

## Appropriations Committee | February 20, 2024

Co-Chairs, Ranking Members, and Members of the Committee, thank you for giving us the opportunity to update you on our budget request and the transformative accomplishments that you have made possible at the University of Connecticut. I'm Radenka Maric, President of the University of Connecticut, and with me today is Dr. Bruce Liang, interim CEO of UConn Health and Dean of the Medical School, Anne D'Alleva, Provost, Jeff Geoghegan, Chief Financial Officer for UConn and UConn Health, and Nathan Fuerst, Vice President, Student Life and Enrollment.

I would like to thank 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.

The committee asked that we submit written testimony in advance, which we have done, so that we can focus on answering your questions during today's hearing. Also attached to our testimony are slides we are prepared to share on screen with your permission to assist in illustrating what the issues are. We welcome your questions.

\*\*

UConn is a top public university because of the state's continued support and investment. Thanks to your support UConn provides an exceptional return on that investment:

- UConn is currently ranked #9 among public universities by the Wall Street Journal due to our affordability, average time to degree – which is the best in the nation – and the value a UConn education adds to graduates' salaries.
- We have received more than 57,000 applications and counting for next fall – a record.
- According to the most recent UConn Economic Impact Study using the REMI methodology, UConn contributes \$7.8 billion to the state's economy. Every dollar invested in UConn by the state 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 Connecticut's economy, expanding statewide GDP through increased productivity, innovation, and human capital development; UConn's activities are responsible for generating \$625 million in state and local taxes in Connecticut; and UConn supports more than 46,600 Connecticut jobs.
- For '22 – '23 graduates, 75% of employed in-state graduates are working in Connecticut which represents an 6% increase from 2020; top employers for these UConn grads include Pratt & Whitney, Travelers, CVS Health/Aetna, Cigna, General Dynamics EB, PricewaterhouseCoopers, and Raytheon.
- UConn Health had a record 1.5 million outpatient visits last year, and our hospital's Emergency Department saw over 51,000 patients; there has been a 42% increase in net patient revenue since FY21; self-generated revenue including clinical care, grants and contracts, and tuition and fees now account for 87% of UConn Health's budget, with the state funding the remaining 13%.
- UConn faculty secured \$321.5 million in research awards in FY23.
- \$146 million has been raised by companies in UConn's Technology Incubation Program (TIP) and UConn supports and collaborates with hundreds of Connecticut companies large and small to promote economic development and innovation.

These are only a few examples.

Attached to my testimony is information on the university that you may find useful.

With respect to the university's appropriations, if enacted as written, the proposed budget makes no changes to the fiscal year 2025 appropriation approved by the General Assembly during the last legislative session for UConn. It makes one reduction to UConn Health. Overall shortfalls remain at \$70 million for UConn and \$29 million for UConn Health in the next fiscal year.

The proposed budget includes an FY25 recommended appropriation for UConn and UConn Health that is \$93 million less than our FY24 appropriation, and \$64.2 million less than our request for FY25. The projected deficits at UConn and UConn Health are largely due to rising salary and fringe costs.

During this session of the General Assembly, we are seeking **an additional \$47.3 million for Storrs and \$16.9 million for UConn Health**. The University has internal revenue gains and spending reductions already in place for FY25 but needs this additional support from the state to balance the budget.

Over the last six years, UConn has implemented \$129.4 million in cost savings and spending reductions; UConn Health has implemented \$143.3 million while simultaneously increasing clinical revenues by \$335 million during this timeframe.

You may be asked how UConn's "core" revenue – meaning the combination of state support, tuition and fees, grants and contracts, and investment income, stacks up against other public universities. ("Core" revenue does not include auxiliary sources such as housing/dining, parking, etc.) A chart below illustrates this: UConn's average core revenue growth over the last five years is stronger than all but one of the comparator institutions listed, at 6%. Further, UConn's five-year average total core revenue exceeds five of the seven institutions listed. With respect to the state support portion of that revenue, UConn is exactly in the middle of the institutions listed over the five-year average, with three receiving higher levels of state support than UConn, and three receiving lower.

HURON | 1

## Average 5-Year Revenue Comparison

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

Average 5-Year Core Revenue <sup>2</sup> Institutional Comparison (2018 – 2022)									
Institution	State Support	Tuition and Fees	Govt. Grants and Contracts	Investment Income	Local Appropriations	Other Core Revenues	Private Grants and Contracts	Total Core Revenue	5-Year Annual Growth
University of Connecticut <sup>1</sup>	\$386.9M	\$406.3M	\$227.7M	\$5.7M	-	\$268.0M	\$46.8M	\$1.3B	6%
Rutgers University	\$739.8M	\$715.7M	\$704.1M	\$104.1M	-	\$282.5M	\$154.5M	\$2.7B	0%
Stony Brook University	\$525.5M	\$267.0M	\$309.9M	\$8.1M	-	\$48.3M	\$72.3M	\$1.2B	3%
University of Kansas	\$250.9M	\$325.8M	\$274.1M	\$12.4M	\$12.9M	\$218.2M	\$134.3M	\$1.2B	2%
University of Maine	\$100.8M	\$113.6M	\$70.3M	\$3.9M	-	\$57.8M	\$28.3M	\$374.7M	7%
University of Massachusetts, Amherst	\$388.9M	\$418.5M	\$172.5M	\$11.3M	-	\$68.8M	\$64.7M	\$1.1B	4%
University of North Carolina at Chapel Hill	\$544.3M	\$427.9M	\$971.6M	\$359.8M	-	\$167.2M	\$342.8M	\$2.8B	2%
University of Vermont	\$52.8M	\$336.0M	\$146.1M	\$35.0M	-	\$30.4M	\$95.0M	\$694.4M	0%

With respect to the percentage of UConn's total revenue (meaning all revenue, not "core" revenue only) that is funded by the state, this number was artificially high for a number of years due to the impact of legacy fringe costs. Due to the new fringe methodology in FY24, the percentage of UConn's budget funded by the state will drop from 27% to 19%. The percentage of UConn Health's budget funded by the state will drop from 26% to 13%. Overall, the state will fund 16% of the budgets for UConn and UConn Health in this fiscal year.

With respect to tuition and fees, the percentage of the university's "core" revenues generated by tuition and fees appeared artificially low at 20% prior to FY24. However, because of the new fringe methodology, this number will rise to 38% of core revenue during this fiscal year. That said, while tuition/fee increases generate important and necessary revenue for the university, UConn's priority is always to do all we can to keep any tuition or fee increases as low as possible, both to help maintain access and affordability for our students – especially low- and middle-income students – and to avoid becoming so costly we are no longer a competitive value.

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 \$12.3 million.**

It is important to note that state financial support to UConn and UConn Health is 16% of our total budget. Every dollar in state support is spent on employee salaries. At UConn, 31% of our workforce is supported by state appropriated funding, while the remaining 69% are funded by the university. At UConn Health, these numbers are 19% and 81%. This data illustrates that UConn is doing more than our fair share of absorbing the costs of running a major flagship university that benefits our entire state.

There is no doubt UConn is a great university. But it's even more than that, with campuses, alumni, and employees across Connecticut, it is built to inspire the global community that is UConn Nation. UConn's talented students exceed expectations. Our expert faculty researchers, staff 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.

We seek your support to ensure our continued upward trajectory on behalf of our students and our entire state.

Thank you.



**UConn** | UNIVERSITY OF CONNECTICUT

# Appropriations Committee Budget Presentation

Dr. Radenka Maric, UConn President

Dr. Bruce Liang, Interim CEO, UConn Health

February 20, 2024



**UConn** HEALTH

# Outline

1. **UConn by the Numbers. Slides 6-17.**
  2. **Connecticut's Return on its Investment in UConn. Slides 18-24.**
  3. **Impact of UConn Health on Connecticut. Slides 25-31.**
  4. **Planning for UConn's Future. Slides 32-41.**
  5. **2024 Legislative Session Priorities. Slides 42-48.**
- Appendix. Slides 49-57.**





# #9

AMONG TOP PUBLIC UNIVERSITIES  
AND #46 OVERALL

Wall Street Journal  
America's Best Colleges 2024

DUE TO UCONN'S **AFFORDABILITY**, AVERAGE **TIME TO DEGREE**,  
AND THE **VALUE** IT ADDS TO GRADUATES' SALARIES.

# UConn By the Numbers

**24,356**

UNDERGRADUATE  
STUDENTS

**7,976**

GRADUATE &  
PROFESSIONAL  
STUDENTS

**72%**

OF ALL STUDENTS ARE  
CONNECTICUT RESIDENTS

**8,812**

FIRST GENERATION  
STUDENTS

**17,053**

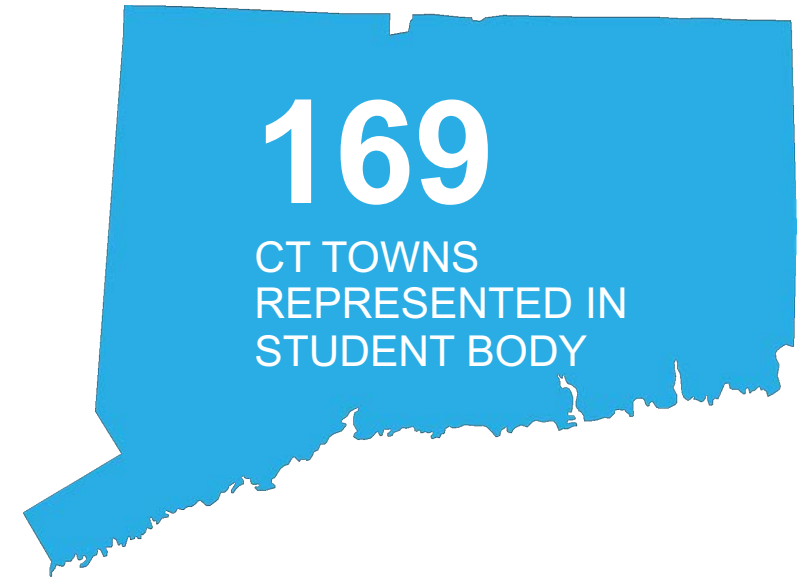
STUDENTS RECEIVING  
SCHOLARSHIPS/GRANTS

**2,260**

FACULTY MEMBERS  
(FULL-TIME ONLY)

**6,953**

STAFF MEMBERS  
(FULL-TIME ONLY)



# 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.

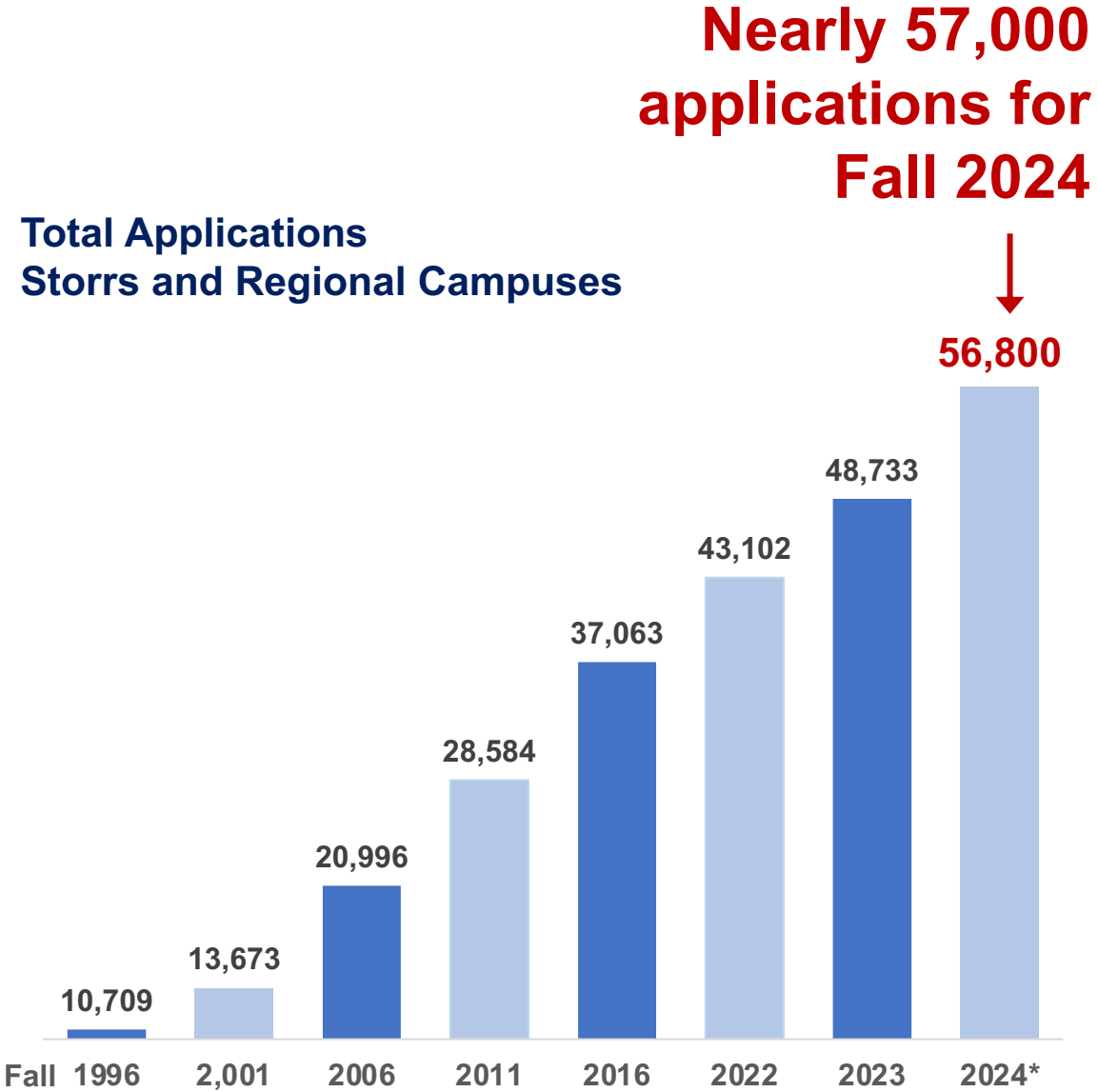
**192** Valedictorians and salutatorians  
Storrs & Regionals

**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



\*As of Feb 2024





**\$59,000**

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%.

## UNDERGRADUATE FIRST DESTINATION

**2022  
to  
2023**

**Positive Outcomes Rate**  
as of 6 months post-graduation

**92%**

### In-State Grads Staying in CT



**75%**

of employed in-state graduates work in CT



### Out-of-State Grads Staying in CT



**18%**

of employed out-of-state graduates work in CT



**80%**

of in-state graduates continuing their education are enrolled at CT institutions



**38%**

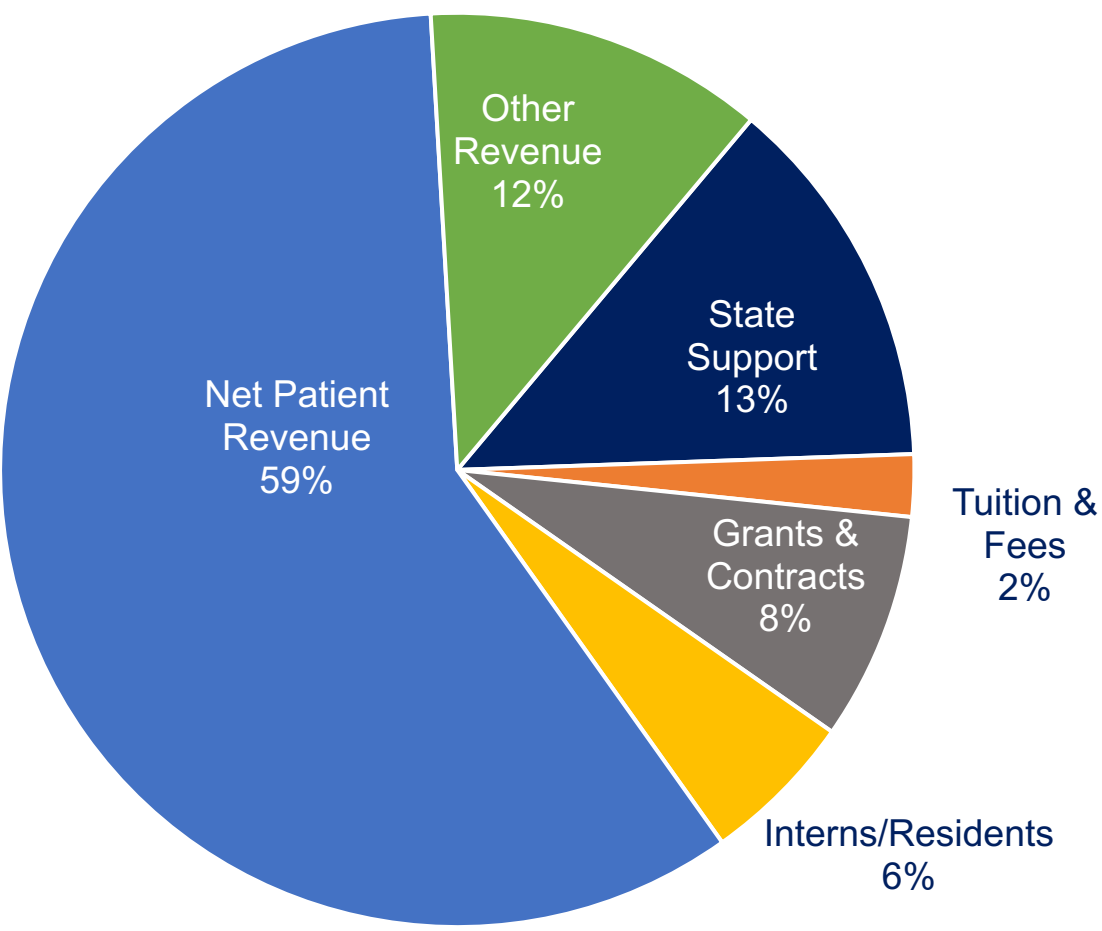
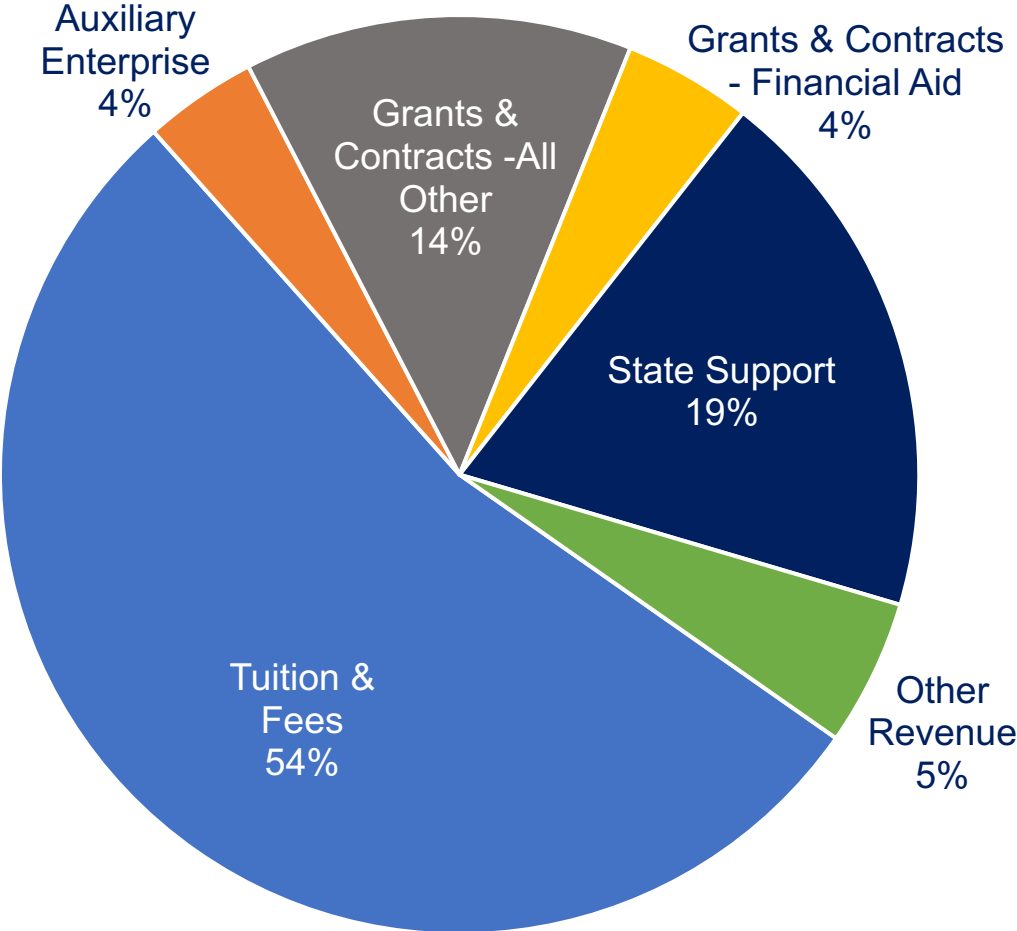
of out-of-state graduates continuing their education are enrolled at CT institutions

# FY24 Revenues

\$3.1B

UConn \$1.6B

UConn Health \$1.5B



Other = Sales and service revenue, study abroad, gifts/ endowments, etc.

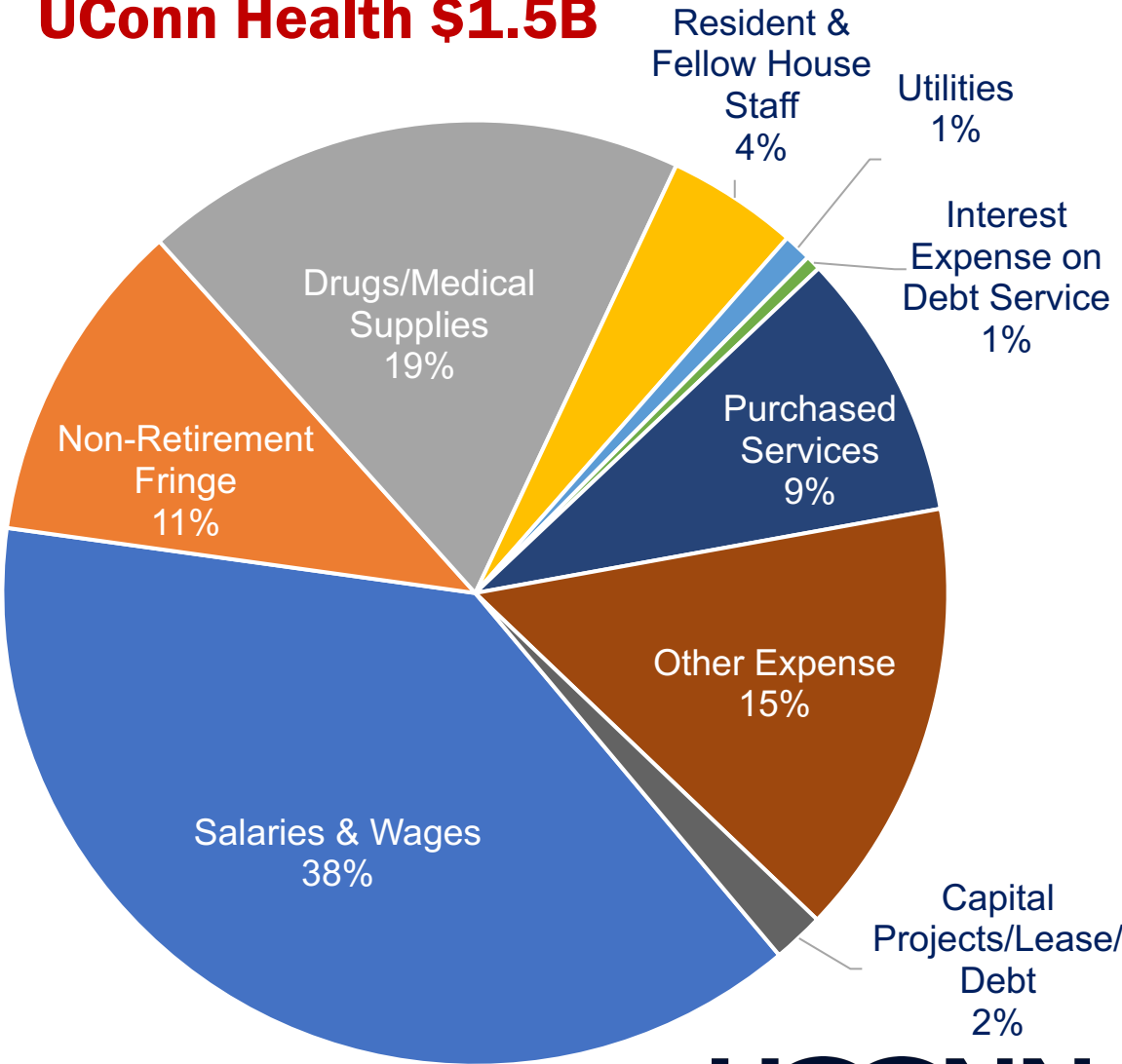
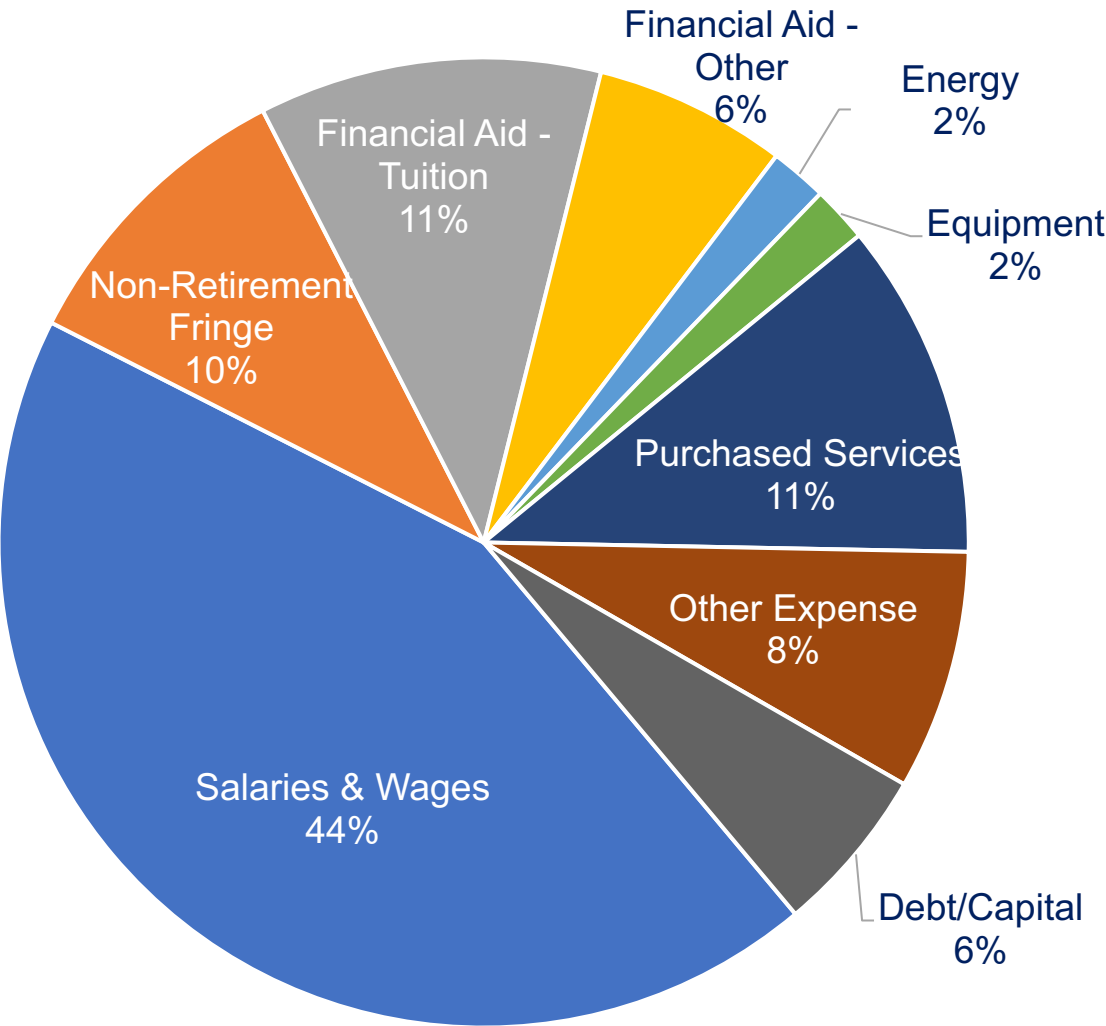
Other = Auxiliary services, gifts/endowments, external contract revenue and internal income (offset by internal expenses)

# FY24 Expenses

**\$3.1B**

**UConn \$1.6B**

**UConn Health \$1.5B**



# 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

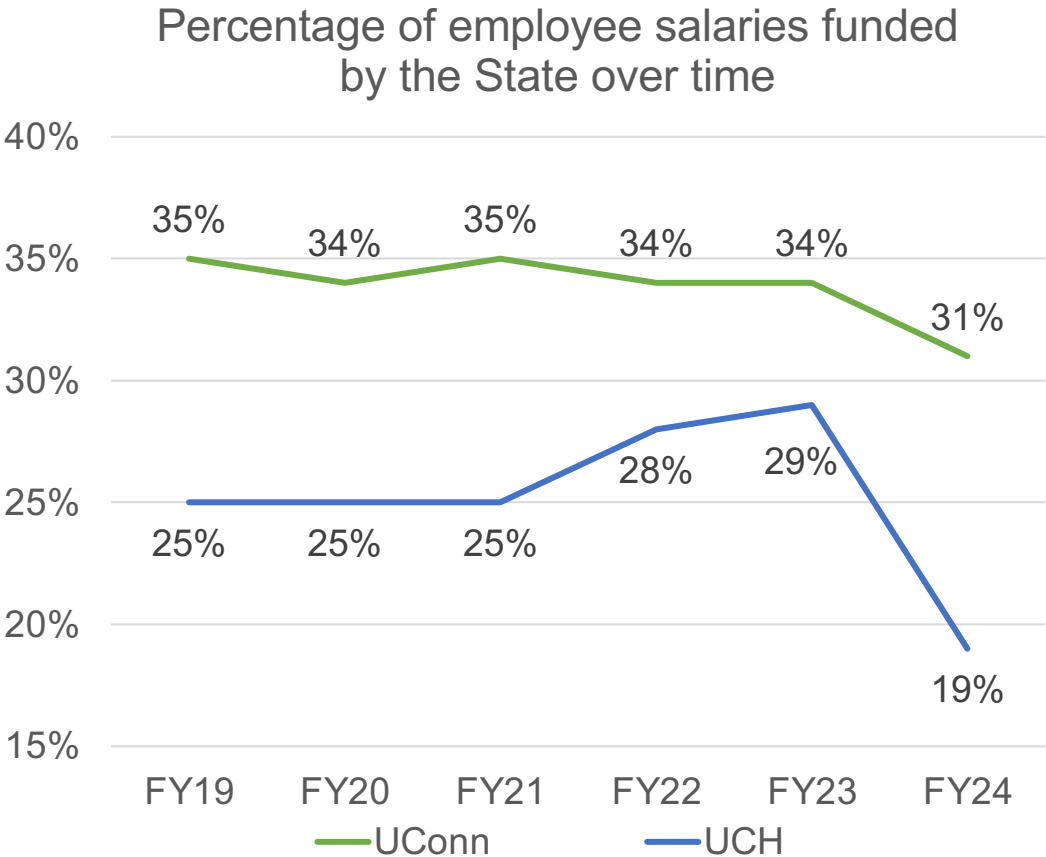


# State Funds are Used to Support Salaries

State support is only used for salaries and covers:

**26%** of total employee salaries

**31% of salaries at UConn**  
**19% of salaries at UCH**



# 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.

State Appropriation Revenue (2018 – 2022) (Percentage of Total Core Revenue <sup>1</sup> )						
Institution	2018	2019	2020	2021	2022	5-Year Annual Growth
University of Connecticut <sup>1</sup>	\$343.0M 28%	\$356.9M 28%	\$376.9M 32%	\$397.9M 28%	\$459.8M 29%	22%
Rutgers University	\$696.7M 26%	\$750.6M 27%	\$711.2M 29%	\$742.3M 25%	\$798.1M 30%	3.4%
Stony Brook University	\$541.5M 47%	\$581.0M 48%	\$523.9M 41%	\$467.0M 38%	\$514.1M 40%	-1.3%
University of Kansas	\$238.2M 20%	\$245.0M 21%	\$258.2M 21%	\$253.4M 20%	\$259.6M 20%	2.2%
University of Maine	\$98.1M 30%	\$98.1M 29%	\$98.6M 28%	\$104.0M 25%	\$105.4M 24%	1.8%
University of Massachusetts, Amherst	\$360.2M 35%	\$371.8M 35%	\$386.1M 35%	\$404.9M 34%	\$421.8M 34%	4.0%
University of North Carolina at Chapel Hill	\$518.2M 21%	\$543.3M 21%	\$534.8M 22%	\$537.4M 14%	\$587.6M 22%	3.2%
University of Vermont	\$43.0M 7%	\$43.0M 6%	\$51.7M 8%	\$72.7M 9%	\$48.4M 7%	3.0%

\* 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's state appropriation drops to 22% of core revenues and 16% of total revenues.



## Average 5-Year Revenue Comparison

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

**Average 5-Year Core Revenue<sup>2</sup> Institutional Comparison (2018 – 2022)**

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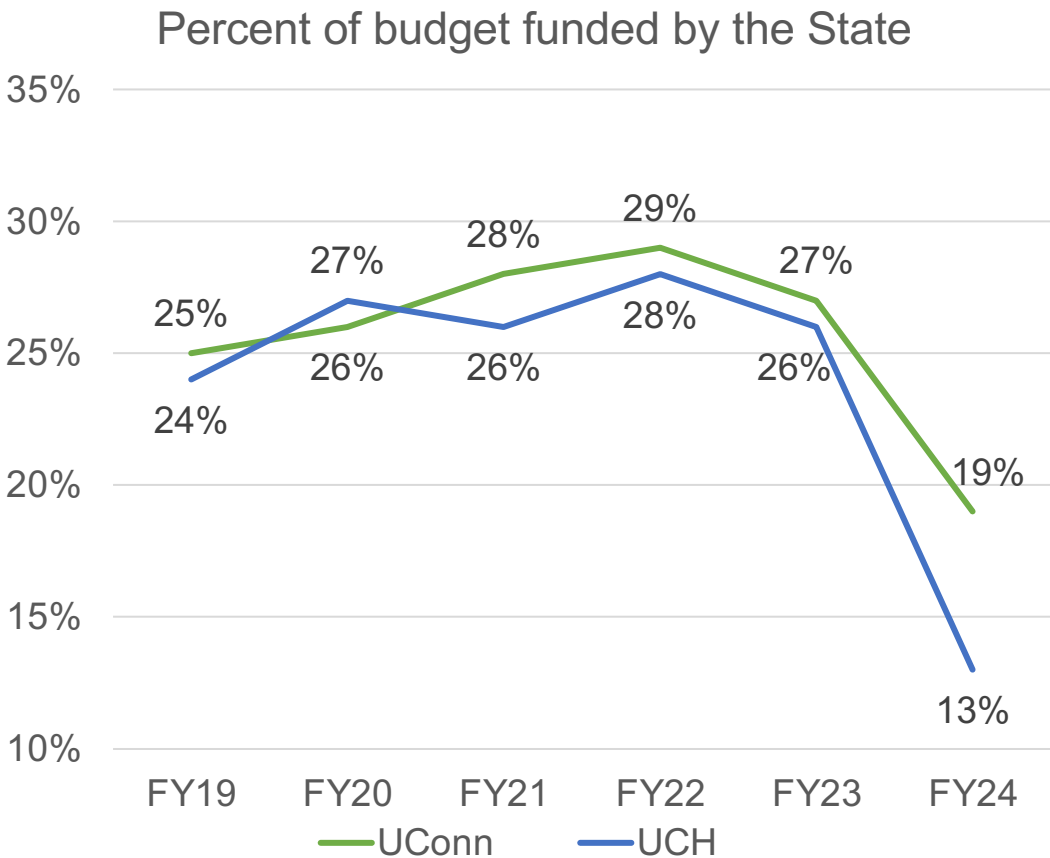
# How Much of UConn's Budget does the State Support?

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

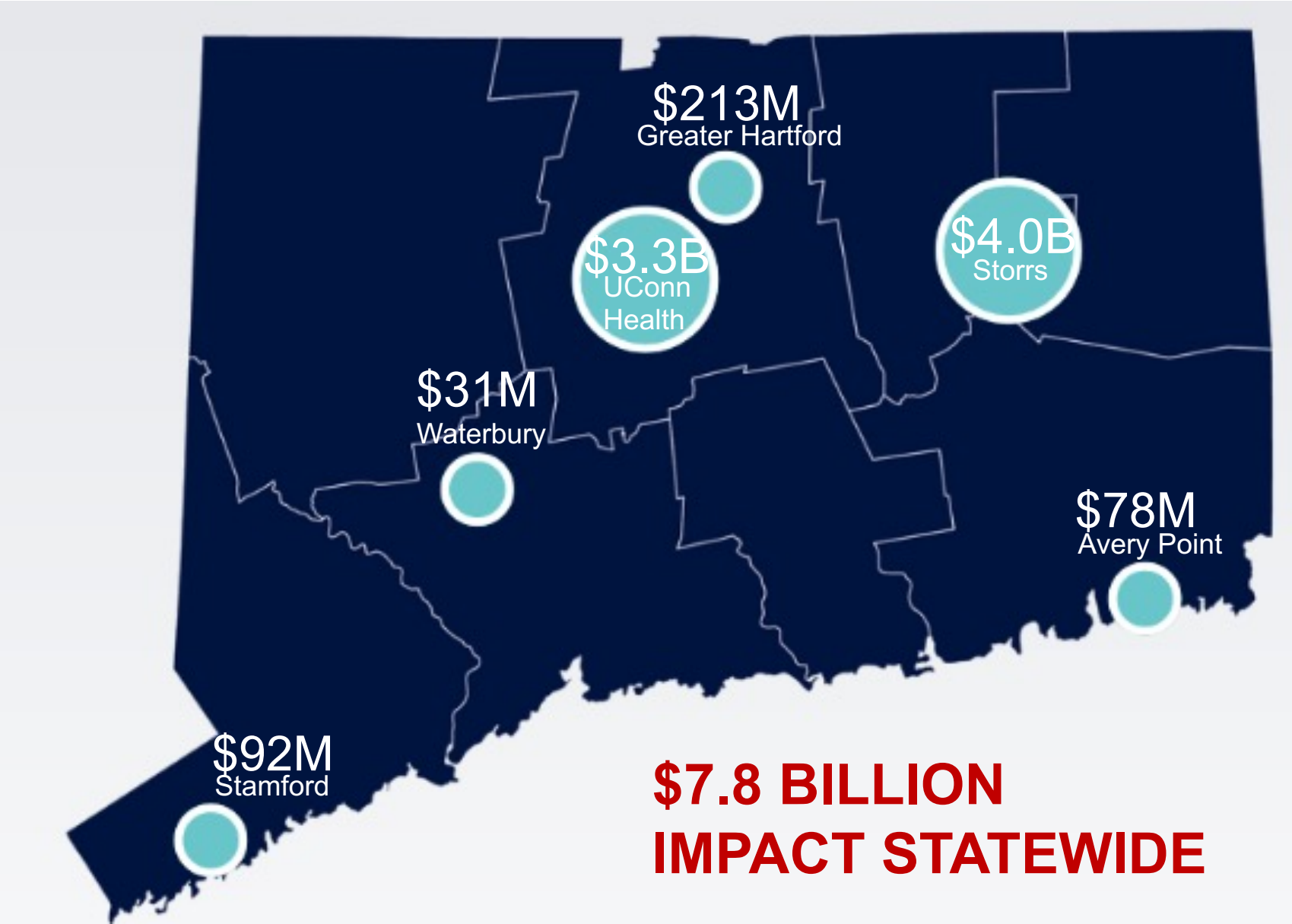
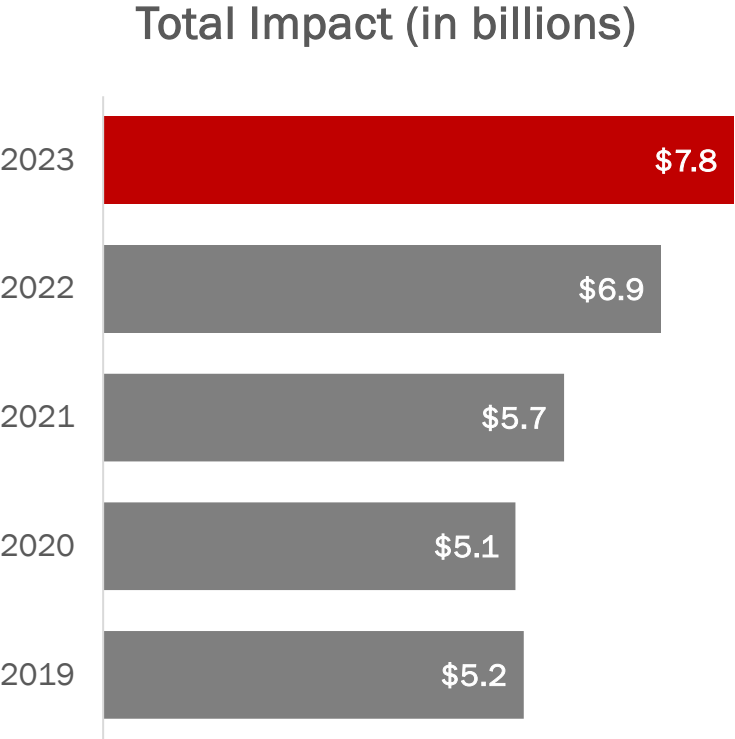




## 2. Connecticut's Return on its Investment in UConn



# UConn's Impact on Connecticut Communities



# UConn has an Outsized Impact on Connecticut's Economy

UConn contributes **\$7.8** billion annually to the State'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

- **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

	Enrollment Fall 2023	Degrees Awarded 2022-2023
<b>Physicians</b> <small>School of Medicine</small>	449	109
<b>Dentists</b> <small>School of Dental Medicine</small>	204	49
<b>Nurses</b> <small>School of Nursing</small>	1,025	372
<b>Engineers</b> <small>School of Engineering</small>	4,624	1,003
<b>Teachers &amp; Educators</b> <small>Neag School of Education</small>	840	560
<b>Social Workers</b> <small>School of Social Work</small>	351	158
<b>Attorneys</b> <small>School of Law</small>	534	231
<b>Pharmacists</b> <small>School of Pharmacy</small>	580	157

*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

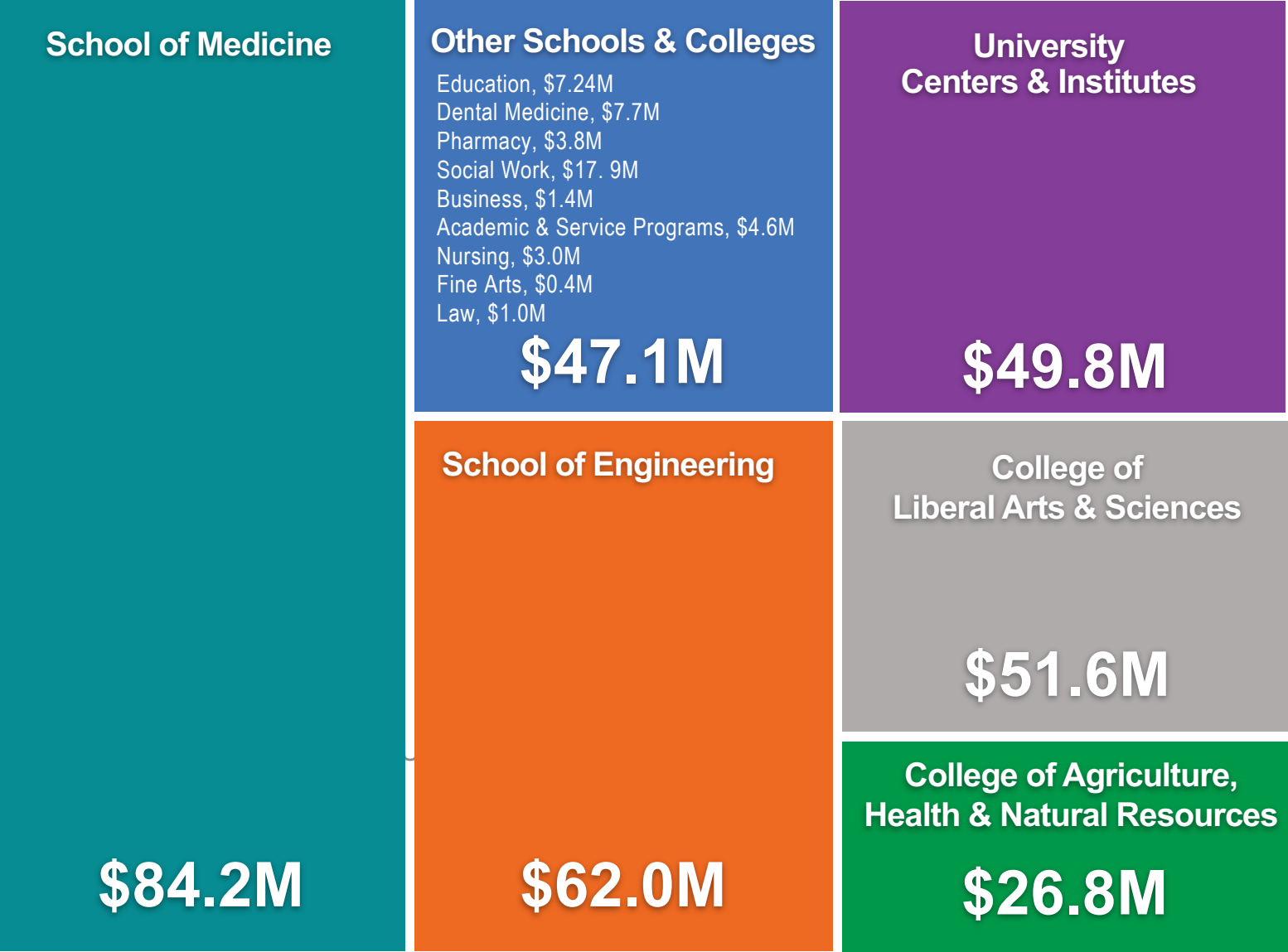


# Research Awards in FY23

By Managing School/College

**\$321.5M**

Total New Awards



# 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

Support IP  
Development

New Venture  
Development

Incubate  
Startups

**UConn TIP:**  
**Technology Incubation Program**

**FY 2023**

**\$146 M**

**Funds Raised by TIP  
Companies**

**381**

**TIP Company  
Employees**

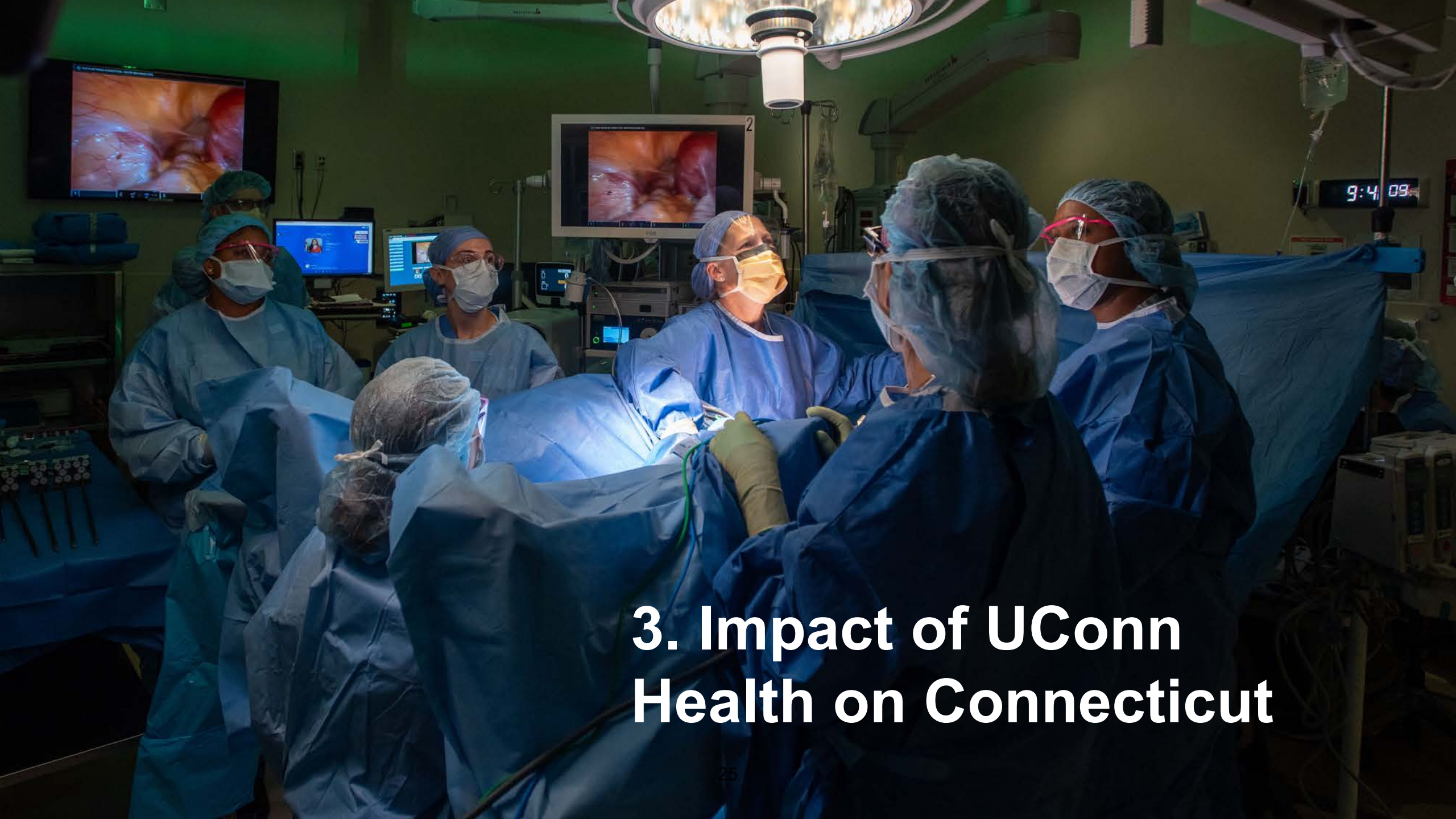
**59**

**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 Tripartite Mission



UConn Health Virtual Tour 2024:  
<https://www.youtube.com/watch?v=hmN215MLPhA&feature=youtu.be>

# UCONN

# 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.

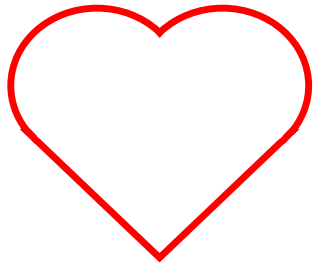


**UConn Health is CT's leading provider of**

- **Specialty services to Medicaid recipients**
- **Dental services to Medicaid recipients and the under- and uninsured**

**UCONN**





# UConn Health Promotes Community Wellbeing



## **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\*

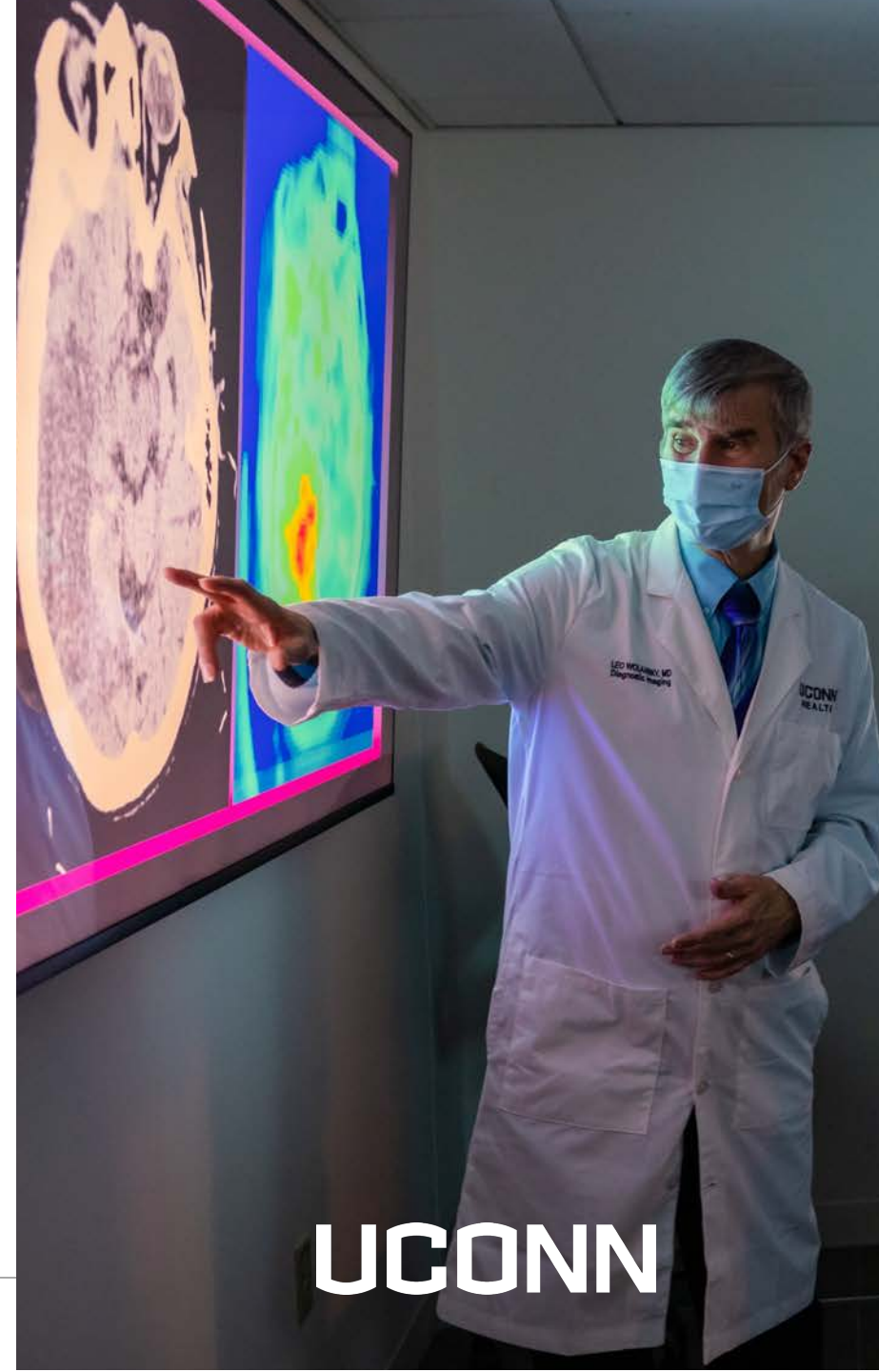
**79,411**

DENTAL CLINIC VISITS AT  
UConn HEALTH SITES\*

**~14,000**

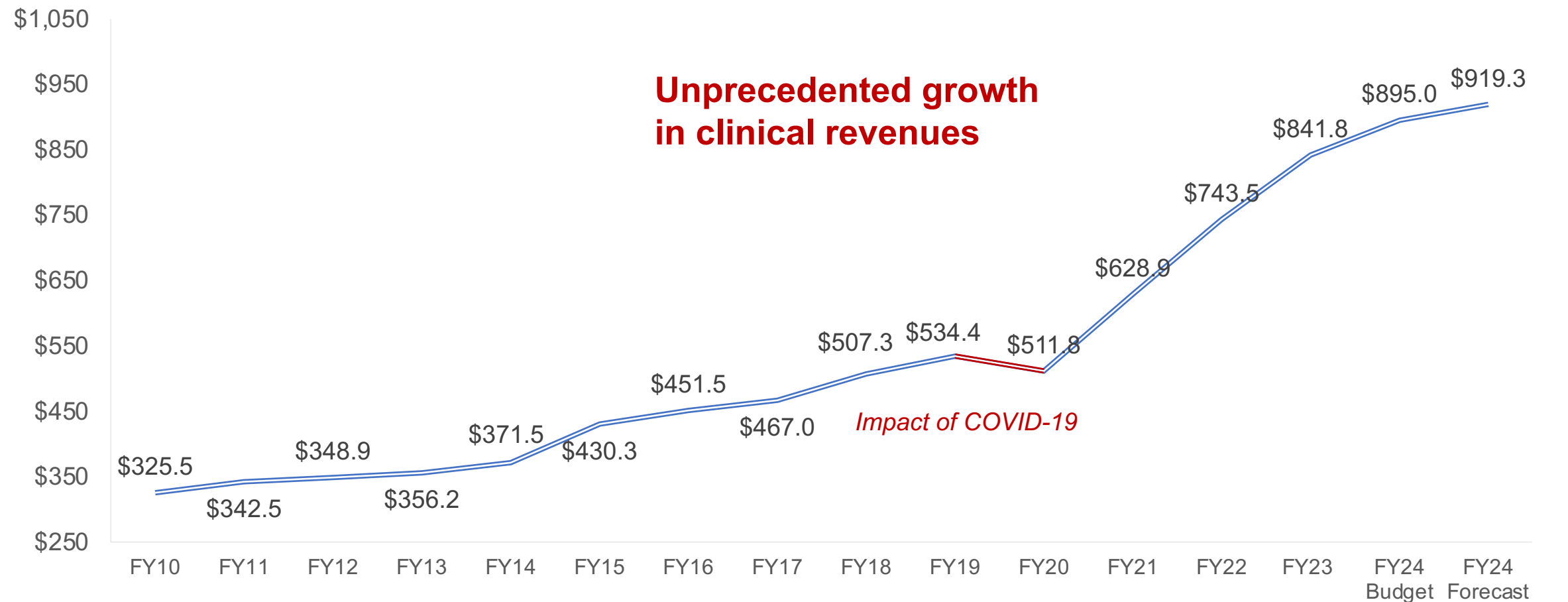
HOSPITAL DISCHARGES

*\*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



# 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 Residency Programs:

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

Hospitals FY22	Federal CMS* Reimbursement
CT Children’s	\$3.5M
Hartford Hospital	\$70.4M
Hospital of Central CT	\$11.1M
UConn J. Dempsey Hosp.	\$40.0M
St. Francis Hospital	\$34.5M
TOTAL	\$159.5M

\*Centers for Medicare and Medicaid Services (CMS)

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
- Putnam
- Rocky Hill
- Storrs
- Suffield
- Torrington
- Uncasville
- Waterbury
- West Hartford
- Willimantic







## 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.



### 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



### IT/ Business Services

**6,000** Open computing jobs in Connecticut

**13,000** Positions, future demand



### Life Sciences

**>5,000** Jobs/ year, next five years

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



### Healthcare

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

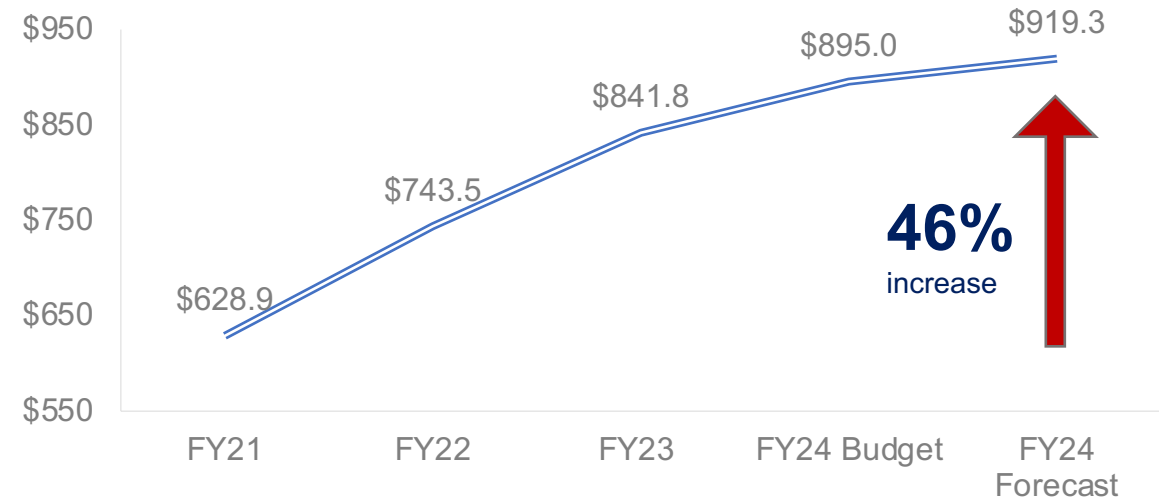
The healthcare sector has **270,000** current jobs, and **80,000** people are employed by large hospitals and healthcare systems

# Increase Access to Patient Care and Grow Clinical Revenues

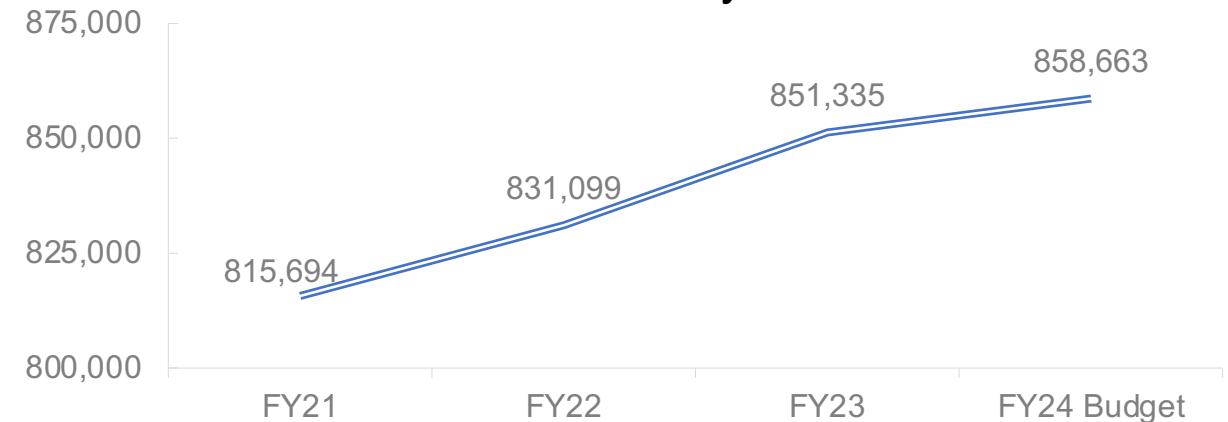
## UConn Health

- 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.

UCH Net Patient Revenue (in millions)



Clinical Encounters By Fiscal Year



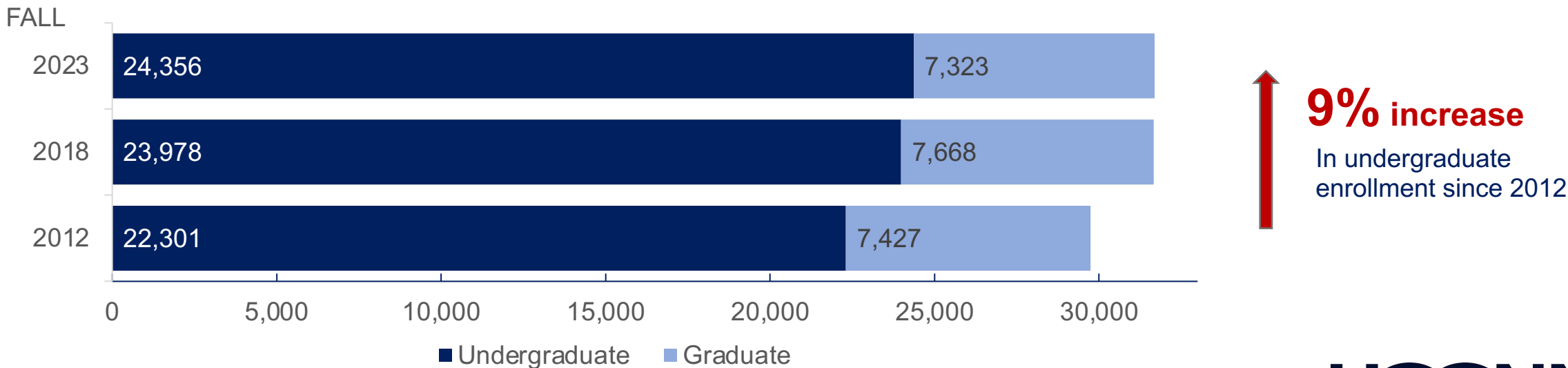
# Enrollment Growth and Management

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

FY24 Student Mix

All Campuses	In-State	%	Out-of-State	%	Total
Undergraduates	17,600	72%	6,756	28%	24,356
All Students	22,693	70%	9,639	30%	32,332

Total Enrollment (excluding UCH)

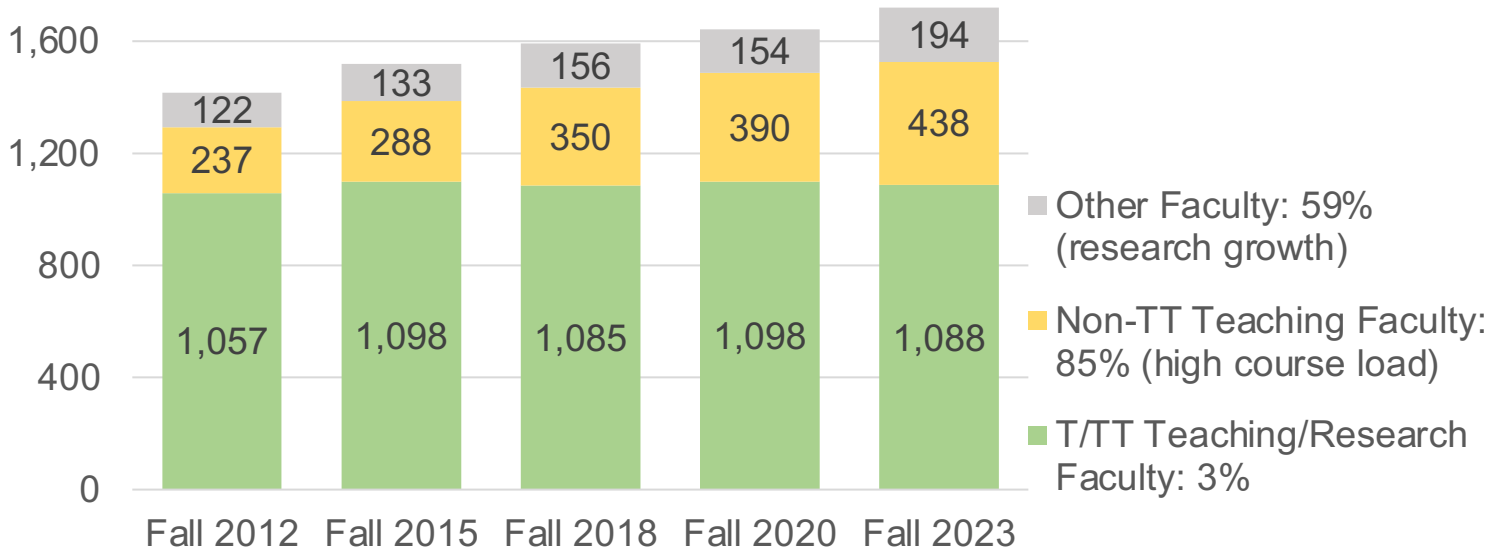




# Increase Efficiency in Delivery of Education

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

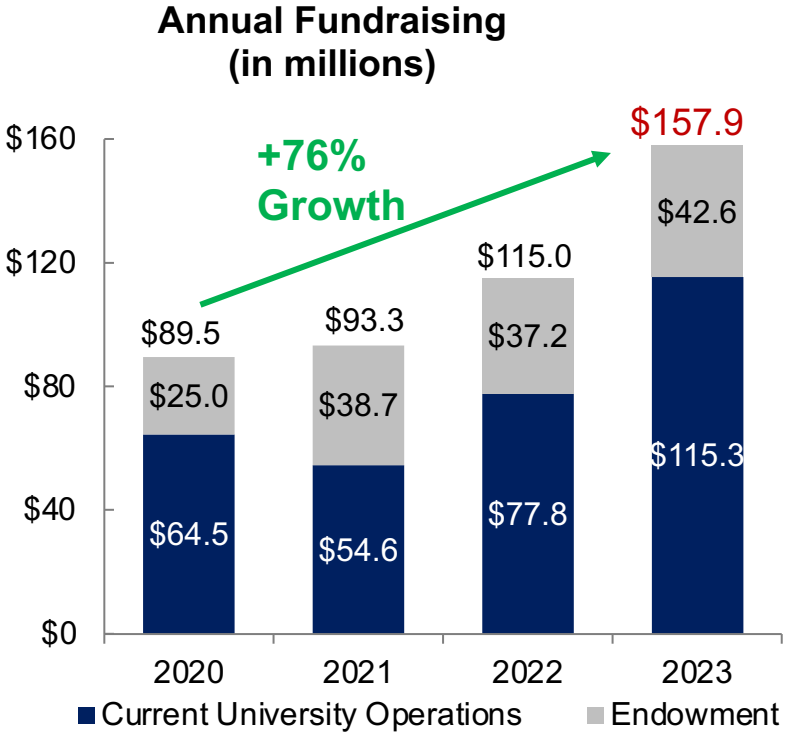
Fiscal Year	Student to Faculty Ratio	Average Class Size
FY21	16	29.3
FY22	15	28.9
FY23	16	31.3

# 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.

UConn Foundation Disbursements to Support the University (in millions)	
FY21	\$33.6
FY22	\$35.9
FY23	\$46.9

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

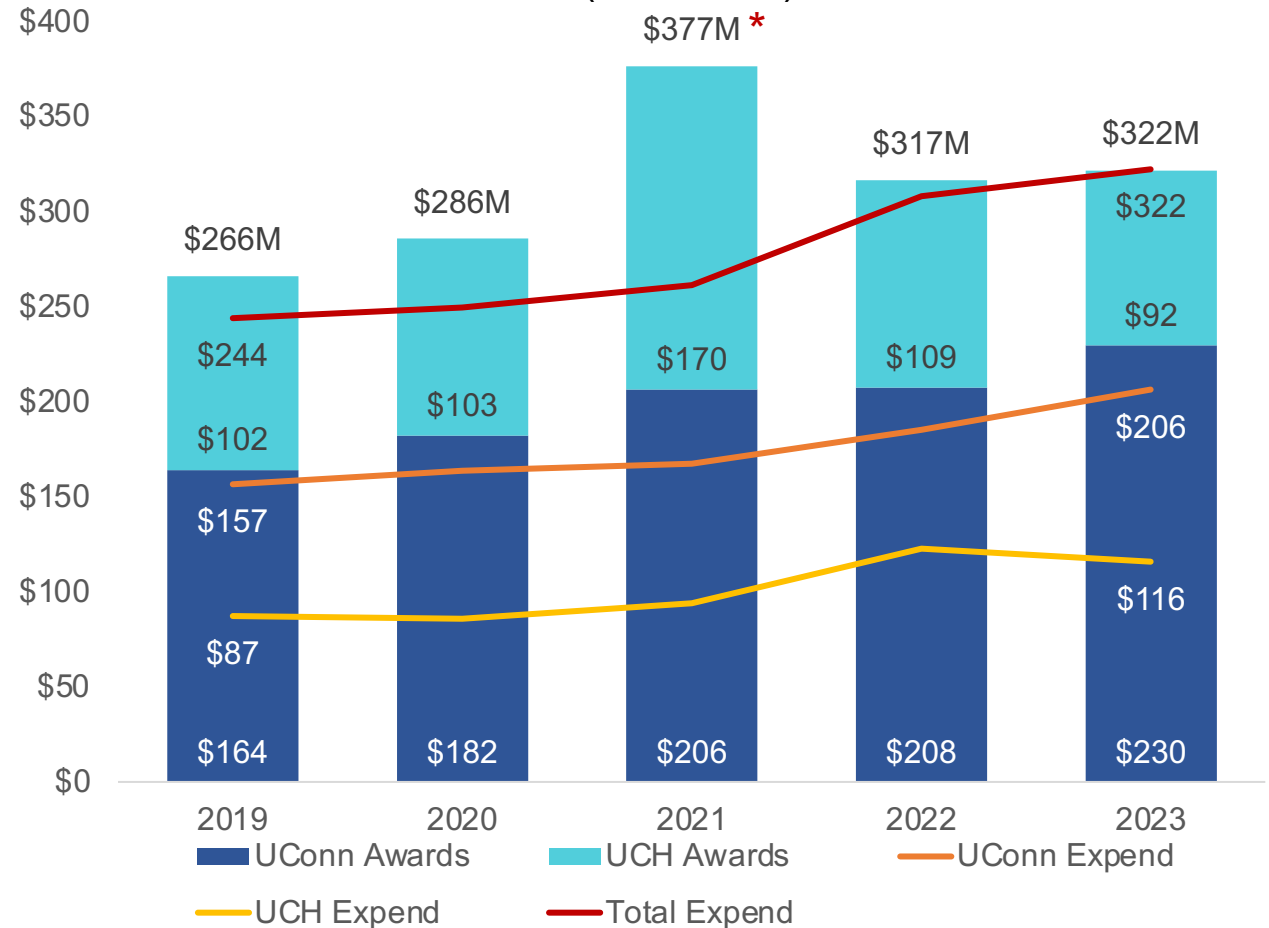
Research awards totaled more than

**\$321.5M**

in FY23 with 1,332 proposals  
submitted (UConn and UConn  
Health) and awards averaging  
\$395K per investigator.

## Research Awards and Expenditures

(in millions)



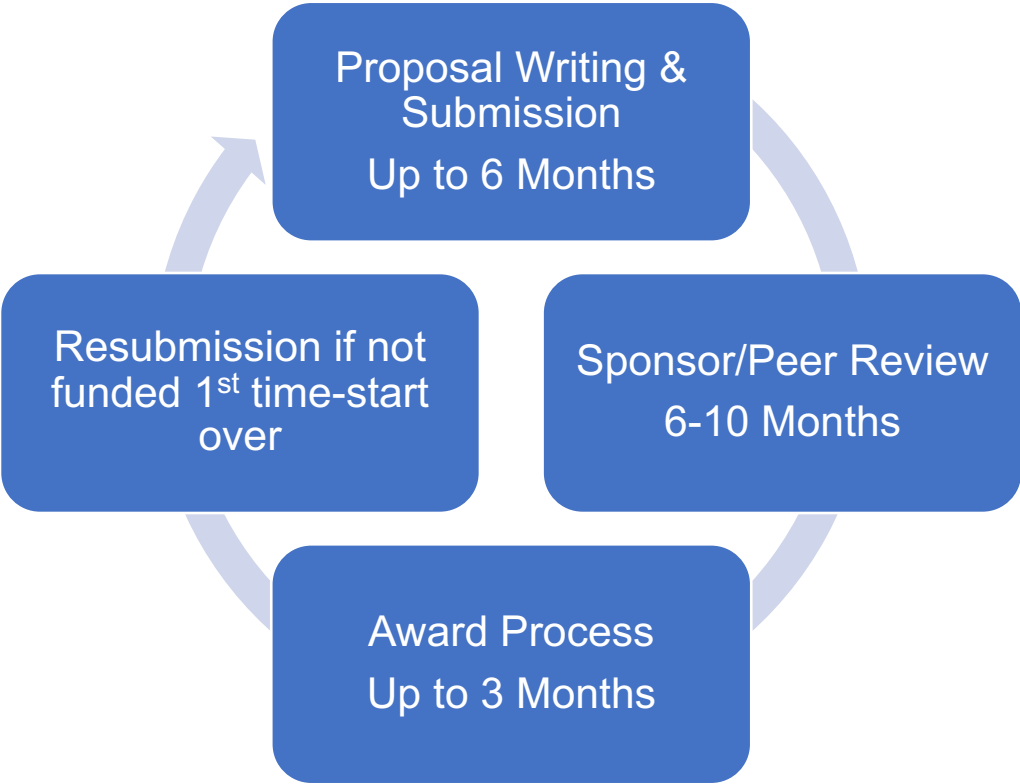
\*In 2021, UConn Health received a \$40M award from NSF, the largest in UConn history

# 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:



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.

Research	Proposals Submitted	Average Proposal \$	Hit Rate	Average Award Size
FY2015	1,489	439,484	25.00%	263,119
FY2017	1,375	441,849	31.46%	271,983
FY2019	1,269	552,818	31.79%	337,807
FY2021	1,353	578,415	37.50%	381,008
FY2023	1,332	713,578	35.91%	394,520
FY2024	1,350	703,704	34.35%	452,432
FY2025	1,358	721,356	38.00%	426,240
FY2026	1,391	752,462	40.00%	440,928



# Continue Revenue Growth & Cost Savings Initiatives

UConn has implemented Financial Improvement Plans to help mitigate operating budget deficits.

Savings since FY18:

**\$129.4M**

UConn

**\$143.3M**

UConn Health

Cost-cutting efforts have included:

- attrition/ vacancy elimination
- contract improvements
- operating efficiencies

Savings (\$M)	UConn	UCH
FY18	\$23.6	\$12.3
FY19	9.3	25.1
FY20	24.4	7.0
FY21	28.3	48.8
FY22	13.4	23.0
FY23	14.5	5.0
FY24 Target	\$16.1	\$22.1
Total Savings	<b>\$129.4</b>	<b>\$143.3</b>

# **5. 2024 LEGISLATIVE SESSION**

## **PRIORITIES**

**UConn**



# FY25 Operating Budget State Request Summary

Block Grant FY25 Request	
UConn	\$47.3M
UConn Health	\$16.9M
Total	\$64.2M

FY25 Wage Reopener Request	TBD
-------------------------------	-----

- 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.*



# FY25 Operating Budget: Additional State Funds Requested

## State Support (\$M)

	UConn			UConn Health		
	Approved		Governor Proposed	Approved		Governor Proposed
	FY24	FY25	FY25	FY24	FY25	FY25
Block Grant	\$216.2	\$219.6	\$219.6	\$111.6	\$114.1	\$114.1
One-Time Support for Permanent Salary Increases & Fringe	82.2	31.1	31.1	86.5	43.2	43.2
JDH Fringe Benefit Differential (PA 23-205)				4.5	4.3	-
<b>Total</b>	<b>\$298.4</b>	<b>\$250.7</b>	<b>\$250.7</b>	<b>\$202.6</b>	<b>\$161.6</b>	<b>\$157.3</b>

- 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.

## Additional State Funds Requested (\$M)

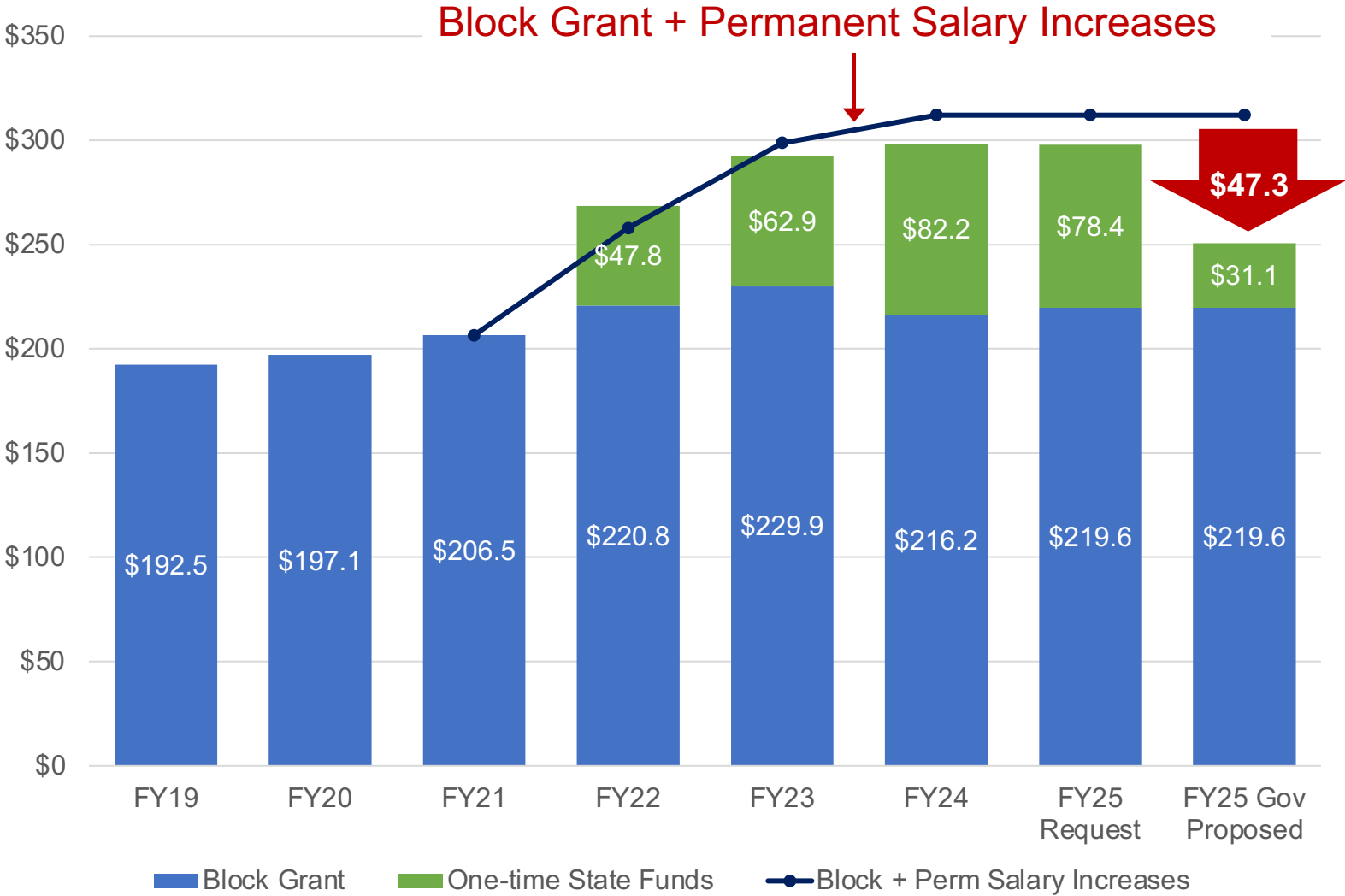
	UConn			UConn Health		
Orig. Add'l Perm Block Grant Request (Oct '23)		47.3			46.0	
Additional Permanent Block Grant Request (Jan '24)		47.3	47.3		12.6	12.6
JDH Fringe Benefit Differential						4.3
FY25 Wage Reopener		TBD			TBD	
<b>Additional Request Subtotal</b>			<b>47.3</b>			<b>16.9</b>
<b>Total Revised Block Grant</b>		<b>\$298.0</b>	<b>\$298.0</b>		<b>\$174.2</b>	<b>\$174.2</b>

**\$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:

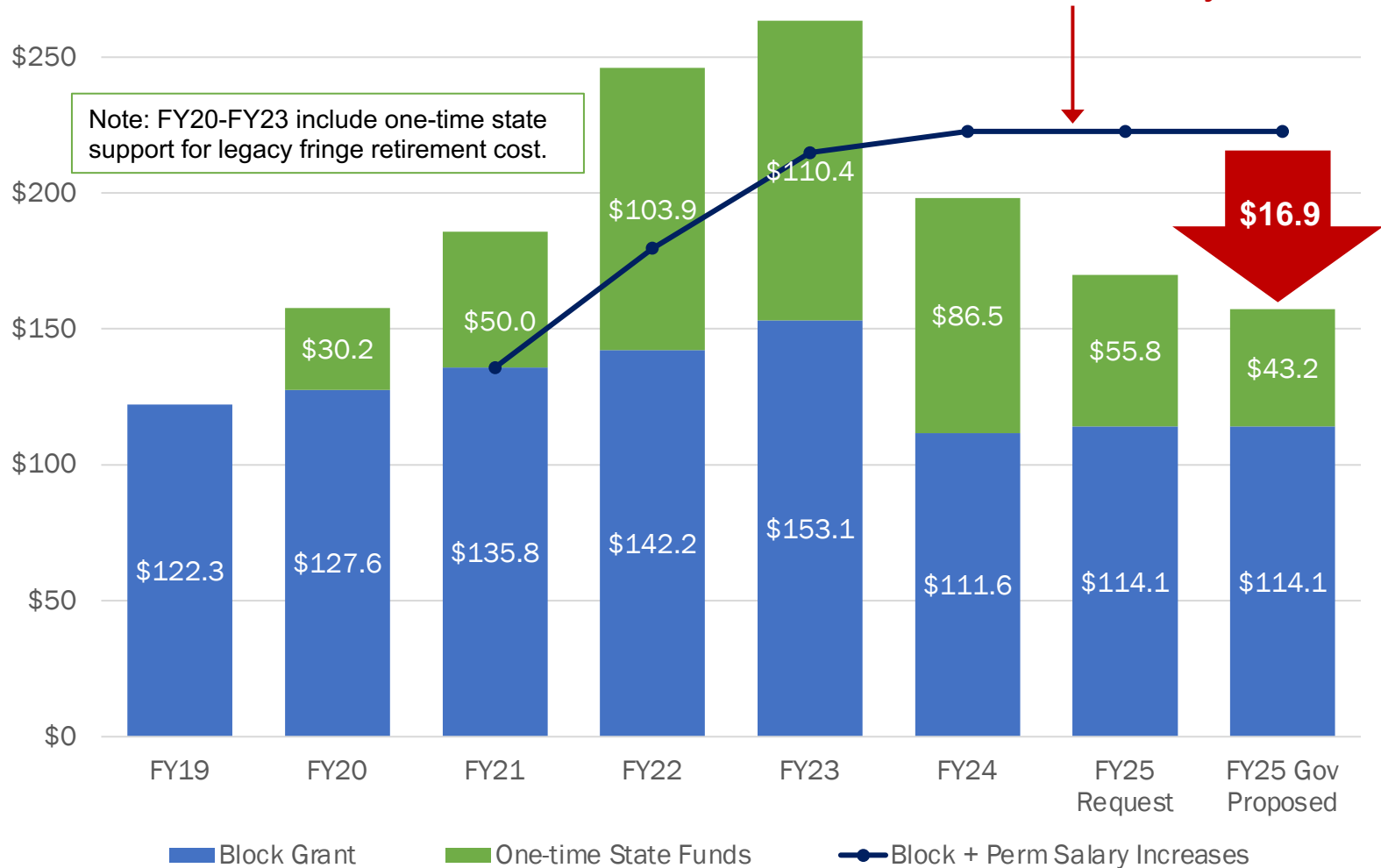
- 19%** Of UConn's total budget
- 31%** Of UConn employee salaries

- 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

Block Grant + Permanent Salary Increases



State support is only used for salaries and covers:

**13%** Of UConn Health's total budget

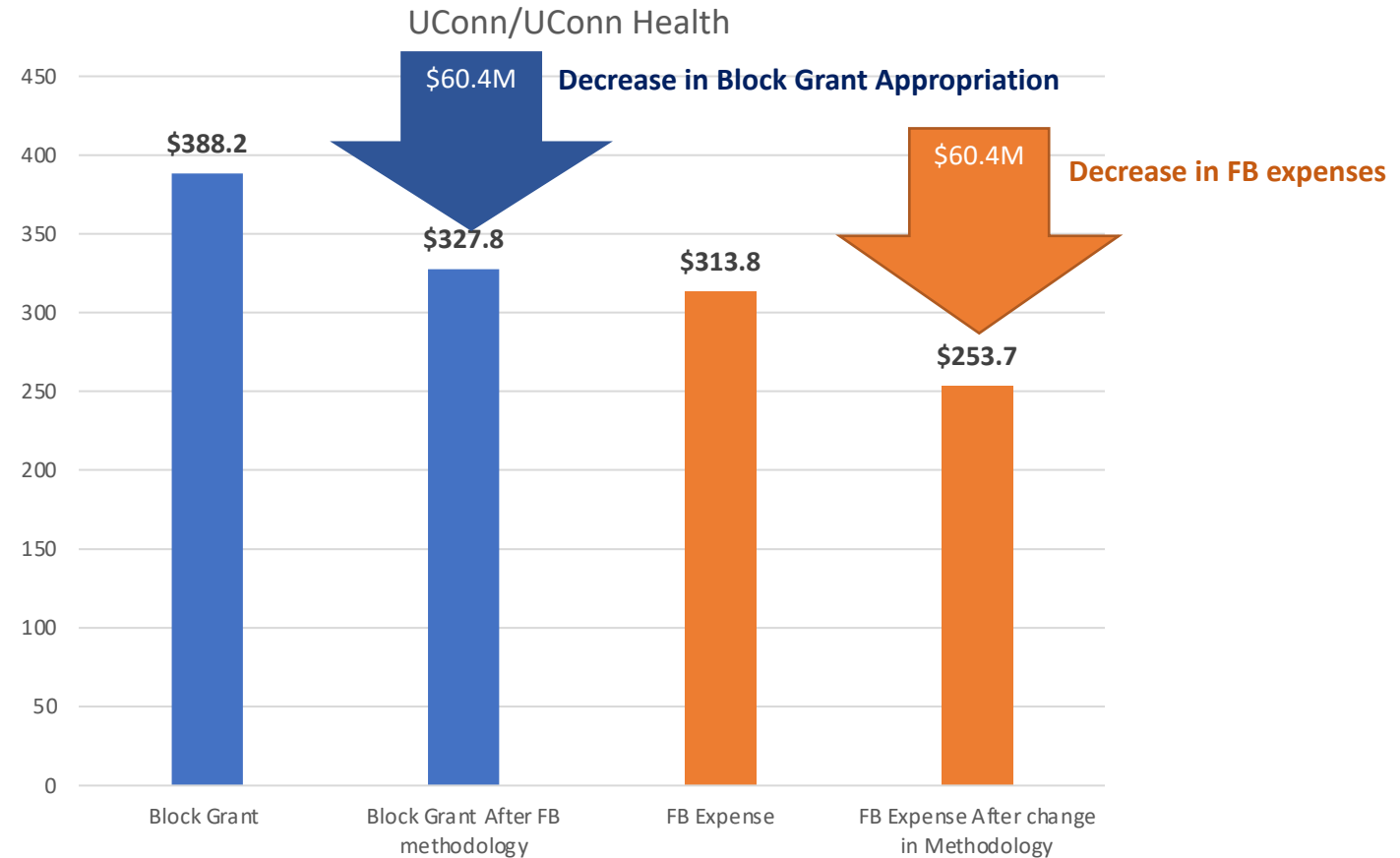
**19%** Of UConn Health employee salaries

- 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*

# 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.





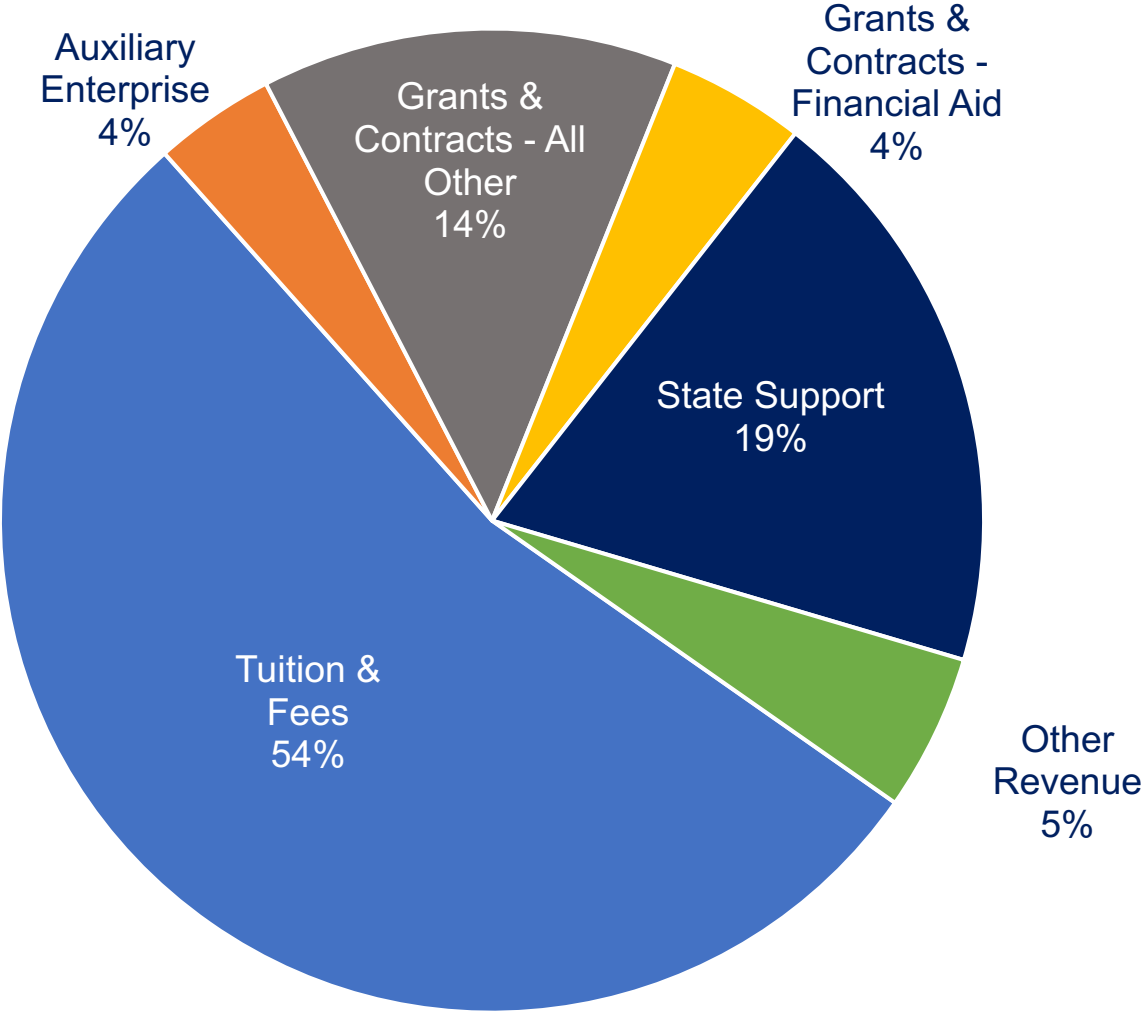
**THANK YOU**





# APPENDIX

# UConn FY24 Revenues



UConn		
Total State Support	\$ 298.4	19%
Tuition & Fees	843.3	54%
Grants & Contracts - Financial Aid	70.9	5%
Grants & Contracts - All Other	214.6	14%
Auxiliary Enterprise	62.7	4%
Other Revenue	80.9	5%
Total Current Fund Revenues	\$ 1,570.7	

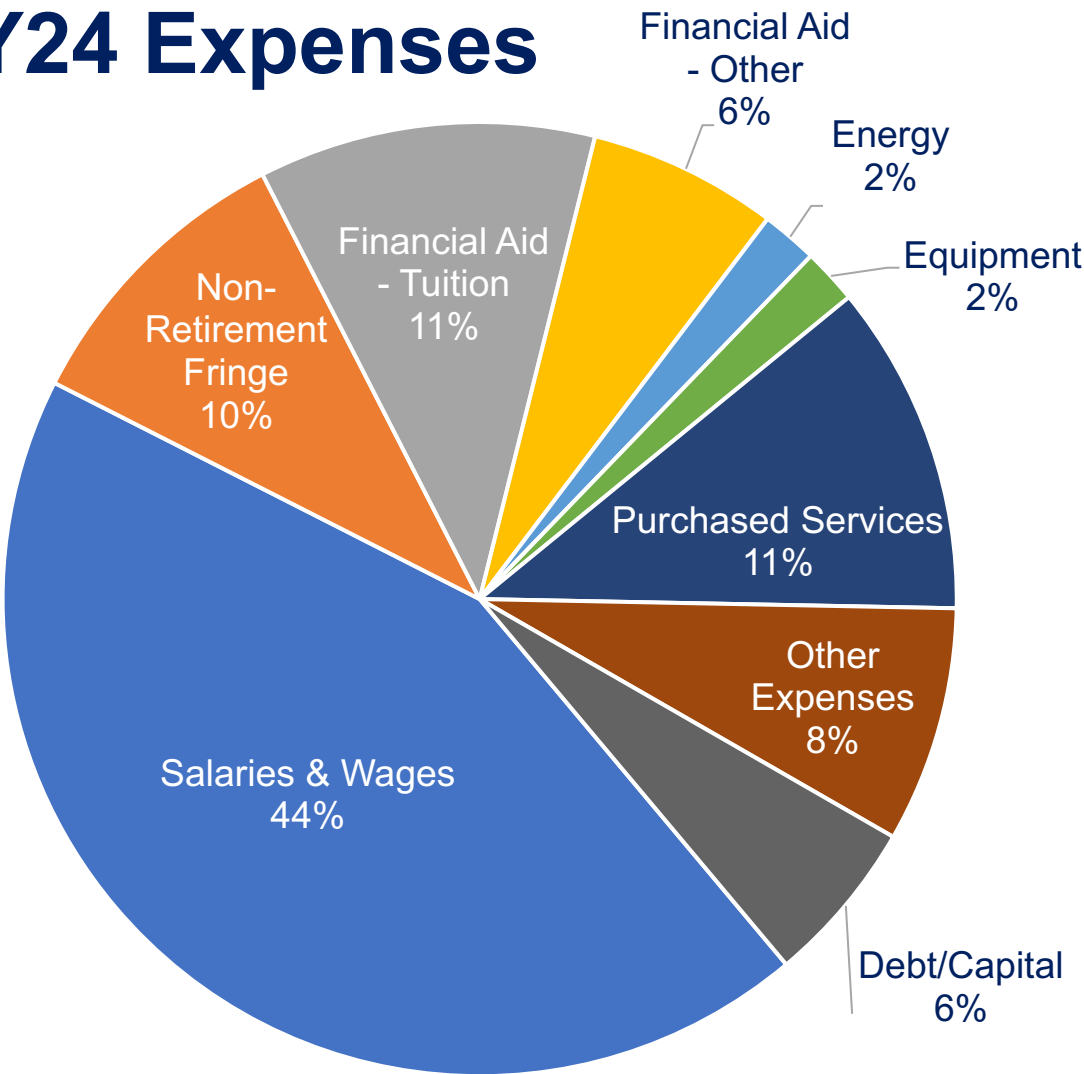
**19%** Of total budget is funded by State support

**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

# UConn

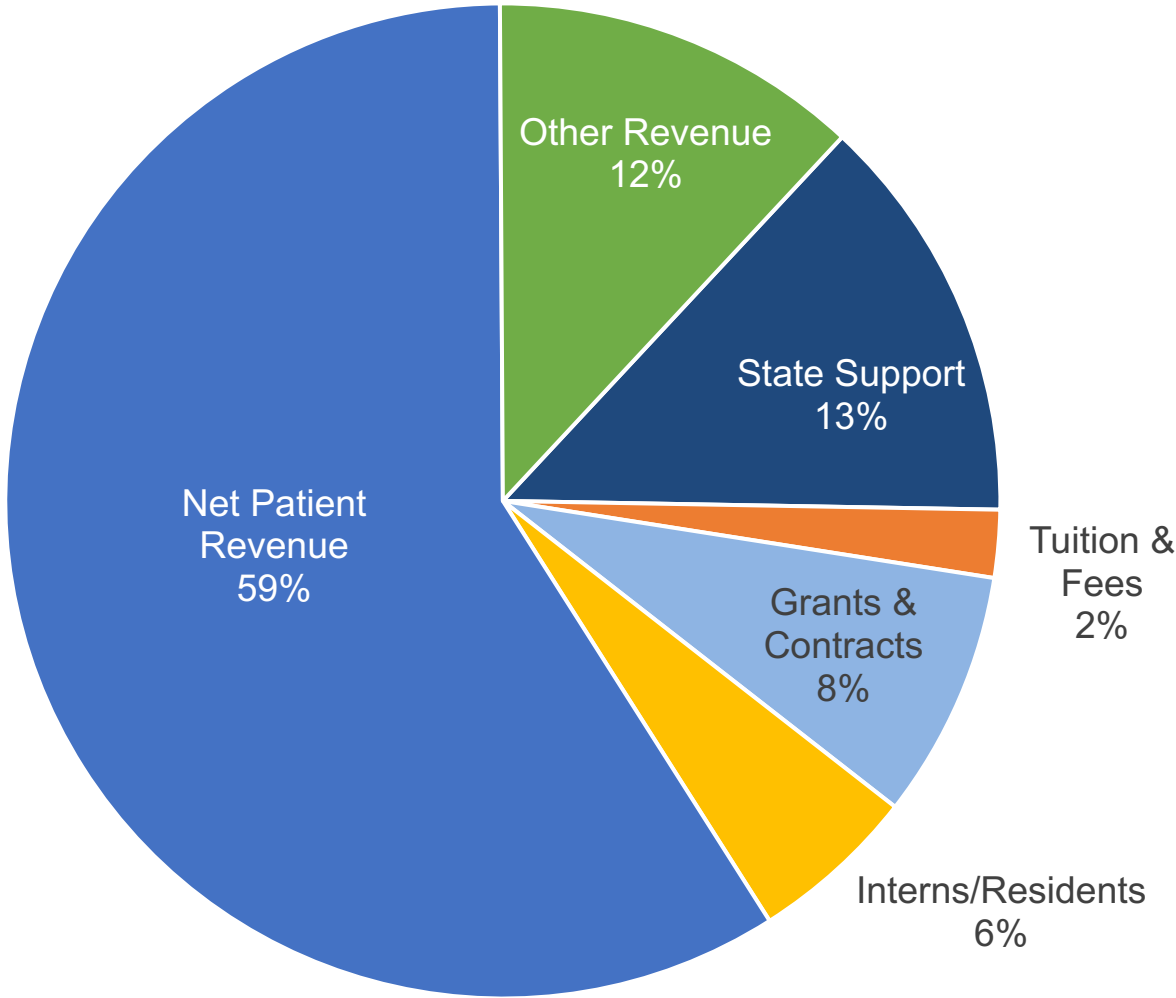
## FY24 Expenses



UConn		
Salaries & Wages	\$ 691.8	44%
Fringe Benefits	158.5	10%
Financial Aid - Tuition	181.2	11%
Financial Aid - Other	101.9	6%
Energy	30.2	2%
Equipment	29.7	2%
Purchased Services	178.0	11%
Other Expenses	126.9	8%
Debt/Capital	88.6	6%
Total Current Fund Expenses		\$ 1,586.8

**54%** Of total expense is allocated to personnel costs. Student financial aid commitment is strong with an 8% increase in tuition funded aid.

# UConn Health FY24 Revenues



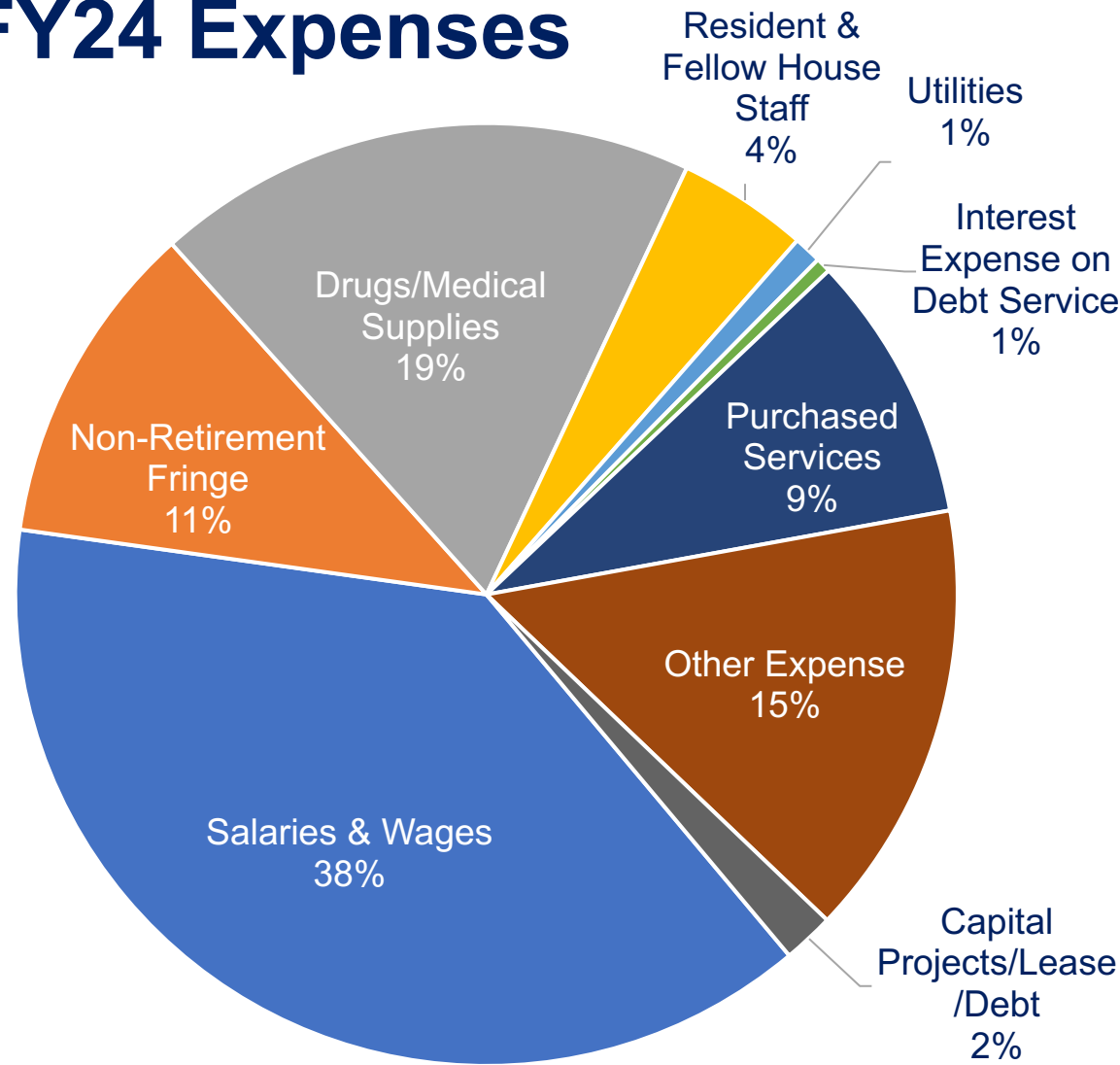
UConn Health		
Total State Support	\$ 202.6	13%
Tuition & Fees	33.4	2%
Grants & Contracts	122.5	8%
Interns/Residents	82.8	5%
Net patient Revenue	895.0	59%
Other Revenue	182.9	12%
Total Current Fund Revenues	\$ 1,519.2	

- 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



UConn Health		
Salaries & Wages	\$ 590.5	38%
Fringe Benefits	171.9	11%
Drugs/Medical Supplies	287.2	19%
Resident & Fellow House Staff	69.0	4%
Utilities	14.7	1%
Interest Expense on Debt Service	8.0	1%
Other Expenses	372.9	24%
Capital Projects/Lease/Debt	27.0	2%
Total Current Fund Expenses	\$ 1,541.2	

**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

Value of Salary % Increase for ALL Employees (\$M)						
	1%	2%	3%	4%	4.5%	5%
UConn Block	2.4	4.8	7.2	9.6	10.8	12.0
UConn Non-Block	3.5	6.9	10.4	13.9	15.6	17.4
<b>Total UConn</b>	<b>\$5.9</b>	<b>\$11.7</b>	<b>\$17.6</b>	<b>\$23.5</b>	<b>\$26.4</b>	<b>\$29.4</b>
UCH Block	1.2	2.4	3.6	4.9	5.5	6.1
UCH Non-Block	5.2	10.4	15.6	20.7	23.4	26.0
<b>Total UCH</b>	<b>\$6.4</b>	<b>\$12.8</b>	<b>\$19.2</b>	<b>\$25.6</b>	<b>\$28.9</b>	<b>\$32.1</b>
<b>Total</b>	<b>\$12.3</b>	<b>\$24.5</b>	<b>\$36.8</b>	<b>\$49.1</b>	<b>\$55.3</b>	<b>\$61.5</b>

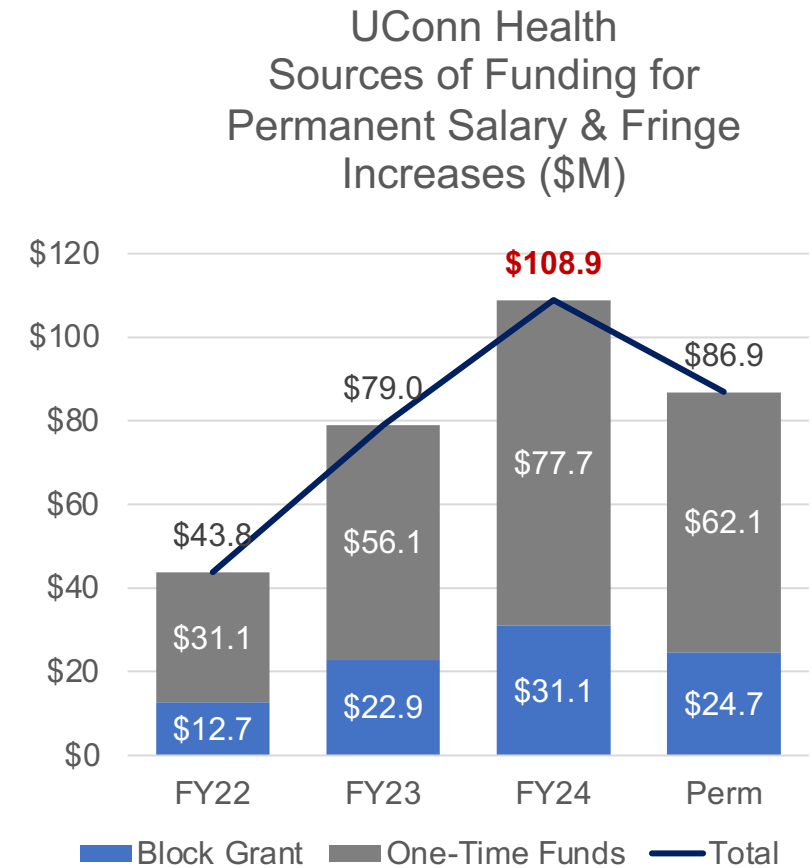
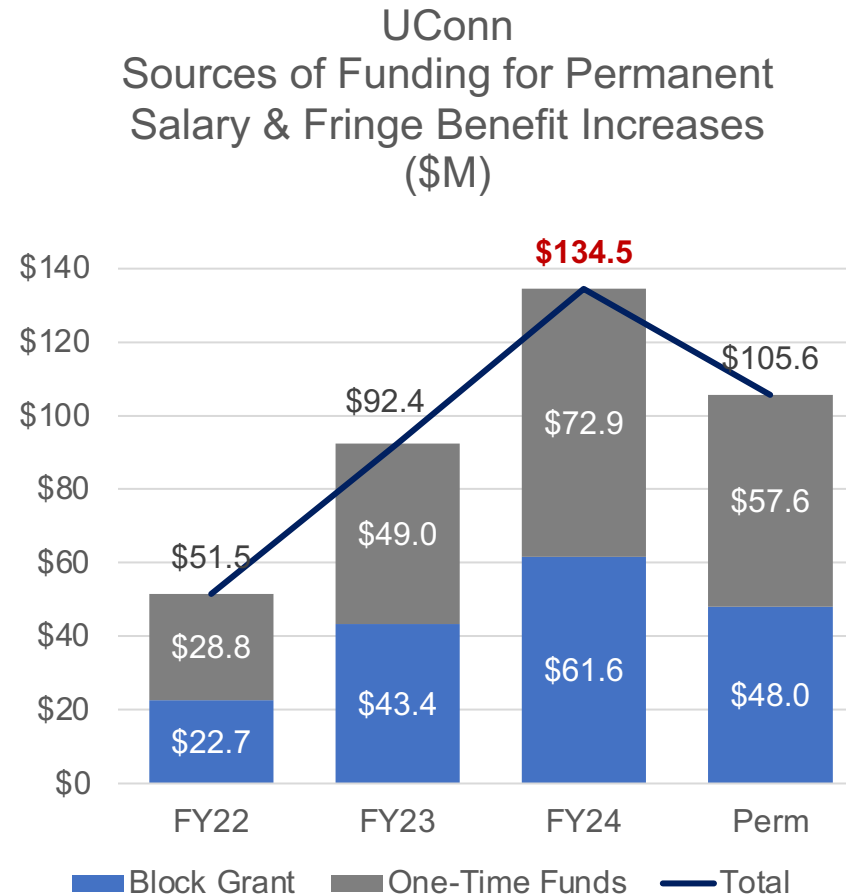
# FY22-FY24 Cost of Salary and Fringe

## Increases: **\$243.3M** (UConn \$134.5M & UConn Health \$108.9M)

**only 26%**

Of employee salaries are funded by State support  
31% UConn 19% UCH

- 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.**



# 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.

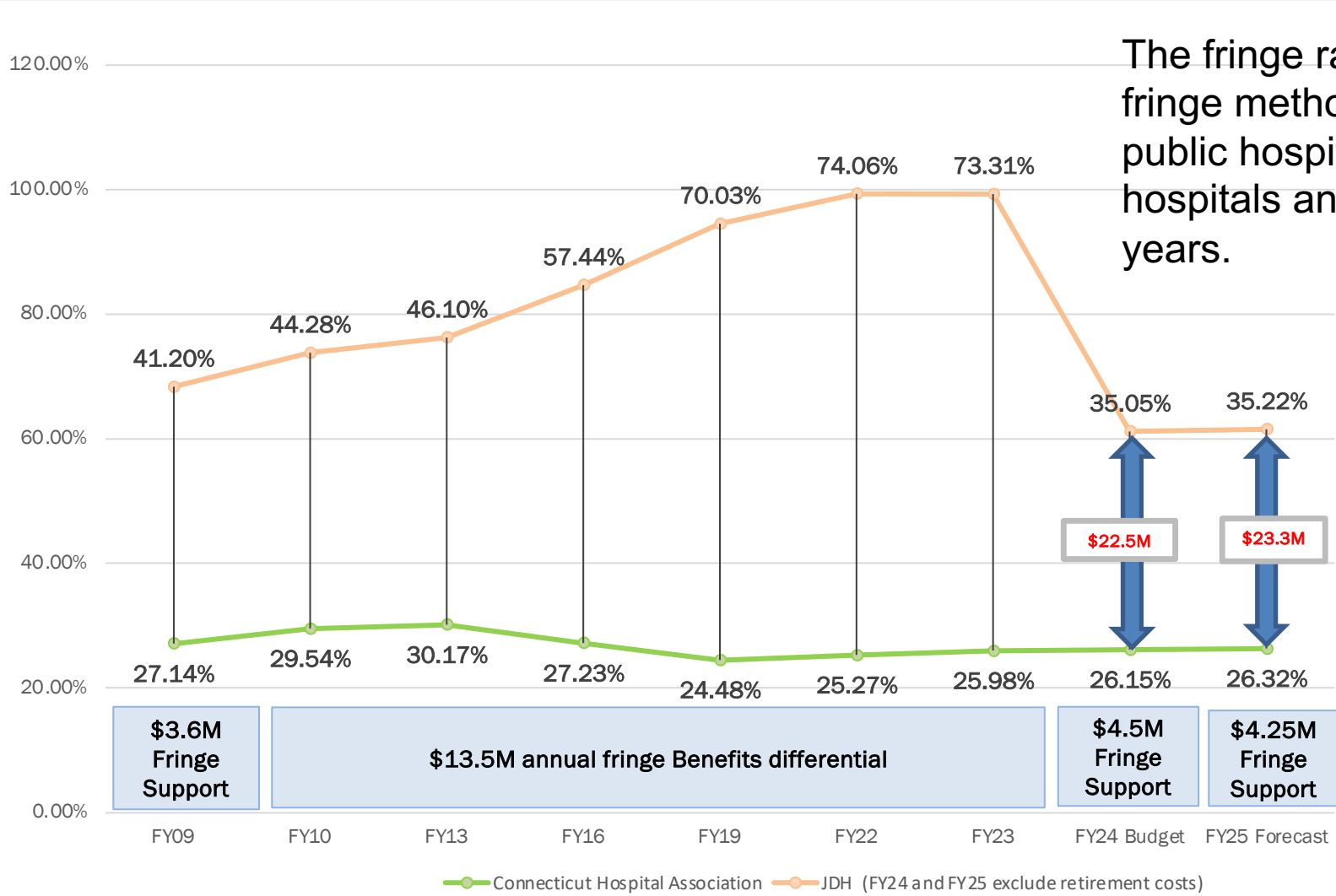
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*\*Restore CGS 3-123i. Funding for fringe benefit cost differential re The University of Connecticut Health Center employees. For the fiscal year ending ~~June 30, 2014~~, **June 30, 2024** and for each fiscal year thereafter, the Comptroller shall 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.*



# UConn Health - JDH Fringe Benefit Differential

## REQUEST for RESTORATION of CGS 3-123i



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.