConn Health under the Cannabis Regulatory Fund, however, the two positions are shown under the University of Connecticut. We would please like to request the two positions be attributed to UConn Health, not UConn.

Thank you.

**

***Restore CGS 3-123i. Funding for fringe benefit cost differential re The University of Connecticut Health Center employees.*** For the fiscal year ending June 30, 2014, June 30, 2024 and for each fiscal year thereafter, the Comptroller shall fund the fringe benefit cost differential between the average rate for fringe benefits for employees of private hospitals in the state and the fringe benefit rate for employees of The University of Connecticut Health Center from the resources appropriated for State Comptroller-Fringe Benefits in an amount not to exceed $13,500,000$4,500,000. For purposes of this section, the "fringe benefit cost differential" means the difference between the state fringe benefit rate calculated on The University of Connecticut Health Center payroll and the average member fringe benefit rate of all Connecticut acute care hospitals as contained in the annual reports submitted to the Health Systems Planning Unit of the Office of Health Strategy pursuant to section 19a-644.
Appropriations Committee
Budget Presentation

Dr. Radenka Maric, UConn President
Dr. Bruce Liang, Interim CEO, UConn Health
February 20, 2024
Outline

1. UConn by the Numbers. Slides 9-20.
4. Planning for UConn’s Future. Slides 35-44.
5. 2024 Legislative Session Priorities. Slides 45-51.

Appendix. Slides 52-60.
DUE TO UCONN’S AFFORDABILITY, AVERAGE TIME TO DEGREE, AND THE VALUE IT ADDS TO GRADUATES’ SALARIES.

AMONG TOP PUBLIC UNIVERSITIES AND #46 OVERALL

Wall Street Journal
America’s Best Colleges 2024
UConn By the Numbers

24,356
UNDERGRADUATE
STUDENTS

7,976
GRADUATE &
PROFESSIONAL
STUDENTS

8,812
FIRST GENERATION
STUDENTS

2,260
FACULTY MEMBERS
(FULL-TIME ONLY)

72%
OF ALL STUDENTS ARE
CONNECTICUT RESIDENTS

17,053
STUDENTS RECEIVING
SCHOLARSHIPS/GRANTS

6,953
STAFF MEMBERS
(FULL-TIME ONLY)

169
CT TOWNS
REPRESENTED IN
STUDENT BODY
UConn is in Demand

Demand for a UConn education is strong . . .

First-year application trends at Storrs Campus continue to rise to nearly 57,000 for fall 2024.

From Fall 1996 to 2023, applications at all campuses have increased 421% and 56% since 2013.

... and the quality of the first-year student class is highly competitive.

192 Valedictorians and salutatorians Storrs & Regionals

1296 Mean SAT* score of Storrs Campus entering first-year students for fall 2023

Connecticut mean SAT: 1007
National mean SAT: 1028

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

Total Applications
Storrs and Regional Campuses

Nearly 57,000 applications for Fall 2024

10,709 13,673 20,996 28,584 37,063 43,102 48,733 56,800

Fall 1996 2,001 2006 2011 2016 2022 2023 2024*

*As of Feb 2024
Average yearly starting salary for UConn graduates, higher than the national average

**Top Employers of UConn Grads***
- Amazon - 462
- Cigna - 525
- Collins Aerospace - 370
- CVS Health/Aetna - 901
- Deloitte - 359
- Ernst & Young LLP - 178
- General Dynamics Electric Boat - 451
- Hartford Healthcare - 558
- KPMG - 125
- Lockheed Martin - 229
- Pratt & Whitney – 1,004
- PricewaterhouseCoopers - 296
- Raytheon Technologies - 258
- Synchrony - 74
- The Hartford - 504
- Travelers - 990

*Based on LinkedIn profiles. We believe these numbers are underrepresented by 40-50%.
FY24 Expenses

$3.1B

UConn $1.6B
- Salaries & Wages: 44%
- Non-Retirement Fringe: 11%
- Financial Aid: 6%
- Purchased Services: 11%
- Other Expense: 8%
- Debt/Capital: 6%

UConn Health $1.5B
- Salaries & Wages: 38%
- Non-Retirement Fringe: 19%
- Drugs/Medical Supplies: 11%
- Purchased Services: 9%
- Other Expense: 15%
- Capital Projects/Lease/Debt: 2%
- Utilities: 1%
- Energy: 2%
- Equipment: 2%
- Interest Expense on Debt Service: 1%
- Resident & Fellow House Staff: 4%
How does UConn spend State funds?

State funds are used to support salaries

State support accounts for 16% of UConn’s total revenues:

$501 Million State support
16% = of total revenue

State support is only used for salaries and covers:

26% of total employee salaries
31% of UConn salaries
19% of UCH salaries

Revenues generated by UConn cover all other costs

UConn self-generates 84% of its total revenues:

$2.6 Billion self generated revenue
84% = of total revenue

UConn covers 74% of employee salaries
74% of employee salaries are covered by UConn self-generated revenue
State Funds are Used to Support Salaries

State support is only used for salaries and covers:

- **26%** of total employee salaries
- **31% of salaries at UConn**
- **19% of salaries at UCH**

![Percentage of employee salaries funded by the State over time](chart.png)
Analysis of UConn’s Performance Relative to Other Universities

The Office of Policy and Management (OPM) recently asked UConn to conduct an analysis of its performance relative to its peers. The University of Connecticut engaged an independent firm to develop a detailed understanding of the University’s institutional data and metrics, and a comparative analysis is underway.

OPM selected the following selected peer institutions for analysis:

- Rutgers University
- Stony Brook University
- University of Maine
- University of Massachusetts, Amherst
- University of Vermont

UConn added two universities to the analysis given their similarities to UConn:

- University of North Carolina at Chapel Hill
- University of Kansas
UConn’s State Appropriation Revenue Compared to Benchmark Institutions

State Appropriation Revenue

On average, 29% of the University of Connecticut’s Core revenue comes from state funding, which is higher than six of its peer institutions, some by a significant margin. Notably, only one peer experienced a decrease in state funding from over the 5-year period.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>5-Year Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Connecticut¹</td>
<td>$343.0M</td>
<td>$356.9M</td>
<td>$376.9M</td>
<td>$397.9M</td>
<td>$459.8M</td>
<td>7.6%</td>
</tr>
<tr>
<td>Rutgers University</td>
<td>$696.7M</td>
<td>$750.6M</td>
<td>$711.2M</td>
<td>$742.3M</td>
<td>$798.1M</td>
<td>3.4%</td>
</tr>
<tr>
<td>Stony Brook University</td>
<td>$541.5M</td>
<td>$581.0M</td>
<td>$523.9M</td>
<td>$467.0M</td>
<td>$514.1M</td>
<td>-1.3%</td>
</tr>
<tr>
<td>University of Kansas</td>
<td>$238.2M</td>
<td>$245.0M</td>
<td>$258.2M</td>
<td>$253.4M</td>
<td>$259.6M</td>
<td>2.2%</td>
</tr>
<tr>
<td>University of Maine</td>
<td>$98.1M</td>
<td>$98.1M</td>
<td>$98.6M</td>
<td>$104.0M</td>
<td>$105.4M</td>
<td>2.2%</td>
</tr>
<tr>
<td>University of Massachusetts, Amherst</td>
<td>$360.2M</td>
<td>$371.8M</td>
<td>$386.1M</td>
<td>$404.9M</td>
<td>$421.8M</td>
<td>4.0%</td>
</tr>
<tr>
<td>University of North Carolina at Chapel Hill</td>
<td>$518.2M</td>
<td>$543.3M</td>
<td>$534.8M</td>
<td>$537.4M</td>
<td>$587.6M</td>
<td>3.2%</td>
</tr>
<tr>
<td>University of Vermont</td>
<td>$43.0M</td>
<td>$43.0M</td>
<td>$51.7M</td>
<td>$72.7M</td>
<td>$48.4M</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

* Note that UConn’s State appropriation includes fringe benefit funds, specifically unfunded retiree pension and healthcare obligations, which is not the case for other peer institutions.

** Beginning in FY24, these funds are removed, and the University state appropriation drops to 22% of core revenues and 16% of total revenues.
UConn’s Revenue Growth is Higher Compared to Most Benchmark Institutions

Average 5-Year Revenue Comparison

The university experienced the second-largest revenue growth among the selected peer institutions, while two institutions showed no growth.

<table>
<thead>
<tr>
<th>Institution</th>
<th>State Support</th>
<th>Tuition and Fees</th>
<th>Govt. Grants and Contracts</th>
<th>Investment Income</th>
<th>Local Appropriations</th>
<th>Other Core Revenues</th>
<th>Private Grants and Contracts</th>
<th>Total Core Revenue</th>
<th>5-Year Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Connecticut¹</td>
<td>$386.9M</td>
<td>$406.3M</td>
<td>$227.7M</td>
<td>$5.7M</td>
<td>-</td>
<td>$268.0M</td>
<td>$46.8M</td>
<td>$1.3B</td>
<td>6%</td>
</tr>
<tr>
<td>Rutgers University</td>
<td>$739.8M</td>
<td>$715.7M</td>
<td>$704.1M</td>
<td>$104.1M</td>
<td>-</td>
<td>$282.5M</td>
<td>$154.5M</td>
<td>$2.7B</td>
<td>0%</td>
</tr>
<tr>
<td>Stony Brook University</td>
<td>$525.5M</td>
<td>$267.0M</td>
<td>$309.9M</td>
<td>$8.1M</td>
<td>-</td>
<td>$48.3M</td>
<td>$72.3M</td>
<td>$1.2B</td>
<td>3%</td>
</tr>
<tr>
<td>University of Kansas</td>
<td>$250.9M</td>
<td>$325.8M</td>
<td>$274.1M</td>
<td>$12.4M</td>
<td>$12.9M</td>
<td>$218.2M</td>
<td>$134.3M</td>
<td>$1.2B</td>
<td>2%</td>
</tr>
<tr>
<td>University of Maine</td>
<td>$100.8M</td>
<td>$113.6M</td>
<td>$70.3M</td>
<td>$3.9M</td>
<td>-</td>
<td>$57.8M</td>
<td>$28.3M</td>
<td>$374.7M</td>
<td>7%</td>
</tr>
<tr>
<td>University of Massachusetts, Amherst</td>
<td>$388.9M</td>
<td>$418.5M</td>
<td>$172.5M</td>
<td>$11.3M</td>
<td>-</td>
<td>$68.8M</td>
<td>$64.7M</td>
<td>$1.1B</td>
<td>4%</td>
</tr>
<tr>
<td>University of North Carolina at Chapel Hill</td>
<td>$544.3M</td>
<td>$427.9M</td>
<td>$971.6M</td>
<td>$359.8M</td>
<td>-</td>
<td>$167.2M</td>
<td>$342.8M</td>
<td>$2.8B</td>
<td>2%</td>
</tr>
<tr>
<td>University of Vermont</td>
<td>$52.8M</td>
<td>$336.0M</td>
<td>$146.1M</td>
<td>$35.0M</td>
<td>-</td>
<td>$30.4M</td>
<td>$95.0M</td>
<td>$694.4M</td>
<td>0%</td>
</tr>
</tbody>
</table>
How Much of UConn’s Budget does the State Support?

16%

In FY24, the State is supporting 16% of UConn’s total budget

At UConn and UConn Health, the State supports 19% and 13% of their total budgets, respectively

19% of UConn’s budget
13% of UConn Health’s budget
2. Connecticut’s Return on its Investment in UConn
UConn’s Impact on Connecticut Communities

Total Impact (in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Impact (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$5.2</td>
</tr>
<tr>
<td>2020</td>
<td>$5.1</td>
</tr>
<tr>
<td>2021</td>
<td>$5.7</td>
</tr>
<tr>
<td>2022</td>
<td>$6.9</td>
</tr>
<tr>
<td>2023</td>
<td>$7.8</td>
</tr>
</tbody>
</table>

$7.8 BILLION IMPACT STATEWIDE
UConn has an Outsized Impact on Connecticut’s Economy

- **$1.40**
  - Economic output generated for every dollar UConn spends

- **$625M**
  - State and Local Tax Revenue Impact

- **$2,155**
  - Generated for Every CT Resident

- **46,647**
  - UConn-supported Jobs

UConn contributes **$7.8 billion** annually to the State’s economy.

- **Every State dollar invested in UConn generates $1.40 in total economic output** through additional job creation, business revenue growth, increases in household incomes, and other multiplier effects.

- **$0.91 of every State dollar invested in UConn translates directly into net new value for CT’s economy**, expanding statewide GDP through increased productivity, innovation, and human capital development.

Note: Economic impacts include direct, indirect, and induced spending effect. FY 2023 data.
Connecticut’s Intellectual Engine

Our graduates serve Connecticut communities

63% of School of Dental Medicine graduates practice in Connecticut

70% of School of Medicine and residency graduates practice medicine in Connecticut

53% of CT’s Engineering workforce are UConn graduates

Some of many professions impacted by UConn graduates

<table>
<thead>
<tr>
<th>Profession</th>
<th>Fall 2023</th>
<th>2022-2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physicians</td>
<td>449</td>
<td>109</td>
</tr>
<tr>
<td>Dentists</td>
<td>204</td>
<td>49</td>
</tr>
<tr>
<td>Nurses</td>
<td>1,025</td>
<td>372</td>
</tr>
<tr>
<td>Engineers</td>
<td>4,624</td>
<td>1,003</td>
</tr>
<tr>
<td>Teachers &amp; Educators</td>
<td>840</td>
<td>560</td>
</tr>
<tr>
<td>Social Workers</td>
<td>351</td>
<td>158</td>
</tr>
<tr>
<td>Attorneys</td>
<td>534</td>
<td>231</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>580</td>
<td>157</td>
</tr>
</tbody>
</table>

In addition to the professions listed in the table, UConn supplies graduates in many other areas, such as business, agriculture, conservation, counseling, public policy, speech and hearing, family sciences, human health, that are important to CT's future.
UConn Supports Economic Development through Industry Collaboration and Innovation

INSTITUTE OF MATERIALS SCIENCE
INDUSTRIAL AFFILIATES PROGRAM
Organizations served, past 3 years
75 companies
10 universities and scientific/technical organizations, such as Yale and CCAT

SCHOOL OF ENGINEERING
SENIOR DESIGN
Organizations supported, past 3 years
280+ companies
40+ government, municipal, and nonprofit organizations

INDUSTRIAL PARTNERSHIP
BUILDING TECH PARK
Companies served, past 3 years
140 companies, including:
85 small and medium enterprises (SMEs)

TECHNOLOGY INCUBATION
PROGRAM
Companies served
59 current
78 past three years
Research Awards in FY23

By Managing School/College

$321.5M

Total New Awards

School of Medicine

Other Schools & Colleges
Education, $7.24M
Dental Medicine, $7.7M
Pharmacy, $3.8M
Social Work, $17.9M
Business, $1.4M
Academic & Service Programs, $4.6M
Nursing, $3.0M
Fine Arts, $0.4M
Law, $1.0M

$84.2M

$47.1M

School of Engineering

$62.0M

University Centers & Institutes

$49.8M

College of Liberal Arts & Sciences

$51.6M

College of Agriculture, Health & Natural Resources

$26.8M

UConn Briefing 2023-2024
Commercialization & Company Creation

UConn’s programs support IP and new venture development and incubator startups. This drives research and innovation success, leading to technology commercialization, the creation of new companies and jobs, and economic growth in Connecticut.

FY 2023

25 Patents issued
86 Invention disclosures

Ashley Kalinauskas, ’12 (CAHNR), founder and CEO of Torigen Pharmaceuticals at TIP

UCONN TIP: Technology Incubation Program

FY 2023

$146 M Funds Raised by TIP Companies
381 TIP Company Employees
59 Companies in TIP
16% Of TIP Companies are Women Owned
3. Impact of UConn Health on Connecticut
UConn Health: Connecticut’s Only Public Academic Medical Center

EDUCATION
School of Medicine
School of Dental Medicine
Graduate School

PATIENT CARE
John Dempsey Hospital
UConn Medical Group
University Dentists

BIOMEDICAL SCIENCES AND RESEARCH

RESIDENCY TRAINING
Graduate Medical Education
Graduate Dental Education

UConn Health Virtual Tour 2024:

UConn Briefing 2023-2024
UConn Health: An Essential Healthcare Provider for CT’s Underserved Citizens

UConn John Dempsey Hospital
24%
Medicaid inpatient days as a percentage of total inpatient days

UConn Medical Group
23%
of visits were Medicaid patients

UConn Dental Clinics
52%
of visits are Medicaid clients. Clinics are located in West Hartford, Farmington, & Storrs.

UConn Health is CT’s leading provider of

- Specialty services to Medicaid recipients
- Dental services to Medicaid recipients and the under- and uninsured
UConn Health Mission of Mercy Dental Clinic, November 2022

160 Dental Medicine students, faculty, staff, and residents and 30 Urban Service Track students teamed up with 800 volunteers to provide free dental care for the CT Mission of Mercy Dental Clinic.

DIY Air Purifiers

With a Hartford magnet school, UConn Health’s Marina Creed built a “Air Force One,” a DIY air purifier, which she delivered to the White House in Sept. 2022.

U.S. Representative Jahana Hayes’ Nutrition Roundtable

In July 2022, Congresswoman Hayes led a discussion at UConn Health on the importance of nutrition and access to healthy food options for families across Connecticut.
UConn Health: Key Service Statistics (FY23)

~1.5 million
OUTPATIENT VISITS*

79,411
DENTAL CLINIC VISITS AT UCONN HEALTH SITES*

~14,000
HOSPITAL DISCHARGES

*Some outpatient visits will generate multiple patient services in a given day.
UCH Net Patient Revenue (in millions)

JDH, UMG, DENTAL CLINICS AND SPECIALTY PHARMACY

Unprecedented growth in clinical revenues

Impact of COVID-19

UConn Briefing 2023-2024
UConn Health Resident Training
A Critical Resource for CT Hospitals and the State

737
Medical Residents

103
Dental Residents

$159.5M
Federal funding coming to hospitals in the State of CT

UConn Health residents provide care in communities across Connecticut:
- Bridgeport
- Bloomfield
- Cheshire
- Danbury
- Derby
- East Hartford
- Enfield
- Farmington
- Glastonbury
- Hamden
- Hartford
- Manchester
- Meriden
- Middletown
- New Britain
- New Haven
- Newington
- Newtown
- Norwich
- Plainville
- Rocky Hill
- Storrs
- Suffield
- Torrington
- Uncasville
- Waterbury
- West Hartford
- Willimantic

UConn Residency Programs:
- Build CT’s medical and dental workforce
- Contribute to the quality of healthcare in CT
- Bring in additional Medicare reimbursement revenues

<table>
<thead>
<tr>
<th>Hospitals FY22</th>
<th>Federal CMS* Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Children’s</td>
<td>$3.5M</td>
</tr>
<tr>
<td>Hartford Hospital</td>
<td>$70.4M</td>
</tr>
<tr>
<td>Hospital of Central CT</td>
<td>$11.1M</td>
</tr>
<tr>
<td>UConn J. Dempsey Hosp.</td>
<td>$40.0M</td>
</tr>
<tr>
<td>St. Francis Hospital</td>
<td>$34.5M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$159.5M</td>
</tr>
</tbody>
</table>

*Centers for Medicare and Medicaid Services (CMS)
4. Planning for UConn’s Future
UConn’s Strategies for Growth and a Balanced Budget

- Continue to expand economic activity in the state
- Increase clinical revenues at UCH
- Enrollment growth and management
- Increase efficiency in the delivery of education
- Grow fundraising for endowment and annual gifts
- Increase research activity

Nursing alum Elisabeth DeLuca ’69, recently made a gift of $40 million to UConn to support nursing education. Increasing philanthropic gifts is one of UConn’s strategies for growth.
UConn is Responding to State Workforce Needs as articulated in the 2020 Governor’s Workforce Council Strategic Plan

While we are working to reduce expenses, we are also being asked to respond to urgent workforce needs and student demand.

We are prioritizing strategic growth in these areas of demand, but our ability to grow is constrained by limited resources.

The life sciences sector employs 23,000 people across 1,300 companies. Average salary = $127,000.

Manufacturing

6,000 New workers per year

Existing training capacity in CT is 3,000 new employees per year, a deficit of 3,000 new employees per year

Life Sciences

>5,000 Jobs/ year, next five years

The life sciences sector employs 23,000 people across 1,300 companies. Average salary = $127,000.

IT/ Business Services

6,000 Open computing jobs in Connecticut

13,000 Positions, future demand

Healthcare

Job growth will be driven by population growth and the State’s aging population

The healthcare sector has 270,000 current jobs, and 80,000 people are employed by large hospitals and healthcare systems.
Increase Access to Patient Care and Grow Clinical Revenues

UConn Health

- All UConn Health clinical care venues serve as sites for teaching and learning and are essential for attracting talented faculty who teach, conduct research, and provide patient care.

- UConn Health has seen unprecedented growth in clinical revenues.
Enrollment Growth and Management

- UConn recruits and retains students to build Connecticut’s workforce.

<table>
<thead>
<tr>
<th>Total Enrollment (excluding UCH)</th>
<th>FALL 2023</th>
<th>FALL 2018</th>
<th>FALL 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>24,356</td>
<td>23,978</td>
<td>22,301</td>
</tr>
<tr>
<td>Graduate</td>
<td>7,323</td>
<td>7,668</td>
<td>7,427</td>
</tr>
</tbody>
</table>

FY24 Student Mix

<table>
<thead>
<tr>
<th>All Campuses</th>
<th>In-State</th>
<th>%</th>
<th>Out-of-State</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>17,600</td>
<td>72%</td>
<td>6,756</td>
<td>28%</td>
<td>24,356</td>
</tr>
<tr>
<td>All Students</td>
<td>22,693</td>
<td>70%</td>
<td>9,639</td>
<td>30%</td>
<td>32,332</td>
</tr>
</tbody>
</table>

9% increase in undergraduate enrollment since 2012
Increase Efficiency in Delivery of Education

UConn is committed to student success and is ensuring academic quality and appropriate support services. In an effort to minimize inflation in cost of attendance, UConn is pursuing all means available to maximize efficiency in utilizing existing teaching capacity.

Growth in Faculty

Student-to-Faculty Ratio and Average Class Size by Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Student to Faculty Ratio</th>
<th>Average Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21</td>
<td>16</td>
<td>29.3</td>
</tr>
<tr>
<td>FY22</td>
<td>15</td>
<td>28.9</td>
</tr>
<tr>
<td>FY23</td>
<td>16</td>
<td>31.3</td>
</tr>
</tbody>
</table>
**Increase Fundraising and Grow Endowment**

The University of Connecticut Foundation supports the mission of the University and its goal to grow the endowment to $1 billion.

<table>
<thead>
<tr>
<th>UConn Foundation Disbursements to Support the University (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21</td>
</tr>
<tr>
<td>FY22</td>
</tr>
<tr>
<td>FY23</td>
</tr>
</tbody>
</table>

FY23 is the fourth consecutive record-breaking fundraising year, a 37% increase over FY22’s record-setting amount.

Of the $157.9M in new gifts and commitments:

- 31% for scholarships
- 43% for program support
- 18% for Athletics
- 8% for faculty support

Increasing the level of financial aid support for students, internship opportunities and capital investments continues to be a priority for UConn.
Increase Research Activity
UConn and UConn Health

21%
Increase in Awards over five years

Research awards totaled more than
$321.5M
in FY23 with 1,332 proposals submitted (UConn and UConn Health) and awards averaging $395K per investigator.

*In 2021, UConn Health received a $40M award from NSF, the largest in UConn history
Increase Research Activity
UConn and UConn Health

A proposal can take up to two years (or more!) from development to award.

Typical NSF/NIH Funding Timeline:

Proposal Writing & Submission
Up to 6 Months

Sponsor/Peer Review
6-10 Months

Award Process
Up to 3 Months

Resubmission if not funded 1st time-start over

Securing research funding is highly competitive, and UConn faculty compete with researchers at institutions across the country for grants.

Our faculty are becoming more successful in securing federal funds.

<table>
<thead>
<tr>
<th>Research</th>
<th>Proposals Submitted</th>
<th>Average Proposal $</th>
<th>Hit Rate</th>
<th>Average Award Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>1,489</td>
<td>439,484</td>
<td>25.00%</td>
<td>263,119</td>
</tr>
<tr>
<td>FY2017</td>
<td>1,375</td>
<td>441,849</td>
<td>31.46%</td>
<td>271,983</td>
</tr>
<tr>
<td>FY2019</td>
<td>1,269</td>
<td>552,818</td>
<td>31.79%</td>
<td>337,807</td>
</tr>
<tr>
<td>FY2021</td>
<td>1,353</td>
<td>578,415</td>
<td>37.50%</td>
<td>381,008</td>
</tr>
<tr>
<td>FY2023</td>
<td>1,332</td>
<td>713,578</td>
<td>35.91%</td>
<td>394,520</td>
</tr>
<tr>
<td>FY2024</td>
<td>1,350</td>
<td>703,704</td>
<td>34.35%</td>
<td>452,432</td>
</tr>
<tr>
<td>FY2025</td>
<td>1,358</td>
<td>721,356</td>
<td>38.00%</td>
<td>426,240</td>
</tr>
<tr>
<td>FY2026</td>
<td>1,391</td>
<td>752,462</td>
<td>40.00%</td>
<td>440,928</td>
</tr>
</tbody>
</table>
UConn has implemented Financial Improvement Plans to help mitigate operating budget deficits.

Cost-cutting efforts have included:
- attrition/vacancy elimination
- contract improvements
- operating efficiencies

### Savings since FY18:

$129.4M  
UConn

$143.3M  
UConn Health

<table>
<thead>
<tr>
<th></th>
<th>Savings ($M)</th>
<th>UConn</th>
<th>UCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$23.6</td>
<td>$12.3</td>
<td></td>
</tr>
<tr>
<td>FY19</td>
<td>9.3</td>
<td>25.1</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>24.4</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>FY21</td>
<td>28.3</td>
<td>48.8</td>
<td></td>
</tr>
<tr>
<td>FY22</td>
<td>13.4</td>
<td>23.0</td>
<td></td>
</tr>
<tr>
<td>FY23</td>
<td>14.5</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>FY24 Target</td>
<td>$16.1</td>
<td>$22.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Savings</strong></td>
<td><strong>$129.4</strong></td>
<td><strong>$143.3</strong></td>
<td></td>
</tr>
</tbody>
</table>
5. 2024 LEGISLATIVE SESSION

PRIORITIES
FY25 Operating Budget State Request Summary

1. **Block Grant Funds**: $64.2M in additional funds added to the block grants in FY25 ($47.3M for UConn and $16.9M for UCH). Note this budget request has been revised DOWN from what was submitted to OPM in October 2023, as UConn Health’s clinical operation continues to see increased revenue generation.

2. **Wage Reopener/Salary Increases**: Any negotiated salary increases will generate a request for additional ongoing state support to cover all our employees. For context, the value of every 1% increase in salary for all UConn and UConn Health employees results in an increase of $12.3M.

3. **Restoration of CGS 3-123i UConn Health Fringe Benefit Cost Differential**: CGS 3-123i was the long-standing statute providing $13.5M annually to UConn Health for the fringe benefit cost differential. The FY24 & FY25 biennial budget act provided $4.5M and $4.3M in each year to UConn Health for the fringe benefit cost differential but repealed the authorizing language for the fringe differential to be paid to UConn Health. The Governor’s proposal removes the funding in FY25. We are asking the $4.3 million funding be provided in FY25 via the Comptroller’s fringe benefit account, to restore CGS3-123i and amend the language to allow the differential to be funded at $4.5 million annually.

*The UConn Health Fringe Benefit Cost Differential recognizes the higher state fringe benefit rates for active and current employees as compared to private hospitals’ rates (~35% vs~26%). That difference is approximately $23M in FY24 and FY25.*

<table>
<thead>
<tr>
<th>Block Grant FY25 Request</th>
<th>UConn</th>
<th>UConn Health</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY25 Wage Reopener Request</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### FY25 Operating Budget State Request Summary

<table>
<thead>
<tr>
<th>Block Grant FY25 Request</th>
<th>UConn</th>
<th>UConn Health</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY25 Wage Reopener Request</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**UConn Briefing 2023-2024**
FY25 Operating Budget: Additional State Funds Requested

State Support ($M)

<table>
<thead>
<tr>
<th></th>
<th>UConn</th>
<th>UConn Health</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved FY24</td>
<td>Governor Proposed FY25</td>
</tr>
<tr>
<td>Block Grant</td>
<td>$216.2</td>
<td>$219.6</td>
</tr>
<tr>
<td>One-Time Support for Permanent Salary Increases &amp; Fringe</td>
<td>82.2</td>
<td>31.1</td>
</tr>
<tr>
<td>JDH Fringe Benefit Differential (PA 23-205)</td>
<td>-</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>$298.4</td>
<td>$250.7</td>
</tr>
</tbody>
</table>

Additional State Funds Requested ($M)

<table>
<thead>
<tr>
<th></th>
<th>UConn</th>
<th>UConn Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orig. Add’l Perm Block Grant Request (Oct ‘23)</td>
<td>47.3</td>
<td>46.0</td>
</tr>
<tr>
<td>Additional Permanent Block Grant Request (Jan ‘24)</td>
<td>47.3</td>
<td>12.6</td>
</tr>
<tr>
<td>JDH Fringe Benefit Differential</td>
<td>47.3</td>
<td>4.3</td>
</tr>
<tr>
<td>FY25 Wage Reopener</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Additional Request Subtotal</td>
<td>47.3</td>
<td>16.9</td>
</tr>
<tr>
<td>Total Revised Block Grant</td>
<td>$298.0</td>
<td>$174.2</td>
</tr>
</tbody>
</table>

• In FY25, the Governor proposed $250.7M for UConn and $157.3M for UConn Health, which is $4.3M less than previously approved.

• The FY25 proposed levels provide less one-time funds and leave UConn and UConn Health with a significant shortfall.

$64.2M Revised Additional Request
UConn $47.3M
UConn Health $16.9M
UConn: State Operating Support ($M) FY 2019-2025

State support is only used for salaries and covers:

- 19% of UConn's total budget
- 31% of UConn employee salaries

- FY22-FY24 Salary Increases w/Fringe $134.5M ($105.6M Permanent Cost)
- FY25 Additional Request = $47.3M*  

*The additional request does not include any FY25 wage reopener currently under negotiation
UConn Health: State Operating Support ($M) FY 2019-2025

- FY22-FY24 Salary Increases w/Fringe = $108.9M ($86.9M Permanent Cost)
- FY25 Additional Request = $16.9M (reduced request) *

*The additional request does not include any FY25 wage reopener currently under negotiation

State support is only used for salaries and covers:

- 13% Of UConn Health’s total budget
- 19% Of UConn Health employee salaries

Note: FY20-FY23 include one-time state support for legacy fringe retirement cost.
The change in fringe benefits methodology did not improve UConn’s bottom line but is going to help with research competitiveness and new revenue generation.

- We are grateful for this change as it removes any future risk of increased unfunded retiree pension and healthcare costs and should make our faculty more competitive in securing external grant funding.
- However, this change did not provide cash fringe relief requested by the University in the past, which has contributed to the ongoing budget deficits.
THANK YOU
APPENDIX
19% Of total budget is funded by State support

54% Of total revenue is funded by students and their families through tuition, fees, housing and dining.

31% Of total employee salaries are funded by State support
54% Of total expense is allocated to personnel costs. Student financial aid commitment is strong with an 8% increase in tuition funded aid.
Of total revenue is funded by patients: 59%

"Other Revenue" includes auxiliary services, gifts/endowments and internal Income (offset by internal expenses)

13% Of total budget is funded by State support

59% Of total revenue is funded by patients.

19% Of total employee salaries are funded by state support

"Other Revenue" includes auxiliary services, gifts/endowments and internal Income (offset by internal expenses)
UConn Health FY24 Expenses

49% of total expense is allocated to personnel costs

Other Expenses includes items such as, medical contractual support, utilities, insurance and repairs/maintenance.
FY25 State Operating Request: Wage Reopener/ Salary Increases

Any negotiated salary increases will generate a request for additional state support.

The table below is provided for context and captures the value of every % increase in salary for ALL our employees that would be needed:

<table>
<thead>
<tr>
<th>Value of Salary % Increase for ALL Employees ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>UConn Block</td>
</tr>
<tr>
<td>UConn Non-Block</td>
</tr>
<tr>
<td>Total UConn</td>
</tr>
<tr>
<td>UCH Block</td>
</tr>
<tr>
<td>UCH Non-Block</td>
</tr>
<tr>
<td>Total UCH</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
FY22-FY24 Cost of Salary and Fringe Increases: **$243.3M** (UConn $134.5M & UConn Health $108.9M)

- In FY24, the State provided a mix of permanent and one-time funds to cover $243.3M of salary & fringe increases.

- Additional permanent funds are requested to fully fund this ongoing cost, which is covered for all other state agencies.

- Only 26% of employee salaries are funded by State support: 31% UConn, 19% UCH.
FY25 State Operating Request
UCH Fringe Benefit Differential Restoration

Restore CGS 3-123i UConn Health Fringe Benefit Cost Differential:

• CGS 3-123i was the long-standing statute providing $13.5M annually to UConn Health for the fringe benefit cost differential. The FY24&FY25 biennial budget act provided $4.5M and $4.3M in each year to UConn Health for the fringe benefit cost differential but repealed the authorizing language for the fringe differential to be paid to UConn Health. The Governor's proposal removes the funding in FY25.

• The UConn Health Fringe Benefit Cost Differential recognizes the higher state fringe benefit rates for active and current employees as compared to private hospitals’ rates (~35% vs~26%). That difference is approximately $23M in FY24 and FY25.

• We are asking the $4.3 million funding be provided in FY25 via the Comptroller’s fringe benefit account, to restore CGS3-123i and amend the language to allow the differential to be funded at $4.5 million annually.

**

*Restore CGS 3-123i. Funding for fringe benefit cost differential re The University of Connecticut Health Center employees. For the fiscal year ending June 30, 2014, June 30, 2024 and for each fiscal year thereafter, the Comptroller shall fund the fringe benefit cost differential between the average rate for fringe benefits for employees of private hospitals in the state and the fringe benefit rate for employees of The University of Connecticut Health Center from the resources appropriated for State Comptroller-Fringe Benefits in an amount not to exceed $13,500,000/$4,500,000. For purposes of this section, the "fringe benefit cost differential" means the difference between the state fringe benefit rate calculated on The University of Connecticut Health Center payroll and the average member fringe benefit rate of all Connecticut acute care hospitals as contained in the annual reports submitted to the Health Systems Planning Unit of the Office of Health Strategy pursuant to section 19a-644.*
The fringe rate differential, even after the new fringe methodology, is ~35% for the state’s only public hospital vs. ~26% for CT private hospitals and has a value of ~$23M for both years.

The adopted FY24 and FY25 state budget repealed the long-standing $13.5M annual fringe benefit differential payment to UConn Health CGS 3-123i.

This statute is not related to the fringe legacy costs; it recognized the higher state fringe rate compared to private hospitals - that difference remains even with the change in fringe methodology. PA23-205 (budget) included $4.5M in FY24 and $4.25M in FY25 as fringe support. The Governor’s proposal reduces UCH support by $4.25M.